HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF
BOARD OF DIRECTORS MEETING
1002 North School Street, Building A
Honolulu, Hawaii 96817
Thursday, June 19, 2025
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=NHIyWkVKYkw1Y3puRlFOZzFmYTNXUT09
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. Written testimony should indicate the relevant agenda item. 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 and shall only accept oral testimony related to items on the agenda.

Individuals may submit oral testimony during the meeting by sending an email request to rochelle.k.kepaa@hawaii.gov no later than Tuesday, June 17, 2025, or by using the "Raise Hand" feature in Zoom, or by simply announcing/identifying themselves when the item they want to testify about during the public testimony portion of the meeting is opened. 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. APPROVAL OF MINUTES

Regular Meeting Minutes, May 29, 2025

III. DISCUSSION AND/OR DECISION MAKING

A. To: **(1)** Approve the Hawaii Public Housing Authority's (HPHA) Capital Fund Program 5-Year Action Plan for Fiscal Years 2024–2028; **(2)** Authorize the Executive Director to Amend the Plan and Authorize the Executive Director to Take the Required Actions to Submit the Approved

Plan to the U.S. Department of Housing and Urban Development (HUD); and **(3)** Authorize the Executive Director to Substitute Work Items Between Any of the Years Within the Approved Capital Fund 5-Year Action Plan in the Best Interests of the HPHA

B. To: **(1)** Concur with the Hawaii Public Housing Authority's ("HPHA") Section 18 Submission Documents Submitted to the United States Department of Housing and Urban Development ("HUD") on May 30, 2025, for Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment Phase 1 ("Kuhio Park Low Rises Phase 1") located at 1449 Linapuni Street, Honolulu, Hawaii 96819 (TMK Nos. 1-3-039-008 and 1-3-039-006); **(2)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Such Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Development Instruments, on such Terms and Conditions as are Consistent set Forth Herein and Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA.; and **(3)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rises Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA

C. To: **(1)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Kuhio Park Low Rise Redevelopment and any Development Instruments, on such Terms and Conditions as Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA; **(2)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rise Homes Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA; and **(3)** Require the Executive Director to Provide Reports to the Board of Directors Regarding Execution of Documents Executed Under the Aforementioned Delegation

D. To: **(1)** Approve Property Specific Utility Allowance Rates Provided by National Facility Consultants, Inc. for the Fiscal Year July 1, 2025 to June 30, 2026, for the Federal Low-Income Public Housing Program; and **(2)** Authorize the Executive Director to Take All Actions Necessary, Including Accepting Resident Comments, to Implement the Utility Allowance Rates Effective July 1, 2025

E. To Adopt the Hawaii Public Housing Authority's Administrative Memorandum, Communication No.1 Policy on Communication, Amended June 19, 2025

IV. REPORTS

A. Executive Director's Report:

Monthly reports are included in the Board packet. Meeting updates will include the following:

- Ka Lei Momi Redevelopment Project's Status of Agreements and Development Progress

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 attorneys 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 II, a written description and narrative discussion of each item and supporting documents listed under item III, and the monthly Executive Director's report 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. Kanoe 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, June 17, 2025, 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, MAY 29, 2025
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, May 29, 2025. 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 9:09 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
	Designee Joseph H. Campos, II
	Director Scott Glenn
	Director Lisa Anne Darcy
	Director Todd Taniguchi
	Deputy Attorney General Linda Chow
	Deputy Attorney General Chase Suzumoto
EXCUSED:	Director Susan Kunz, Secretary
	Director Roy Katsuda
	Director Christyl Nagao
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

Benjamin Park, Chief Planner
Nicolas Ayabe, Housing Planner
Jennifer Weber, Section 8 Subsidy Program Branch Chief
Shirley Befitel, Human Resources & Safety Officer
Andrew Tang, Housing Development Specialist
Brian Davidson, Housing Development Specialist
Nelson Lee, Systems Analyst Supervisor
Dallis Ontiveros, Housing Information Officer
Angela Nabua, Secretary
Kanoe Kepaa, Secretary

OTHERS PRESENT (via Zoom/teleconference):
Jesse Wu, US Department of Housing and Urban Development
Chico Figueiredo, Office of the Governor
Tami Whitney, Office of the Governor
Lindsay Apperson, Office of the Governor
Michele Kurihara-Klein, Office of Lt. Governor
Ryan Kagimoto, Hawaii Housing Committee on Finance
Evangeline Chapman, Senator Chang's office
Garret Yoshimi, University of Hawaii
Mohannad Mohanna, Highridge Costa
Caitlin Barrow, Highridge Costa
Chris Deuchar, Form Partners LLC
Scott Jepsen, EJP Consulting Group
Laurie Thorson, Section 8 Participant
Lenda Tominiko, Kuhio Park Terrace Low-Rise Resident
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Approval of Minutes

Director Campos moved,

To Approve the Regular Meeting Minutes of April 17, 2025

Chairperson Hall stated that the Board would accept public testimony on this item.

Laurie Thorson, Section 8 Participant asked for confirmation that the Board of Directors received her two (2) sets of written testimony (Attached). She also stated that she requested the contact information for all Board members and was denied. Ms. Thorson continued discussing her allegations against HPHA.

Chairperson Hall stated that he is aware of the formal litigation between Laurie Thorson and HPHA. For that reason, the Board will not discuss litigation matters in a public

forum without guidance from the Attorney Generals (AGs). Chairperson Hall asked the AGs for an update on the litigation case.

Deputy Attorney General Chase Suzumoto cautioned the Board members about any response to Ms. Thorson considering the active litigation. He informed the Board of the motion for summary judgment pending before the U.S. Federal District Court of Hawaii in which the AGs are asking the court to rule in HPHA's favor on all claims being asserted by Ms. Thorson in her lawsuit.

Deputy Attorney General Chase Suzumoto stated that although the claims for fraud and bribery alleged by Ms. Thorson are not part of this lawsuit, it is because the court has three times rejected Ms. Thorson's attempt to make these claims part of the lawsuit. He also wanted to correct the record by stating that Board Member Joseph Campos has never been an employee of HPHA. Deputy Attorney General Suzumoto ended by saying, by not refuting Ms. Thorson's other allegations is not an acknowledgement of any kind that her other statements are truthful in any way.

The minutes were approved as presented.

Discussion and Decision Making

For Information:

Presentation by Jesse Wu, Director of the Office of Public Housing (Honolulu Field Office), U.S. Department of Housing and Urban Development on the Section 8 Voucher Program

Chairperson Hall stated that the Board would accept public testimony after the presentation.

Executive Director Ouansafi introduced Mr. Jesse Wu, HUD's Director of the Office of Public Housing (Honolulu Field Office).

Mr. Wu's presentation provided an overview of the Housing Choice Voucher Program. The presentation provided a high-level understanding of how the program works, how it is managed, the funding, how project-based vouchers are used, the program utilization metrics, and additional resources.

Mr. Wu stated that under the leadership of Secretary Turner and the Trump administration, HUD is focused on making housing more accessible and fostering public-private partnerships and reducing regulatory barriers that hinder development. The priorities are to streamline programs, enhance efficiency, reduce regulatory barriers that drive up housing costs and hinder development, address homelessness, address housing affordability to combat the housing crisis, and restoring and supporting families to empower them in long-term prosperity and achieve self-sufficiency.

Housing Choice Voucher Overview

- **Rent/Housing Subsidy:**
  - Housing assistance payment (HAP) made to landlord. Family pays the difference between the actual rent and the amount subsidized by the program.
- **Voucher Utilization:**
  - Number of vouchers leased versus the amount of HAP expended.
  - **SEMAP Indicator 13 Lease Up**: Greater of the unit or budget authority as follows:
    - 20 points: 98% expenditure of units leased or budget authority
    - 15 points: 95-97% expenditure
    - 0 points: Less than 95%.
- **HAP Subsidy:**
  - Maximum amount of housing assistance allowable, lower of:
    - Payment Standard minus the Total Tenant Payment (TTP), or
    - Gross Rent minus the TTP.

Program Management and Funding

- **HCV Funding**
  - Renewal funding is based on the PHA's spending:
    - Prior calendar year actual voucher subsidy cost,
    - Capped at the number of authorized vouchers,
    - Adjusted for inflation, and,
    - Congressional renewal funding (pro-ration) factor
  - Timing:
    - PHA Spending: CY 2024 and reported January 2025
    - FY25 Budget approved in March 2025
    - Budget Renewal notice issued in May 2025

Program Management and Funding

(Hypothetical PHA)

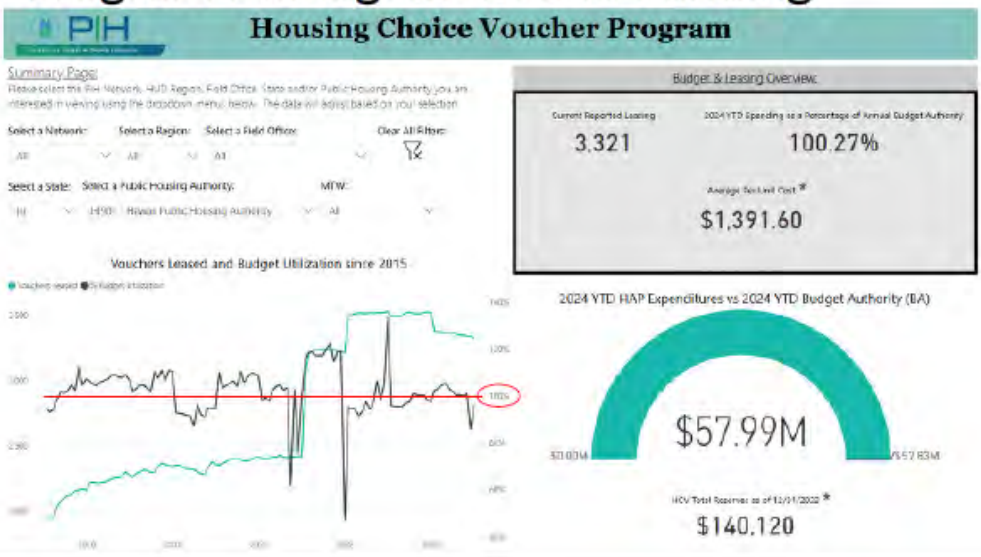
SEMAP:

	Year 1 — 15 points			Year 2 — 20 points			Year 3 — 20 points		
	Vouchers		100	Vouchers		100	Vouchers		100
	Voucher cost	$	1,000	Voucher cost	$	1,100 (10%)	Voucher cost	$	1,155 (5%)
	Attrition		1.0%	Attrition		1.0%	Attrition		1.0%
	Budget Authority	$	1,200,000	Budget Authority	$	1,138,151 (100%)	Budget Authority	$	1,063,035 (95%)
	Month		Spending	Month		Spending	Vouchers	Month		Spending	Vouchers	
	Jan-25	$	100,000	100	Jan-26	$	98,487	90	Jan-27	$	101,640	88	$ 88,585
	Feb-25	$	99,000	99	Feb-26	$	97,502	89	Feb-27	$	100,624	87	
	Mar-25	$	98,010	98	Mar-26	$	96,527	88	Mar-27	$	99,617	86	
	Apr-25	$	97,030	97	Apr-26	$	95,562	87	Apr-27	$	98,621	85	
	May-25	$	96,060	96	May-26	$	94,606	86	May-27	$	97,635	85	
	Jun-25	$	95,099	95	Jun-26	$	93,660	85	Jun-27	$	96,659	84	
	Jul-25	$	94,148	94	Jul-26	$	92,724	84	Jul-27	$	95,692	83	
	Aug-25	$	93,207	93	Aug-26	$	91,797	83	Aug-27	$	94,735	82	
	Sep-25	$	92,274	92	Sep-26	$	90,879	83	Sep-27	$	93,788	81	
	Oct-25	$	91,352	91	Oct-26	$	89,970	82	Oct-27	$	92,850	80	
	Nov-25	$	90,438	90	Nov-26	$	89,070	81	Nov-27	$	91,921	80	
	Dec-25	$	89,534	90	Dec-26	$	88,179	80	Dec-27	$	91,002	79	
		$	1,138,151	1,136		$	1,118,964	1,017		$	1,154,784	1,000	
Utilization:													
Budget	$1,138,151 / $1,200,000 =		94.7%			98.5%			108.6%				
Vouchers	1,136/1,200 =			94.7%			84.8%				83.3%		
	HAP Reserve (beginning)	$	-			$	63,849			$	81,036		
	HAP unspent	$	63,849			$	17,188			$	(91,769)		
	HAP Reserve (year end)	$	63,849			$	81,036			$	(10,732)		
	HUD Shortfall funding	$	-			$	-			$	10,732		

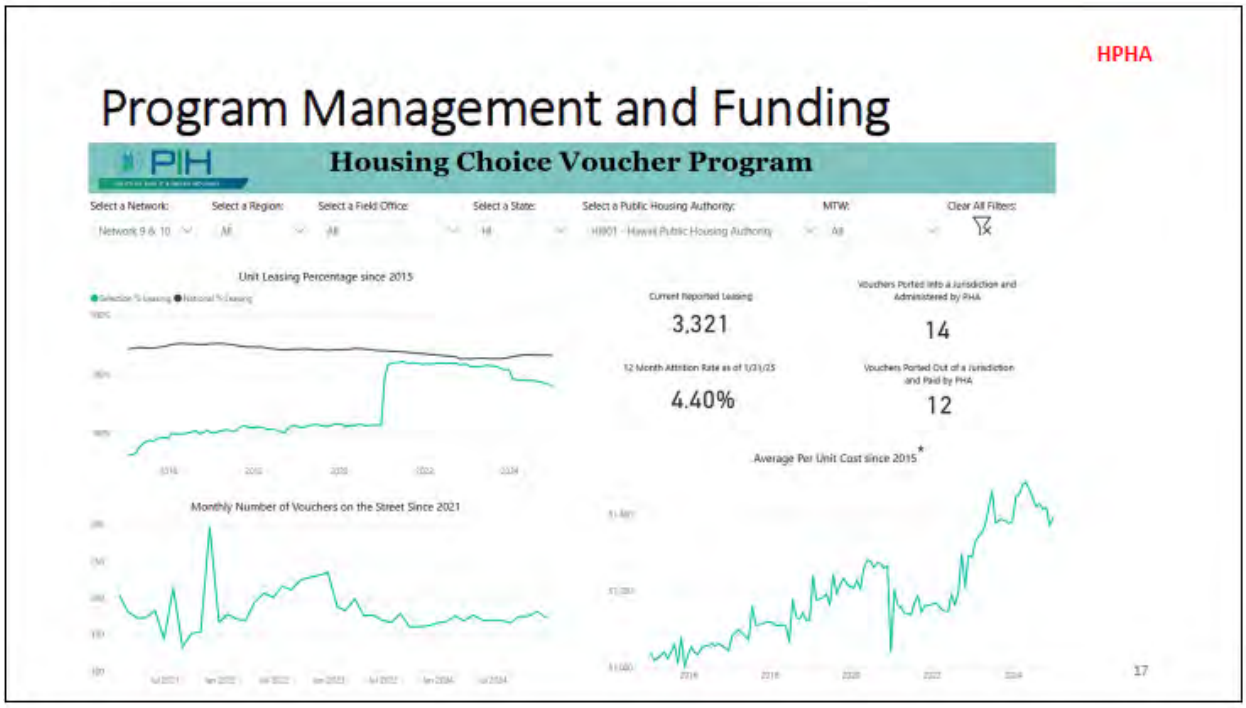
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HPHA

Program Management and Funding



13



Full presentation is attached.

Laurie Thorson stated after Mr. Wu's presentation that the HPHA is reporting fraudulent information to HUD. She has requested form HUD-52681-B from the HPHA, but her request has gone unanswered.

Lenda Tominiko, Kuhio Park Terrace Low-Rise Resident stated that she currently pays full market rent. She asked if she would qualify for the Section 8 voucher program when the new redevelopment at KPT takes place. Ms. Tominiko also asked for an update on the KPT redevelopment project and information regarding the new management.

Director Campos asked if un-leased vouchers are funded by HUD.

Mr. Wu explained that the renewal is based on how much was spent the prior year together with what is funded by Congress. The opportunity to deploy any unused vouchers really relies on the housing authority and their available reserves.

Director Campos inquired about who is responsible for holding HUD-held reserves.

Mr. Wu reported that generally under cash management principles, the federal government will provide the cash needed to run the program with a 2% cushion and any cash not deployed is held by HUD with HPHA's name on it.

Mr. Wu stated that HUD has moved towards the electronic VMS system which makes payments to housing authorities based on the 5058s. In other words, the individual income recertifications done at the tenant level by each staff and reported to HUD.

Director Campos asked how utility allowances work and who has the discretion on setting those allowances.

Mr. Wu explained that the housing cost includes utilities not provided by the landlord If payment standard is $1,100, $100 deduction for utility, then the net housing cost that would be paid out $1,000,

Director Campos asked if it was correct that payment standards merely set the general limit of the rent on an eligible unit, but the actual rent must also pass rent reasonableness.

Mr. Wu confirmed and explained that HUD publishes fair market rents, but the housing authority has the ability to establish a payment standard for their area that can go 10% above or 10% below. In addition, the housing authority has the discretion to evaluate the local market and what comps are being used, but the rent has to be the lesser of the rent reasonableness or the payment standard.

Director Glenn asked if the vouchers have an inherent value

Mr. Wu reported that the vouchers do have value. Each voucher that is deployed is money spent by the housing authority that HUD will renew. There is a restriction that only federal funds can be used for this program. HUD also pays an administrative fee to run the program. Any unused funds can be passed on to the next fiscal year to fund additional vouchers.

Director Darcy asked for any insight on what the Board should be aware of with the current climate of change.

Mr. Wu reported that this administration is focused on fostering public private partnerships and reducing overall regulatory barriers. HPHA's redevelopment work is repositioning and taking public housing units out of the public housing program and partnering with private developers to rebuild and provide some cost subsidies in those developments. Mr. Wu stated that those are all in alignment with the priorities of this administration.

Director Larson asked for clarification on how the new reporting system works.

Mr. Wu reported that until recently, HUD had two reporting systems, the Voucher Management System (VMS) and the system used to record the tenant data information in terms of income. HUD has combined them into the Electronic Voucher Management System (EVMS) which produces payment reports at a tenant level of how much is being paid out to the landlords. Those figures are then accumulated into the amount that HUD sends to the agency every month.

Chairperson Hall acknowledged that many of the technical questions being asked are already being implemented by the HPHA staff. He remembered in 2021, during the

pandemic, staff's efforts to do a quick lease up, which was illustrated in Mr. Wu's presentation, resulted in many more people getting housing. Chairperson Hall thanked the staff for keeping the program going, being flexible, and for maximizing our housing opportunities for the people of Hawaii.

Director Darcy moved,

> **To: (1) Adopt Resolution No. 25-03 Approving the Hawaii Public Housing Authority's (HPHA) Operating Budget for Fiscal Year 2025 – 2026; (2) Authorize the Executive Director to Take All Actions Necessary to Submit Budget Certifications to the U.S. Department of Housing and Urban Development (Form HUD-52574) and to Implement the Approved Budget; and (3) Authorize the Executive Director to Accept and Implement Any Additional Operating Funds as May be Made Available or Appropriated During the Fiscal Period**

Chairperson Hall stated that the Board would accept public testimony on this item.

Laurie Thorson alleged that the operating budget is based on fraudulent figures that HPHA is reporting to HUD. She made another request for form HUD-52681-B. Ms. Thorson also claims the payment standard charts are wrong.

Executive Director Ouansafi reported on highlights of HPHA's Operating Budget for the fiscal year 2026 that runs from July 1, 2025 to June 30, 2026. Key details were included in the Board packet.

Director Campos reported that there was an issue about some executives within the state that did not receive hazard pay for working during COVID. He asked if all the HPHA staff received hazard pay.

Executive Director Ouansafi reported that all HPHA staff received hazard pay, except for Executive Assistant Arashiro and himself.

Director Campos requested to have a discussion to compensate the Executive Director and the Executive Assistant with hazard pay during the next Board meeting.

Director Darcy asked what the HPHA should be paying attention to in the coming year to ensure people stay housed.

Executive Director Ouansafi reported that the priorities of the Trump administration is to eliminate public housing and cap various funds. He stated that any major changes to the budget will be brought back to the Board. Executive Director Ouansafi explained that the HPHA's MTW designation allows certain flexibilities to adjust rules to benefit both the agency and the community. He also mentioned material costs may not be as

high as expected due to the New York court decision regarding tariffs. Executive Director Ouansafi stated that all AMPs have reserves for adjustments.

Director Darcy stated that preparation will probably be the key to stability for the Board.

Chairperson Hall acknowledged that the budget is the best forecast based on the present information. He conveyed the Board's commitment to maximizing housing opportunities across all HPHA's housing programs. Chairperson Hall would like to see the money used to get people in homes, accelerate construction, and to expend vouchers.

Executive Director Ouansafi expressed that he shares the same vision of the Board members.

Chairperson Hall asked if the budget considered any bargaining union raises. Executive Director Ouansafi reported that the budget accounts for raises that HPHA is aware of, and no other bargaining union increases were factored.

The motion was unanimously approved.

Director Campos moved,

To Adopt the 2026 Utility Allowance Rates for the Hawaii Public Housing Authority's (HPHA) Section 8 Housing Choice Voucher Section 8 Program to Cover the Period from July 1, 2025 to June 30, 2026; and to Authorize the Executive Director to Undertake All Actions Necessary to Implement the Utility Allowance Rates Effective July 1, 2025

Chairperson Hall stated that the Board would accept public testimony on this item.

Laurie Thorson provided her data on utility allowance. She compared the City and County of Honolulu with HPHA. She also spoke about her litigation case against HPHA.

Executive Director Ouansafi reported on the updates to the utility allowance rates for the Section 8 Housing Choice Voucher Program that will cover the period from July 1, 2025 to June 30, 2026. The most recent report, provided by Sustainable Design Consulting, LLC, shows that rates did not increase or decrease for electric or gas more than 10% in 2025, necessitating no change to the utility allowance schedule. Water and sewer charges increased significantly warranting an increase to the utility allowance schedule. Executive Director Ouansafi provided examples of these changes. Key details were included in the Board packet.

Director Darcy expressed her concern about how the changes might affect the community we serve. She asked if there was any information on the number of people this could affect and if there was any assistance for them.

Executive Director Ouansafi stated that HPHA does try to connect people with nonprofits that offer utility assistance.

The motion was unanimously approved.

Director Darcy moved,

To (1) Approve Proposed Amendments to Chapter 12 – Rental Agreement Terminations of the Hawaii Public Housing Authority's Admissions and Continued Occupancy Policy which Update 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 all 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 requested Board approval to amend Chapter 12 of the Hawaii Public Housing Authority's Admission and Continued Occupancy Policy (ACOP). Key details were included in the Board packet.

No questions or comments were made by the Board.

The motion was unanimously approved.

Director Compos moved,

To (1) Approve the Hawaii Public Housing Authority's Draft Amended Moving to Work Supplement for Fiscal Year 2026; and (2) Authorize the Executive Director to (a) Hold a Public Hearing; (b) Undertake All Actions Necessary to Accept, Adopt, or Respond to Comments from the Public and the Resident Advisory Board; and (c) Submit the Amended Moving to Work Supplement to the U.S. Department of Housing and Urban Development if No Substantive Changes are Required

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

Executive Director Ouansafi presented key amendments to the Move to Work (MTW) Supplement for Fiscal Year 2026 as presented in the Board packet. HPHA is seeking Board approval to submit the amended MTW Supplement for Fiscal Year 2026.

Director Darcy asked how many people this would afford and would this put any additional burden on staff to maintain the information.

Executive Director Ouansafi confirmed that these changes will place additional burdens on staff. An assessment of staff changes will need to be made.

Chairperson Hall commented that there may be even further mandates coming from Washington, D.C. He asked Executive Director Ouansafi to come back to the Board in enough time so that HPHA is adjusting to these federal mandates.

The motion was unanimously approved.

Director Campos moved,

To (1) Approve the Hawaii Public Housing Authority's Draft Amended Annual Public Housing Agency Plan for Fiscal Year 2026; and (2) Authorize the Executive Director to (a) Hold a Public Hearing on the Draft Plans; (b) Undertake All Actions Necessary to Accept, Adopt, or Respond to Comments from the Public and the Resident Advisory Board; and (c) Submit the Amended Plan to the U.S. Department of Housing and Urban Development if No Substantive Changes are Required

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

Executive Director Ouansafi presented key amendments to the Annual Public Housing Agency (PHA) Plan for Fiscal Year 2026 as presented in the Board packet. The changes are similar to the MTW Supplement with the addition of a partnership with Hawaiian Telcom to upgrade the internet infrastructures at all HPHA-managed public housing sites, including community rooms at no cost to the HPHA. This supports digital equity for residents and expands access to online education and job applications. HPHA is seeking Board approval to submit the amended MTW Supplement for Fiscal Year 2026.

No questions or comments were made by the Board.

The motion was unanimously approved.

Director Campos moved,

To (1) Approve the Right of Entry Agreement with Hawaiian Telcom to Install or Upgrade Wired Telecommunications Services as Required to Provide a Minimum of 100 Mbps Symmetrical Internet Service to all Hawaii Public Housing Authority (HPHA) Public Housing Buildings; and (2) Authorize the Executive Director to Execute the Right of Entry Agreement and Undertake all Actions Necessary to Implement the Right of Entry Agreement

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

Executive Director Ouansafi presented key facts of the Right of Entry Agreement with Hawaiian Telcom as presented in the Board packet. This upgrade is part of the HPHA Connections Program which aligns with the State's broadband expansion.

Director Darcy asked if this will be available across the entire state.

Executive Director Ouansafi confirmed.

Chairperson Hall asked if this includes the working facilities at the project sites.

Executive Director replied that it does not.

The motion was unanimously approved.

Director Glenn moved,

To: 1) Approve the Amendment of the Unit Mix for Mayor Wright Homes Redevelopment (TMK No. 1-7-029:003) Phase 1B ("MWH 1B"), Unit Count; and 2) Authorize the Executive Director to Approve Future Variations in Unit Counts Across the Different Phases of the Mayor Wright Homes Master Plan, Provided That the Total Number of Units Remains at 2,448

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

Executive Director Ouansafi requested Board approval to amend the unit mix for Mayor Wright Homes redevelopments, reducing the total units from 354 to approximately 247, while slightly increasing the total number of bedrooms. These adjustments improve the financial feasibility without changing the overall goal of 2,448 units across all phases at Mayor Wright Homes. Key details were included in the Board packet.

Director Larson stated that the Board is approving future changes by the Executive Director. She asked if there are significant changes in the number of units in future phases, that will be brought to the Board.

Executive Director Ouansafi confirmed. He thanked the Governor, the AG's, the Development team, Highridge Costa, Form Partners, and everyone involved for their hard work.

Chairperson Hall acknowledged that HPHA received $56 million for the redevelopment project.

Director Taniguchi clarified that while the number of units may be decreasing this would still improve the viability, increase the likelihood of funding, and the actual construction could start sooner.

Executive Director Ouansafi confirmed.

Chairperson Hall commented that this effort will involve displacement and relocation. Given what the agency has experienced with projects that have been completed, he asked that communication is consistent and done well in advance.

The motion was unanimously approved.

Director Campos moved,

To Approve Resolution No. 25-02 Authorizing the Executive Director or His Designee to Prepare, Execute, and Submit Demolition and Disposition Applications (HUD Forms 52860 and 52860-A) to the U.S. Department of Housing and Urban Development's (HUD) Special Applications Center for the Mayor Wright Homes Redevelopment, Phases 1A and 1B located in Honolulu, Hawaii, (TMK No. 1-7-029:003), Subject to Review by the Department of the Attorney General

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

Executive Director Ouansafi requested Board approval to submit the Demolition and Disposition Application (DDA) to HUD for the Mayor Wright Homes Redevelopment, Phases 1A and 1B. He provided key facts of the DDA as presented in the Board packet.

No questions or comments were made by the Board.

The motion was unanimously approved.

Director Campos moved,

To (1) Approve the First Amendment to the Master Planning and Predevelopment Agreement for Ka Lei Momi Redevelopment ("MPPA") Between the Hawaii Public Housing Authority ("HPHA") and HCDC Hawaii Development LLC ("Master Developer" or "HCDC"); and (2) Authorize the Executive Director to Negotiate, Execute, and Implement the Amendment to the MPAA for the Redevelopment of Additional Housing Units at the Alternate Portfolio Site(s), Subject to Approval as to Form by the Department of the Attorney General

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

Executive Director Ouansafi presented key facts for the first amendment to the Master Planning and Predevelopment Agreement (MPPA) for the Ka Lei Momi Redevelopment as presented in the Board packet.

Director Darcy asked if there are any additional units scheduled for Maui.

Executive Director Ouansafi stated that HPHA has units scheduled for Maui as part of the 10,000 units.

The motion was unanimously approved.

Executive Director's Report

Chairperson Hall then invited Executive Director Ouansafi to present highlights from his report.

Executive Director Ouansafi reported that HPHA received $56 million for Mayor Wright Homes, $12 million for Ka Lei Momi, and $10 million for public housing repairs from the legislature.

(End Section)

Director Campos moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 11:06 a.m.

MINUTES CERTIFICATION FOR MAY 29, 2025

Minutes Prepared by:

_____

Rochelle Kanoe Kepaa Date
Secretary

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on June 19, 2025 [ ] As Presented [ ] As Amended

_____

Director Susan Kunz Date
Board Secretary

Attachments

VERBAL TESTIMONY
by Laurie Thorson

05.29.25 BOARD MEETING

QUESTIONS TO THE BOARD MEMBERS:
Did the board members receive my written testimony?
Have each of the board members had an opportunity to read my written testimony, Attachments A – Q, and read the brief summaries I provided in explaining FRAUD SCHEME #1 and FRAUD SCHEME #2**?**

RE: CONTACT INFORMATION FOR THE BOARD MEMBERS
Because the board meetings are the only forum in which I can address the board members, and I'm allowed only three minutes to speak, I contacted the HPHA and requested the contact information for each of the board members.
They refused.
The HPHA informed me that I must submit my communications to them first, and that they would forward my written letters to the board members.
This is unacceptable.
I am requesting that the board members please provide their contact information to me, and make their email addresses available on the HPHA website, so that I *(and other members of the public)* can communicate directly with each of the board members. It is not reasonable to require that I *(or other members of the public)* go through a state employee or a third party to communicate directly with HPHA board members.

COMMENTS re: MY WRITTEN TESTIMONY

RE: ATTACHMENT A / WEBSITE
Attached to my written testimony, I provided the board members a **copy of my website,** which explains the fraud schemes that I am alleging against the state employees of the Hawaii Public Housing Authority. The website also provides documents to prove my allegations against Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura are **true.**

I printed out the website to ensure each of the board members reads my website, without being responsible for accessing my website on their own.
My website alleges the state employees of the Hawaii Public Housing Authority have implemented elaborate fraud schemes that allow them to steal federal funds from the Section 8 program. The fraud schemes are detailed on the website, of which the board members now have a copy of, being fully informed.

RE: ATTACHMENT L /COPIES OF HPHA FINANCIAL STATEMENTS
Also attached to my written testimony, is a copy of HPHA financial statements from 2015 to 2024, which proves FRAUD SCHEME #2. These financial statements confirm that the amount for "expenditures" have been altered to hide the steal. FRAUD SCHEME #2 is explained in detail at the website.

Hakim Ouansafi has already admitted to FRAUD SCHEME #1 in his Declaration, attached to his Motion for Summary Judgment.

RE: ATTACHMENT P / VERBAL ABUSE by HAKIM OUANSAFI
Also attached to my written testimony, I provided a copy of a letter dated 04.25.25, which I wrote after last month's board meeting on 04.17.25. This letter is directed to the Governor, the U.S. Attorney General, the State AG, and others, informing them of the verbal abuse I have been subject to by Hakim Ouansafi at the board meetings. The video recordings of the board meetings prove this.

It is unacceptable that Hakim Ouansafi is allowed to call me names like, bigot, stupid, idiot, sick, motivated by hate, and insane.

It is unprofessional and unacceptable for the Executive Director of the Hawaii Public Housing Authority to verbally abuse me or any recipient, just because he does not agree with what is being said about him or his management staff.

RE: ATTACHMENT Q / PRE-TRIAL CONFERENCE STATEMENT
Also attached to my written testimony, is a copy of the PRE-TRIAL CONFERENCE STATEMENT dated 05.15.25, which I was required to file in anticipation of the pre-trial conference scheduled that was originally scheduled for June 9. However, after receiving my statement, the court rescheduled the pre-trial conference from June 9 to June 23.

WRITTEN TESTIMONY

by Laurie Thorson

05.29.25 HPHA BOARD MEETING

Dear HPHA Board of Directors:

I have requested that Hakim Ouansafi provide the contact information for each of the board members, and he has refused. I am required to provide my communications to the HPHA, and then I am told they will forward it to the board members. This is unacceptable. The only other option I have to speak directly to the board members is to attend the board meetings each month, and continue to inform the board of the fraud schemes I have uncovered by the state employees of the Hawaii Public Housing Authority.

Since I am not allowed to communicate directly with the board members, I will continue to provide written testimonies and verbal testimonies (which I am allowed only 3 minutes to speak, and only to items on the agenda).

By way of this written testimony, I am forwarding copies of documents that are also attached to my website. I believe these documents are important for the board members to read now, to make sure that the board members are fully informed of the illegal policies being used, and the retaliation I have been subject to since I disputed the HPHA using the illegal policies.

Please read my website. You are welcome to contact me if you have any questions.

Sincerely,
Laurie Thorson
Lthorson7@gmail.com
(808) 222-5885

Attached: FRAUD SCHEME #1 (brief summary)
FRAUD SCHEME #2 (brief summary)
ATTACHMENTS A – Q

. . . . . .

The following two pages provide a brief summary of FRAUD SCHEME #1 and FRAUD SCHEME #2, which are explained in detail on my website: https://governmentcorruptioninhawaii.wordpress.com/

FRAUD SCHEME #1

The 'Declaration' signed by Hakim Ouansafi, which is attached to his Motion for Summary Judgment (attached below in this website), is an admission by Hakim Ouansafi that the Hawaii Public Housing Authority is implementing and enforcing the illegal policy to use low comparables against the contract in all rent reasonableness determinations, which admission proves FRAUD SCHEME #1.

In summary:
The HPHA admits implementing the ILLEGAL POLICIES ~ to use low comparables against the contract rent in all rent reasonableness determinations.

This illegal policy reduces the contract rent for each and every voucher, which increases the amount of subsidy that is diverted/misappropriated.

This illegal (Admin Plan 8.III-D) to use low comparables contradicts HUD mandate (HUD/PIH Guidebook, 24 CFR 982.52, 982.153) on how comparables are to be gathered.

This practice violates HUD regulations (24 CFR §982.4, 42 U.S.C. §1437(f) and reduces subsidies, limiting housing access for recipients.

The policy, admitted by Hakim Ouansafi, is illegal and designed to generate surplus funds for misappropriation.

The HPHA intentionally applies the illegal policies to each and every voucher, to reduce the contract rent for each voucher, which reduces the amount of subsidy used for each voucher, which increases the amount of subsidy that the HPHA state employees steal from each and every voucher.

By applying FRAUD SCHEME #1, the HPHA has stolen approximately as much as $491,058,828 in the last 13 years (since January 2015), and the state employees continue to steal each and every month.

FRAUD SCHEME #2

After I filed my lawsuit, I discovered that the Hawaii Public Housing Authority and 2 other PHAs in Hawaii are currently enforcing the same elaborate fraud scheme as the Hawaii Public Housing Authority, which allows the state employees to steal federal funds from the Section 8 Housing Choice Voucher Program. The attached HUD CHARTS, FRAUD CHARTS, HPHA Financial Statements, and other documentation proves FRAUD SCHEME #2.

In summary:

The HPHA is accused of falsifying HPHA Financial Statements by altering figures to falsely claim 100% subsidy was used (revenue v. expenditures), and HUD confirms that the HPHA issued only ±75% of vouchers.

The HPHA fraudulently reports the altered figures to HUD, state auditors, and the HPHA Board of Directors.

HUD data proves that 3 of 5 Hawaii's PHAs are currently implementing FRAUD SCHEME #2 to steal federal funds from the Section 8 Housing Choice Voucher Program, for a combined total of ±$250,000,000 being stolen since January 2015.

FRAUD SCHEME #2 has allowed the HPHA state employees to steal approximately $119,184,054 since January 2015, from the Section 8 Housing Choice Voucher Program.

Attachment A

Attached is a copy of my website:
https://governmentcorruptioninhawaii.wordpress.com/

My website was recently revised. I am alleging that the state employees of the Hawaii Public Housing Authority have implemented elaborate fraud schemes that allow them to steal federal funds from the Section 8 Program.

The website provides detailed information that outlines two fraud schemes, titled FRAUD SCHEME #1 and FRAUD SCHEME #2.

Attachment B

02.14.25 Declaration by Hakim Ouansafi, filed as an attachment to his Motion for Summary Judgment, admitting to the illegal policies to use low comparables; however, inputs liability to his staff and to the HPHA Board of Directors.

Attachment C

03.23.22, HPHA uses 2 low comparables to lower my payment standard and contract rent (rent reasonableness test #1)

Attachment D

03.23.22, 4:52pm, HPHA requires the landlord to reduce his rent from $4,000 to $2,647
03.23.22, 4:55pm, Landlord refuses to reduce his rent.

Attachment E

03.29.22, HPHA requires the landlord reduce his rent from $4,000 to $3,2,73 HPHA uses the same 2 comps it used in test #1 ($1,621 and $4,321 – see Attachment C) (rent reasonableness test #4)

Attachment F

06.13.23 = EMAIL FROM FHEO BRANCH CHIEF, STEPHANIE RABINER, CONFIRMING THERE IS NO HUD RULE re LIA PRIMARY RESIDENCE, WHICH IS THE BASIS OF RYAN AKAMINE DENYING MY LIA CAN PROVIDE DISABILITY RELATED OVERNIGHT CARE WHEN NEEDED

Attachment G

02.19.24 LETTER FROM LANDLORD TO HPHA REQUESTING TO REDUCE 2-BDRM UNIT TO A 1-BDRM UNIT SO I REMAIN IN THE RENTAL USING THE 0-BDRM VOUCHER

Attachment H

08.09.24 EMAIL FROM RYAN AKAMINE, CONFIRMS ILLEGAL POLICIES re LIA

Attachment I

08.30.24 EMAIL FROM LAURIE TO HPHA re CONVERSATION WITH MR. SAM ROWLAND, CITY AND COUNTY OF HONOLULU, CONFIRMS IT IS OK FOR LANDLORD TO REDUCE THE SIZE OF THE RENTAL

Attachment J

09.04.24 EMAIL FROM LAURIE TO HAKIM OUANSAFI, REQUEST HE ALLOW THE LANDLORD TO REDUCE THE SIZE OF HIS RENTAL SO I COULD REMAIN IN THE RENTAL WITH THE 0-BDRM VOUCHER. HE DID NOT RESPOND

Attachment K

09.29.24 LETTER FROM LANDLORD TO JUDGE

Attachment L

2015-2024 HPHA FINANCIAL STATEMENTS ALTERED SO EXPENDITURES (FALSE AMOUNT) = REVENUES (TRUE AMOUNT)

Attachment M

JAN-DEC 2024, HUD CONFIRMS EXPENDITURES ARE 25% LESS THAN REVENUES

Attachment N

05.20.25 LETTER TO HPHA, REQUEST FOR COPIES OF ALL HUD FORMS, HUD-52681-B

Attachment O

HUD FORM – HUD-52681-B (blank form, read highlighted text)

Attachment P

04.24.25 LETTER re VERBAL ABUSE BY HAKIM OUANSAFI DURING HPHA BOARD MEETINGS

Attachment Q

05.15.25 LAURIE'S PRE TRIAL CONFERENCE STATEMENT - RESCHEDULED FROM 06.09.25 TO 06.23.25

DISCLAIMER: ALL CLAIMS STATED IN THIS WEBSITE ARE CONSIDERED ALLEGATIONS AS PART OF AN ONGOING CIVIL LAWSUIT, NOT CRIMINAL CHARGES, AND ALL PARTIES MENTIONED IN THIS WEBSITE ARE PRESUMED INNOCENT UNTIL PROVEN GUILTY IN A COURT OF LAW

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~ ~

GOVERNMENT CORRUPTION IN HAWAII

HAWAII STATE EMPLOYEES STOLE OVER ***$500,000,000*** *FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM*

Illegal Policies, Altered Financial Statements, Fraud, Retaliation, and much more!

. . . authorized and implemented by the State of Hawaii state employees: Hakim Ouansafi, Executive Director of the Hawaii Public Housing Authority, and his management staff!

Laurie Thorson v. Hawaii Public Housing Authority, Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura

U.S. District Court Case No. 23-CV-00412-MWJS-WRP

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1. INTRODUCTION

.

In summary: This website outlines the allegations of corruption within the Hawaii Public Housing Authority (HPHA), claiming over $500,000,000 stolen from the Section 8 Housing Choice Voucher Program through illegal policies, fraud, and retaliation, led by Hakim Ouansafi, Executive Director of the Hawaii Public Housing Authority, and supported by his management team. The state employees are accused of systemic fraud and mismanagement, with significant financial and social impacts on Section 8 recipients, landlords, and the community.

.

This website is created to assist me in my search for an attorney to assist me in my civil lawsuit against the above-mentioned parties. As a pro se plaintiff, I am alleging that the evidence in this website substantiates my claims that state employee Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, and his management staff, **retaliated** against me after I disputed/discovered they were implementing illegal policies (*to use low comparables against the contract rent in all rent reasonableness determinations* – FRAUD SCHEME #1) in which I am alleging allow the state employees to steal federal funds from the Section 8 Housing Choice Voucher Program.

.

FRAUD SCHEME #1: The 'Declaration' signed by Hakim Ouansafi, which is attached to his Motion for Summary Judgment (*attached below in this website*), is an admission by Hakim Ouansafi that the Hawaii Public Housing Authority is implementing and enforcing the illegal policy to use low comparables against the contract in all rent reasonableness determinations, which admission proves FRAUD SCHEME #1.

FRAUD SCHEME #2: After I filed my lawsuit, I discovered that the Hawaii Public Housing Authority and 2 other PHAs in Hawaii are currently enforcing the same elaborate fraud scheme as the Hawaii Public Housing Authority, which allows the state employees to steal federal funds from the Section 8 Housing Choice Voucher Program. The attached HUD CHARTS, FRAUD CHARTS, HPHA Financial Statements, and other documentation proves FRAUD SCHEME #2.

.

2. LEGAL AUTHORITIES THAT GOVERN THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

.

The Code of Federal Regulations that governs how the Section 8 Housing Choice Voucher Program is to be implemented by the Hawaii Public Housing Authority is **24 CFR Part 982 ~ Authority: 42 U.S.C. §1437(f) and §3535(d).** *(https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-982)*, https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-982?toc=1)

24 CFR §982.52(a) "...The PHA **must** comply with HUD regulations and other HUD requirements for the program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives..."

24 CFR §982.54(b) "...The Administrative Plan **must** be in accordance with HUD regulations and requirements..."

Federal rules, state rules, and HUD regulations are cited throughout this website. For easy reference, legal citations are posted within a pale green background. A list of the applicable rules and regulations are also referenced in the section at the end of this website titled: LEGAL AUTHORITIES.

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3. FRAUD SCHEMES

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(BRIEF DESCRIPTION OF FRAUD SCHEME #1 AND FRAUD SCHEME #2)

.

The following is a BRIEF DESCRIPTION of the two (2) fraud schemes, that I am aware of, that are being intentionally implemented by the defendants to intentionally steal federal funds from the Section 8 Housing Choice Voucher Program:

FRAUD SCHEME #1

In summary:

- *The HPHA admits implementing the ILLEGAL POLICIES ~ to use **low** comparables against the **contract rent** in **all** rent reasonableness determinations.*
- *This illegal policy reduces the contract rent for each and every voucher, which increases the amount of subsidy that is diverted/misappropriated.*
- *This illegal (Admin Plan 8.III-D) to use low comparables contradicts HUD mandate (HUD/PIH Guidebook, 24 CFR 982.52, 982.153) on how comparables are to be gathered.*
- *This practice violates HUD regulations (24 CFR §982.4, 42 U.S.C. §1437(f) and reduces subsidies, limiting housing access for recipients.*
- *The policy, admitted by Hakim Ouansafi, is illegal and designed to generate surplus funds for misappropriation.*
- *The HPHA intentionally applies the illegal policies to each and every voucher, to reduce the contract rent for each voucher, which **reduces** the amount of subsidy used for each voucher, which **increases** the amount of subsidy that the HPHA state employees steal from each and every voucher.*
- *By applying FRAUD SCHEME #1, the HPHA has stolen approximately as much as **$491,058,828** in the last 13 years (since January 2015).*

FRAUD SCHEME #2

In summary:

- *The HPHA is accused of falsifying HPHA Financial Statements by altering figures to falsely claim 100% subsidy was used (revenue v. expenditures), and HUD confirms that the HPHA issued only ±75% of vouchers.*
- *The HPHA fraudulently reports the altered figures to HUD, state auditors, and the HPHA Board of Directors.*
- *HUD data proves that 3 of 5 Hawaii's PHAs are currently implementing FRAUD SCHEME #2 to steal federal funds from the Section 8 Housing Choice Voucher Program, for a combined total of **±$250,000,000** being stolen since January 2015.*
- *FRAUD SCHEME #2 has allowed the HPHA state employees to steal approximately **$119,184,054** since January 2015, from the Section 8 Housing Choice Voucher Program.*

4. FRAUD SCHEME #1

TO STEAL FEDERAL FUNDS FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, STATE EMPLOYEES IMPLEMENT THE ILLEGAL POLICY TO USE **LOW** COMPARABLES AGAINST THE **CONTRACT RENT** IN **ALL** RENT REASONABLENESS DETERMINATIONS

VALUE OF THE STEAL

By applying FRAUD SCHEME #1, the state employees of the Hawaii Public Housing Authority have stolen approximately as much as **$491,058,828** in the last 13 years *(since January 2015)*, and they continue to steal each month.

THE STEAL

The following is a DETAILED DESCRIPTION of the evidence that proves FRAUD SCHEME #1 is intentionally implemented by the state employees of the Hawaii Public Housing Authority to purposefully and intentionally steal federal funds from the Section 8 Housing Choice Voucher Program.

This illegal policy is broken down into three parts *(as follows)* to prove that the defendants are intentionally applying the illegal policy to each and every voucher but for the sole purpose of stealing federal funds from the Section 8 program:

#1 ILLEGAL POLICY: The illegal policy to use **low comparables**... allows Hakim Ouansafi and his management staff to reduce the value of each and every voucher. The value of the voucher is the payment standard, which is determined at the time the voucher is issued to the recipient. The payment standard is what the recipients use to assist them in searching for a rental. However, because of the low comparable, the payment standard will always be reduced. This reduced amount is what the defendants use cause the rent to be reduced on every single voucher. The amount stolen from each voucher can only be calculated by investigating each voucher to determine the initial value (payment standard) of the voucher when it was issued to the recipient, and then determining what the reduced payment standard was as a result of applying the low comparable.

#2 ILLEGAL POLICY: The illegal policy to use low comparables **against the contract rent**... allows Hakim Ouansafi and his management staff to consistently reduce the contract rent below the initial value of the voucher. The lower the contract rent, the more subsidy is stolen.

#3 ILLEGAL POLICY: The illegal policy to use low comparables against the contract rent in **all** rent reasonableness determinations... allows Hakim Ouansafi and his management staff to steal federal funds from each and every voucher. The "steal" applies to all vouchers.

This is the HUD Regulation that mandates the legal methodology on how comparables are to be gathered in rent reasonableness determinations, which reads as follows:

HUD/PIH Housing Choice Voucher Program Guidebook, Chapter 3, Rent Reasonableness

(refer to page 8, section 3.1.2.)
https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent_Reasonableness.pdf

"...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-rangeunits 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 [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: this mandate does not say "below the contract rent")

*(clearly HUD confirm that comparables are to be "...**above the greater of the payment standard or the FMR**, including any HUD approved exception payment standards..." – which "approved exception payment standard" applied to my voucher since the HPHA approved my 120% reasonable accommodation in 2017 which increased my payment standard because of the difficulty I have in locating a rental that is not in a high rise or near a busy street, due to my disabilities)*

.

The following federal rules and HUD Regulations dictate the mandate on how rent reasonableness determinations are to be implemented, which includes the methodology in how comparables are to be gathered in determining rent reasonableness:

24 CFR § 982.4

*defines Reasonable Rent as: "...A rent to owner that is **not more than** rent charged for comparable units in the private unassisted market..."*

*(this federal rule, and the HUD Regulation (noted below) confirms that the illegal policy to purposefully use low comparables to **intentionally** lower the contract rent "less than" the rent charged for comparable units is illegal)*

.

24 CFR 982.507 (b)

(b) Comparability. The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:

(1) The location, quality, size, unit type, and age of the contract unit; and

(2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

.

42 USC §1437f (Sec. 512)

(1) Comparable properties. ...'comparable properties' means properties in the same market areas ... that –

https://governmentcorruptioninhawaii.wordpress.com/

(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=granu leid%3AUSC-prelim-title42-section1437f&num=0#amendment-note)

.

HAKIM OUANSAFI ADMITS USING THE ILLEGAL POLICIES

.

Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, admits to using the illegal policies in his Declaration (*which is attached to his Motion for Summary Judgment*). However, Hakim Ouansafi inputs liability to his staff and to the Board of Directors for implementing the illegal policies. It will be proven at trial that Mr. Ouansafi has had knowledge of these illegal policies for many years, and yet has refused to ratify the 2011 illegal policies (HPHA Admin Plan 8.III-D) into compliance with HUD Regulations *(as required per 24 CFR §982.52, 24 CFR §982.54, and 24 CFR §982.153.*

DECLARATION by HAKIM OUANSAFI, signed 02.14.25, attached to D's Motion for Summary Judgment = Ouansafi inputs liability for fraudulent use of 2011 illegal policies to HPHA Board of Directors Download

.

This is the 2011 illegal policy that is being implemented by Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, which reads as follows:

HPHA ADMIN PLAN 8-III-D.

PHA RENT REASONABLENESS METHODOLOGY

*"…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…"*

(Note: implication is the third comparable is low, which is the basis of the illegal policy that Hakim Ouansafi admitted to in his 'Declaration')

ILLEGAL POLICY: TO USE LOW COMPARABLES AGAINST THE CONTRACT RENT IN ALL RENT REASONABLENESS DETERMINATIONS

.

FRAUD SCHEME IS INTENTIONAL

.

(**Plan A**) to **increase** the amount of subsidy the HPHA receives from HUD (currently the HPHA receives 120% of HUD's payment standard for each Section 8 voucher), (**Plan B**) to **decrease** the amount of subsidy the HPHA issues to the landlord via the HAP contract (currently the HPHA is enforcing the illegal policy to use low comparables against the contract rent in all rent reasonableness determinations, which reduces the contract rent paid to all Section 8 landlords), (**Plan C**) **the balance of subsidy not used is stolen.**

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 voucher.

Part B – The HPHA minimizes the amount of subsidy used by (1) enforcing the illegal policies to reduce the amount of subsidy used for each voucher, (2) reducing the amount of subsidy that is paid to the landlords in HAP payments, and (3) issues only 75% of the vouchers. **Hakim Ouansafi implements the illegal policies (he admits in his Declaration) to use low comparables against the contract rent in all rent reasonableness determinations for each and every voucher.**

The results of enforcing this fraud scheme (1) reduces the amount of the payment standard for each recipient's payment standard, (2) reduces the amount of the contract rent so that no landlord will ever be able to receive the Fair Market Rent for their rentals, and (3) creates obstacles to make it difficult for recipients to secure housing, and (4) creates obstacles to make it difficult for landlords to receive HUD's Fair Market Value for rentals.

Part C – The **HPHA steals the difference** of subsidy not used as a result of applying illegal policies.

The HPHA maximizes the amount of subsidy (federal funds) it receives from HUD **(Part A)**

The HPHA minimizes the amount of subsidy (federal funds) is uses for the community **(Part B)**

The HPHA then lies to HUD, lies to the state auditors, lies to the HPHA Board of Directors, and alters all their financial statements, in an attempt to hide the steal by falsely claiming it used 100% of the subsidy it received from HUD. But because the vouchers belong to HUD, and not to HPHA, HUD confirms that the HPHA issued only 75% of the vouchers. The facts prove that 25% of the subsidy the HPHA receives from HUD is stolen. This is extortion. This is fraud.

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FACT: The use of low comparables against the contract rent in all rent reasonableness determinations discourages landlord participation, exacerbates Hawaii's housing crisis, and leaves 25% of vouchers unissued, particularly affecting veterans (only 76.36% of 643 VASH vouchers issued).

FACT: And let's not forget the negative impact the "steal" has perpetrated against all the recipients and the landlords who participate in the Section 8 program, who will never receive HUD's FMR for their rentals as long as the HPHA is permitted to enforce their illegal policies to use low comparables against the contract rent, which reduces the contract rent for all vouchers.

FACT: After extensive research, I can prove that the **HPHA is the only PHA in the country that uses *low* comparables** in their rent reasonableness determinations. There is no federal law or HUD regulation to support the use of low comparables.

FACT: After extensive research, I can prove that the **HPHA purposefully and intentionally uses low comparables against the *contract rent* in all rent reasonableness determinations,** which illegal policies are not in compliance with the HUD regulations, which reads: "...PHA's 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*** ...".

FACT: HPHA Admin Plan 8.III.D confirms the illegal policy to use of (1) low comparables against the (2) contract rent, which both are not in compliance with HUD regulations.

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CALCULATIONS TO PROVE APPROXIMATE AMOUNT OF THE STEAL

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Calculations estimate monthly thefts of $337,025 to $3,147,813 per voucher, totaling $52,681,200 to $491,058,828 over previous 10 years.

The scale of alleged theft is significant, with no explanation for missing fund, as HUD confirms the HPHA reserves are only $140,120.

The FRAUD CHARTS provide the exact number of vouchers the defendants issued each month (beginning in January 2015). In the chart noted below, I will use the figure **$934** (*which was the amount of subsidy stolen from my voucher each month*), and to be fair, I'll use the low figure of **$100** as the least possible amount of surplus grant funds that is stolen each month.

By multiplying the number of vouchers issued in a month (see FRAUD CHART) **X** the estimated amount of subsidy stolen per

voucher, aka: surplus grant funds, the approximate amount stolen each month from each voucher could be as high as **$934** (*the amount stolen from my voucher*) **or as low as $100** (*to be reasonable*). Based on these figures, the approximately amount of subsidy stolen from each voucher could be as high as **$3,147,813 each month** or as low as $337,025 each month; as high as **$37,773,756 each year** or as low as $4,052,400 each year; **as high as $491,058,828 for the last 10 years (since January 2015)** or as low as $52,681,200 for the last 13 years (since January 2015).

The following is an example of the total subsidy/federal funds that is stolen each month, vased on the total amount of vouchers issued each month. The following figures are accurate and true, but reflect an approximate amount of surplus funds that is stolen as a result of applying the low comparable to each and every voucher in order to reduce the contract rent for each and every voucher.

($934 being a high figure of surplus funds stolen from each voucher – since this is the amount of surplus grant funds stolen from my voucher each month)

($100 being a low figure of surplus funds stolen from each voucher – a reasonable amount):

10/2024:** 3,341 vouchers x $934 = **$3,120,494**; 3,341 vouchers x $100 = **$334,100

09/2024**: 3,377 vouchers x $934 = **$3,154,118**; 3,377 vouchers x $100 = **$337,700

08/2024**: 3,377 vouchers x $934 = **$3,154,118**; 3,377 vouchers x $100 = **$337,700

07/2024**: 3,386 vouchers x $934 = **$3,162,524**; 3,386 vouchers x $100 = **$338,600

and the list goes on.

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** The above calculations provide an approximate average of federal funds being stolen, which approximate averages are as follows:*

*as high as **$3,147,813 each month** or as low as $337,025 each month;*

*as high as **$37,773,756 each year** or as low as $4,052,400 each year;*

*as high as **$491,058,828 for the last 13 years (since January 2015)** or as low as $52,681,200 for the last 13 years (since January 2015).*

(just based on the admission by Hakim Ouansafi that the illegal policy is to use low comparables against the contract rent in all rent reasonableness determinations).

The defendants do not dispute applying the illegal policy to use low comparables. The defendants do not dispute reducing my payment standard from $4,207 to$3,273. The defendants do not dispute reducing the contract rent from $4,000 to $3,273. **The total amount of surplus grant funds that was stolen from my voucher was $934 each month.** The total amount of subsidy the defendants stole from my voucher during the **30 months** I lived in the Hawaii Kai rental was **$28,020.**

The only missing link in determining the amount of subsidy stolen from each voucher, for the sake of accuracy, is allowing DOGE or the FBI to investigate each voucher to determine the exact value of the voucher when it was issued to the recipient (*which is the exact amount of subsidy HUD gave to HPHA to dispense the voucher to the recipient*), and to determine the reduced amount of the payment standard / contract rent (*which was reduced as a result of applying the low comparables*). Based on applying the low

comparable to every voucher, there should always be 'surplus grant funds' for each and every voucher. The defendants provide no explanation for where this money is, and we do know it's not in their reserves account (which HUD confirms that there is currently only $140,000 in reserves).

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RETALIATION: *The evidence proves the defendants retaliated against me after I disputed their illegal policy to use low comparables, by purposefully and intentionally interfering with my housing, by terminating my live in aide and terminating my 2-bedroom voucher. To prove the state employees continued with their retaliation after the defendants issued me a 0-bedroom voucher, the defendants refused to allow the landlord to reduce the size of his rental from a 2-bedroom rental to a 1-bedroom rental so that I could remain as a tenant with my 0-bedroom voucher. This inevitably caused me to be homeless, because the defendants forced me out of the Hawaii Kai rental.*

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On 09.29.24, two days before I was to move out of the Hawaii Kai rental, my landlord wrote this letter to Judge Micah W.J. Smith, who is the judge assigned to hear my case at trial. No response.

LETTER TO JUDGE MICAH SMITH, FROM LANDLORD KELLY McGILL Download

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~ HUD REGULATION ~

LEGAL METHODOLOGY ON HOW COMPARABLES ARE TO BE GATHERED

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The illegal policy that is being used by Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, and his management staff, is to use low comparables against the contract rent in all rent reasonableness determinations. This illegal policy is NOT in compliance with the HUD Regulations which HUD mandates the legal methodology on how comparables are to be gathered in determining rent reasonableness.

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This is the legal methodology on how comparables are to be gathered, according to HUD Regulations, reads reads as follows:

> ***HUD/PIH Housing Choice Voucher Program Guidebook, Chapter 3, Rent Reasonableness*** *(refer to page 8, section 3.1.2.)*
> *https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent_Reasonableness.pdf*
>
> *"...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-rangeunits 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 [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...***"

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Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, and his management staff, are not in compliance with **24 CFR §982.52, 24 CFR §982.54**, and **24 CFR §982.153**, which reads as follows:

24 CFR §982.52 / HUD REQUIREMENTS

*"…(a) The PHA **must** comply with HUD regulations and other HUD requirements for the program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices, or other binding program directives…" "…The PHA **must** comply with the consolidated ACC and the PHA's HUD-approved applications for program funding…"*

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24 CFR §982.54 / ADMINISTRATION PLAN

*"…(a) The PHA **must** adopt a written administrative plan that establishes **local** policies for administration of the program in accordance with HUD requirements…"*

*"…(b) The administrative plan **must** be in accordance with HUD regulations and requirements…"*

*"…The PHA **must** revise the administrative plan if needed to comply with HUD requirements…"*

*"…(c) The PHA **must** administer the program in accordance with the PHA administrative plan…"*

*"…(d) The PHA administrative plan **must** cover PHA policies on these subjects:*

(15) The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract)…"

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24 CFR §982.153 / PHA RESPONSIBILITIES

*"…The PHA **must** comply with the consolidated ACC, the application, HUD regulations and other requirements, and the PHA administrative plan…"*

https://governmentcorruptioninhawaii.wordpress.com

HPHA ADMIN PLAN 8.III.D IS ILLEGAL

HAKIM OUANSAFI ADMITS IN HIS DECLARATION THAT THIS POLICY IS ILLEGAL

HPHA ADMIN PLAN 8.III-D is an illegal policy, according to Hakim Ouansafi's 'DECLARATION', which he signed and attached to his Motion for Summary Judgment. There is no question that this illegal policy is not in complinance with HUD Regulations; hence, the word "illegal".

HPHA ADMIN PLAN 8-III-D.

PHA RENT REASONABLENESS METHODOLOGY

*"...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..."*

(Note: implication is the third comparable is low)

This illegal policy states that three comparables are to be used and **two must be higher than the contract rent**, implying that the third comparable is to be lower. This illegal policy was ratified into the HPHA Admin Plan in 2011. Hakim Ouansafi does not deny using the illegal policy to steal federal funds, but rather admits guilt of using the illegal policy. As the Executive Director of the Hawaii Public Housing Authority, it is the responsibility of Hakim Ouansafi to manage his staff to make sure that they are in compliance with all federal laws that govern the implementation of the Section 8 Housing Choice Voucher Program. Instead of claiming responsibility, Hakim Ouansafi declares in his 'DECLARATION' that his staff and the HPHA Board of Directors are guilty of implementing the illegal policy.

NOTE: Hakim Ouansafi was hired in January 2012, and has had over 13 years to ratify this 2011 illegal policy into compliance with HUD Regulations. Instead, he has chosen to use this illegal policy, which is of absolutely no benefit to the recipients and landlords, to allegedly steal federal funds from the Section 8 Housing Choice Voucher Program.

ILLEGAL POLICIES WERE APPLIED TO MY VOUCHER

In retaliation for me disputing their illegal policies, the HPHA state employees terminated my live in aide and terminated my 2-bedroom voucher.

The HPHA state employees applied the illegal policies to my voucher, which reduced my payment standard, reduced the contract rent, and the ramifications of the illegal policies were endless, including interfering with my housing and causing me to be homeless.

The illegal policy was ratified into the HPHA Admin Plan in 2011 *(according to Hakim Ouansafi)*, and is currently being implemented by the Hawaii Public Housing Authority *(according to Hakim Ouansafi)*, but for the purpose of stealing federal funds from the Section 8 Housing Choice Voucher Program.

The HPHA's illegal policy allows them to use low comparables as part of an elaborate fraud scheme to reduce the contract rent before the HAP contract is signed. This reduces the amount of subsidy that is paid to the landlord (*amount confirmed in the HAP contract*). The remainder (*considered surplus grant funds*) increases the amount of unused subsidy that the defendants steal. The defendants apply this illegal policy to use low comparables against the contract rent for each and every voucher, confirming that federal funds are being stolen from each and every voucher.

The following is a brief summary of the actions taken by the defendants to use low comparables against my voucher:

On 03.01.22, the landlord informed me that I had to move because they wanted to double the rent. I was issued a new voucher so that I could start searching for another rental. The voucher expired on 03.31.22. It was on 03.22.22 that I finally found another rental. Although the landlord had never heard of Section 8 before, after meeting me he was willing to accept my Section 8 voucher.

On 03.22.22, the new landlord and I signed the Lease and the RFTA (Request for Tenancy Approval) and submitted it the Hawaii Public Housing Authority on this same day. The inspection was to be scheduled within ten (10) days from when the HPHA received the RFTA, but the facts prove that the inspection was actually performed on 04.13.22, 22 days later. The reason was because the HPHA was intentionally interfering with my live in aide and my voucher, in retaliation for me disputing their illegal policy to use low comparables.

On 03.23.22, after I dropped off the RFTA and signed Lease on 03.22.22, I received an email from the caseworker Cosme Caal, who informed who informed the landlord and I: **"...according to our rent reasonableness test, the Proposed Rent must come down $1,353 to $2,647..."**. The landlord refused.

The following is a brief summary of the four (4) rent reasonable tests that were performed against my voucher:

1st Rent Reasonableness Determination

*On 0**3.23.22**, Caseworker Cosme Caal confirmed in his email that a rent reasonableness test had been peformed and the landlord was required to reduce his rent from $4,000 to $2,647.*

The picture below proves 2 lows and 1 high comps were used:

***$1,621** ($1,500 plus $121 UA for electric bill))*

$2,621

$4,321

*Cosme Caal confirmed in his email that the rent would need to be **reduced from $4,000 to $2,647**, but the picture below says **$2,854***

The landlord refused to reduce his rent from $4,000 to $2,647.

*(Note: my "approved exception payment standard" was **$4,207**)*

*(Note: the contract rent was **$4,000**)*

*(Note: using **two low comps** in the same test violates the HPHA's own illegal policy to use only **one low comp** (refer to HPHA Admin Plan 8.III-D)*

LOW COMPARABLE FOR $1,500, 2 LOW COMPS AND 1 HIGH COMP USED TO REDUCE PAYMENT STANDARD AND CONTRACT RENT FROM $4,000 TO $2,854 Download

On 03.23.22, the landlord sent an email refusing to reduce his from $4,000 to $2,647, writing "... we are sticking with FMV at $4,000/month..."

03.23.22 4.55pm, HPHA REQUIRED LANDLORD TO REDUCE RENT TO $2,647 – LANDLORD WAS FIRM ON FMR $4,000 Download

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On 03.25.22, HUD PIH Director, Mr. Jesse Wu, responded to my phone call. His email is below, in which he provided a link to the HUD Guidebook that outlines the legal methodology on how comparables are to be gathered. It was Mr. Wu who confirmed that the HPHA's use of low comparables is/was not in compliance with HUD Regulations.

03.25.22 email from HUD Jesse Wu to Laurie re HUD regulations re legal comparables Download

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2nd Rent Reasonableness Determination:

Because Lyle Matsuura was absent for a few days, I was communicating with Supervisor Noble Choy who allowed me to submit four new comparables. However, after Lyle Matsuura returned to work, he threw out all four as unacceptable.

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3rd Rend Reasonableness Determination:

The plaintiff's son then got involved and Lyle Matsuura explained to the son the methodology on how comparabes were to be gathered, never mentioning anything about a low comparable. The son submitted four more comparables to Lyle Matsuura. However, Lyle Matsuura determined that two of the son's comparables were unacceptable, so Lyle Matsuura performed another rent reasonableness test. Lyle Matauura determined that two of the son's comps were unacceptable, and so Lyle Matsuura performed yet another rent reasonableness test, in which Lyle claims he kept two of the sons comps and added the same low comp in the amount of $1,500 ($1,621 (included UA) used in the #1 Rent Reasonable test.

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4th Rent Reasonableness Determination

On 03.29.22, Supervisor Lyle Matsuura confirmed in this email that two of the son's comparables were used in the amounts of:

$4,321 (used in 1st Rent Reasonableness test)

$4,500

$1,621 (used in 1st Rent Reasonableness test)

Lyle Matsuura confirmed in his email that the rent would need to be ***reduced from $4,000 to $3,273.***

The landlord again refused to reduce his rent from $4,000 to $3,273.

03.29.22 EMAIL FROM LYLE MATSUURA, USED LOW COMP FOR $1,500 'AGAIN'- $1,621 included $121 utility allowance Download

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On 03.29.22, after I received the above email from Lyle Matsuura, I again contacted Hawaii's HUD/PIH Director, Mr. Jesse Wu, who responded in the following email:

03.29.22 EMAIL FROM PIH DIRECTOR JESSE WU TO Ps SON, re WU IS UNABLE TO HELP Download

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On 04.01.22, I forwarded Jesse Wu's email dated 03.25.22 to Lyle Matsuura, to inform Lyle Matsuura that the use of low comparables was not in compliance with the HUD Regulations. After Lyle Matsuura received this email, Lyle apparently forwarded this email to his superiors, but instead of correcting the problem (*to not implement the illegal policy to use low comps*), Hakim Ouansafi instructed Ryan Akamine to "review" my file.

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HUD CONFIRMS THE HPHA "REVIEW" TURNED INTO AN "INVESTIGATION"

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HUD informed me that the HPHA "review" (which was really an "investigation") was to determine my "need" for a live in aide. But as I will prove, HUD confirms that state employees are not authorized to act as gatekeepers to determine if a recipient is disabled, and to determine what support services a recipient can and cannot receive to accommodate their disabilities.

Stephanie Rabiner, the HUD/FHEO Branch Chief confirmed in an email that Ryan Akamine's "review" was actually considered an "investigation", which resulted in Ryan Akamine intentionally interfering with my reasonable accommodations to have a live in aide, claiming that his "authority" as a state employee has precedence over the "authority" of my physicians in determining what support services I can and cannot receive to accommodate my disabilities.

As a result of Ryan Akamine's "investigation", he terminated my live in aide and terminated my 2-bedroom voucher (thereby depriving me of any due process rights before interfering with my live in aide and 2-bedroom voucher).

Ryan Akamine continued to retaliate against me by then preventing my landlord from reducing the size of his rental from a 2-bedroom rental to a 1-bedroom rental so that I could remain as a tenant with my 0-bedroom voucher, which inevitably caused me to be homeless.

The motivation was clearly based on retaliation, which adverse decisions were made by Ryan Akamine (*acting on behalf of Hakim Ouansafi's instructions to "review" my file*) **after** I disputed the illegal policy to use low comparables to reduce my payment standard and reduce the contract rent. It is not reasonable that a state employee is authorized to determine what support services a recipinet can and/or cannot receive to accommodate their disabilities, especially considering the state employee has never met the recipient, nor is the state employee qualified to interpret medical records and diagnose medical conditions that would warrant the need for support services.

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HAWAII HUD/PIH DIRECTOR, MR. JESSE WU

MR. JESSE WU CONFIRMS HPHA POLICY TO USE LOW COMPS IS NOT IN COMPLIANCE WITH HUD REGULATIONS

On 03.25.22, I received this email from the Hawaii PIH Director, Mr. Jesse Wu. He provided me with the HUD Regulations to prove that the policy being implemented by the HPHA to use low comparables was illegal.

On 04.01.22, I forwarded Mr. Jesse Wu's email to Lyle Matsuura.

03.25.22 and 04.01.22 EMAILS TO AND FROM JESSE WU, PIH DIRECTOR, WHO SENDS P HUD REGS TO PROVE LOW COMPARABLES ARE ILLEGAL

Download

On 08.16.22, Hawaii's HUD/PIH Director, Mr. Jesse Wu, responded to me letter dated 08.08.22 and again informed me that he was unable to assist me with the problems I was having with the state employees of the Hawaii Public Housing Authority. Mr. Wu confirmed "...HPHA receives funding from HUD, **it is governed by the locally appointed Board of Commissioners**...HUD is not involved in the HPHA daily operations or decisions..."

08.19.22 LETTER FROM HUD DIRECTOR, JESSE WU, CONFIRMS HPHA IS GOVERNED BY THE BOARD, HUD IS NOT INVOLVED IN DAILY OPERATIONS AND DECISIONS Download

SECTION 8 VOUCHERS

The value of each voucher is determined when the voucher is issued to the recipient/family, which amount is based on the family size and the voucher size needed. This determines the payment standard for each voucher (see payment standard chart attached below), which is the amount of subsidy HUD issues to the HPHA for that specific voucher.

By applying the illegal policy to use low comparables against the contract rent, this reduces the payment standard for each and every voucher. But it does not reduce the amount of subsidy that HUD issues to the HPHA for the voucher (which amount was already established). The HPHA still receives the full subsidy for the original value of the voucher.

By applying the illegal policy to use low comparable against the contract rent, this reduces the payment standard for the recipient's voucher, and reduces the contract rent for the landlord. And if the landlord will not reduce his contract rent (determined by the illegal policy to use low comparables), then the recipient is required to search for another unit using the new reduced payment standard. The balance of the subsidy that is not used is considered 'surplus grant funds' and should be deposited into the HPHA's reserve account, which HUD confirms the HPHA currently has only $140,000 in reserves. This does not make sense, because if the payment standard for each voucher has been reduced for the past 13 years, then there should be millions in reserves; in addition to the ±$110,000,000 that was stolen and is obviously not in reserves.

The illegal policies to use **low** comparables against the **contract rent** in **all** rent reasonableness determinations is of no benefit to the recipients and landlords who participate in the Section 8 Housing Choice Voucher Program. Only the defendants benefit from implementing the illegal policies to use low comparables against the contract rent in all rent reasonableness determinations, but for the sole purpose of increasing the amount of federal funds that the state employees can steal from the Section 8 Housing Choice Voucher Program.

Note: Landlords who participate in the Section 8 program will never receive the FMR value for their rentals. My landlord acknowledges this in his letter to Judge Micah Smith, and is willing to testify to this. This is why landlords in Hawaii refuse to participate in the Section 8 Housing Choice Voucher Program. If the State of Hawaii fixes this fraud scheme, then there would not be a housing crisis in Hawaii. If the State of Hawaii stops using low comparables, then more landlords would be willing to participate in the Section 8 program, knowing they will at least get the Fair Market Value for their rentals.

HAKIM OUANSAFI ~ ADMISSION OF GUILT

Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, submitted his **DECLARATION signed on**

February 14, 2025, as an attachment to his Motion for Summary Judgment.

Hakim Ouansafi admits guilt by declaring in his DECLARATION that he is <u>not</u> "...responsible for adopting policies such as the "one low comparable" policy...", but rather **inputs liability to his staff and to the HPHA Board of Directors** as being legally responsible for allowing him to use the illegal policies, which are used for the sole purpose of supporting Hakim Ouansafi's fraud scheme to steal federal funds from the Section 8 Housing Choice Voucher Program.

Hakim Ouansafi writes in his "DECLARATION", signed on February 14, 2025:

Hakim Ouansafi writes: "...(8)...HPHA ***staff are responsible*** *for managing day to day operations..including conducting rent reasonableness tests to determine whether the rent requested by a landlord is reasonable..."*

Hakim Ouansafi writes: "...(9)...The ***Board is responsible*** *for adopting HPHA's policies, including administrative rules and the Administrative Plan..." and "...(10)...****It is the HPHA Board, not me as the Executive Director, that is responsible for adopting policies such as the "one low comparable" policy*** *referenced by Plaintiff..."*

<u>DECLARATION by HAKIM OUANSAFI, signed 02.14.25, attached to D's Motion for Summary Judgment = Ouansafi inputs liability for fraudulent use of 2011 illegal policies to staff and HPHA Board of Directors</u> Download

This is not the first time Hakim Ouansafi admitted using the illegal policy to use low comparables. Hakim Ouansafi has repeatedly admitted to HUD and to the HPHA Board of Directors, on several occasions, that he uses the **illegal policy to use low comparables that "...differs from the HUD mandate...".**

Hakim Ouansafi refuses to ratify the illegal policies into compliance with the HUD Regulations, which is required according to 24 CFR 982.54. Instead, **he uses the illegal policies to use low comparables against the contract rent in all rent reasonableness determinations to steal federal funds from the Section 8 Housing Choice Voucher Program.** The steal is well documented in all of HPHA financial statements which Hakim Ouansafi intentionally altered the HPHA financial statements to hide the steal; and then lied to the state auditors, lied to HUD, and lied to the HPHA Board of Directors by falsely claiming the altered figures in his financial statements were accurate, which they are not.

FACTS:

1. Hakim Ouansafi already admitted to HUD years ago that he was enforcing the illegal policy to use low comparables, which he admitted years ago was an illegal policy that **"...differs from the HUD mandate...".**

2. Hakim Ouansafi again admits in his Declaration that he continues to use low comparables, which he again confirms is an illegal policy.

3. Hakim Ouansafi inputs liability to his staff and to the HPHA Board of Directors for his choice to use the illegal policy that was ratified into the HPHA Admin Plan in 2011.

4. Hakim Ouansafi was hired in January 2012, and has had 13 years to ratify this 2011 illegal policy into compliance with HUD Regulations. 24 CFR 982.54 requires that the HPHA Admin Plan must be in compliance with all federal rules and HUD Regulations.

5. Hakim Ouansafi intentionally enforces the illegal policies ("to use low comparables" "against the contract rent" "in all rent reasonableness tests") as the basis for reducing the subsidy for each voucher, thereby increasing the amount of subsidy he steals from the Section 8 Housing Choice Voucher Program.

6. Hakim Ouansafi's illegal policies are of no benefit to the recipients and landlords of the Section 8 Housing Choice Voucher Program.

7. Hakim Ouansafi's illegal policies only serves to benefit the steal.

8. Hakim Ouansafi does not dispute the illegal policies; which are still being applied to all vouchers today.

9. Hakim Ouansafi does not dispute the fraud scheme; which is still allowing the state employees to steal.

10. Hakim Ouansafi does not dispute stealing federal funds.

Because it is expected that state employees are to act in the best interest of the recipients and landlords, most recipients and landlords do not question the actions of state employees or question the decisions they make, even if those decisions have an adverse affect on the recipients and landlords. I guess I'm different. It seemed reasonable for me to dispute the decisions the state employees made that had an adverse affect on my health and housing.

Only **after** the illegal policies were applied to my voucher, only **after** I I disputed the illegal policies, only **after** I provided Hakim Ouansafi and his staff with proof from HUD that the illegal policies they were using were not in compliance with the HUD Regulations, did **Hakim Ouansafi and his management staff choose to retaliate against me by intentionally interfere with my health and housing by terminating my reasonable accommodation to have a live in aide, and intentionally terminating my 2-bedroom voucher** *(which both were approved in 2013 on the mainland, and again approved by the Hawaii Public Housing Authority after I moved to Hawaii in 2017).*

FRAUD SCHEME #1: Evidence proves this fraud scheme allowed Hakim Ouansafi and his management staff to steal **$491,058,828** since January 2015, and they continue to steal federal funds every month from the Section 8 Housing Choice Voucher Program. When will someone stop them?

5. FRAUD SCHEME #2

TO STEAL FEDERAL FUNDS FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, STATE EMPLOYEES ALTER THE HPHA FINANCIAL STATEMENTS TO HIDE THE STEAL, AND REPORT THE ALTERED FIGURES TO HUD, TO THE STATE AUDITORS, AND TO THE HPHA BOARD OF DIRECTORS, FRAUDULENTLY CLAIMING THE HPHA USED ±100% OF THE SUBSIDY RECEIVED FROM HUD AND ONLY ISSUED ±75% OF THE VOUCHERS

HIDING THE STEAL IS INTENTIONAL

The facts provided in the HUD "dashboard" proves FRAUD SCHEME #2, which the fraud scheme is based on two parts:

(1) to alter the HPHA financial statements so expenditures equal revenues, which is an intentional act to hide the steal, and

(2) to falsely claim to HUD, to the state auditor, and to the Board of Directors that the expenditures equal the revenues, by falsely claiming it used ±100% of the subsidy that it received from HUD, but HUD confirms that the HPHA issued only ±75% of the vouchers it received from HUD. This fraud scheme allows the state employees to steal ±25% of the federal funds allocated to the Section 8 Housing Choice Voucher Program.

VALUE OF THE STEAL

By applying FRAUD SCHEME #2, the state employees of the Hawaii Public Housing Authority have stolen approximately as much as **$119,184,054** in the last 13 years (since January 2015), and they continue to steal each month. The approximately total steal from 3 of the 5 PHAs who apply FRAUD SCHEME #2 is **$250,000,000.**

THE STEAL

The following is a DETAILED DESCRIPTION of the evidence that proves FRAUD SCHEME #2 is intentionally implemented by the state employees of the Hawaii Public Housing Authority to purposefully and intentionally steal federal funds from the Section 8 Housing Choice Voucher Program.

HUD DATA CONFIRMS THE STEAL BY 3 OF 5 PHAs IN HAWAII

The HUD "dashboard" proves that 3 of the 5 PHAs in Hawaii are implementing FRAUD SCHEME #2 to steal from the Section 8 program (PHAs: H1901, H1003, and H1005):

**** Hawaii Public Housing Authority (H1901) – used 100.83% subsidy to issue 78.32% vouchers (3,341 out of 4,341)***

**** City and County of Honolulu (H1003) – used 100.79% subsidy to issue 81.63% vouchers (3,955 out of 4,906)***

**** Kauai County Housing Agency (H1005) – used 102.16% subsidy to issue 73.76% (852 out of 1,178)***

**** County of Hawaii (H1002) – used 111.80% subsidy to issue 99% (2,029 out of 2,130)***

**** County of Maui (H1004) – used 104.02% subsidy to issue 99.67% (1,551 out of 1,543)***

HUD DATA CONFIRMS THE STEAL BY HPHA STATE EMPLOYEES

THE FOLLOWING PROVES THE HPHA STATE EMPLOYEES FALSELY CLAIMED TO HUD IT USED ±100% OF THE SUBSIDY IT RECEIVED FROM HUD, BUT HUD CONFIRMED THE HPHA DID NOT ISSUE ALL THE VOUCHERS HUD ISSUED TO HPHA.

The following table is a summary of the figures extracted from the HPHA Financial Statements (*attached after this summary*) and from the HUD dashboard (*% of vouchers actually issued*). This proves that the defendants were intentional when falsely claiming to HUD that ±100% of the subsidy it received was used (*revenue v. expenditures*). Because the vouchers belong to HUD, the HUD dashboard confirms the percentage of vouchers that were actually issued to the public (2015 = 56.22%, 2016 = 60.11%, 2024 =

77.51%, etc.).

Since 2015, as the revenue increased each year, the percentage of vouchers that were issued increased as well, which allowed the defendants to consistently steal on average approximately $12,000,000 each year.

From 2015 to 2024, the approximate amount of subsidy that the Hawaii Public Housing Authority 'allegedly' stole is **$119,084,154** (FRAUD SCHEME #2)

Year	**Revenues**	**Expenditures**	Deficiency	% of Vouchers Issued	% of Vouchers **Not** Issued **(= $ STOLEN)**
2015	$25,486,975	**$25,823,220**	($336,245)	56.22% $14,517,814	43.78% **$11,305,405**
2016	$29,964,655	**$29,802,417**	$162,238	60.11% $17,914,232	39.89% **$11,888,184**
2017	$32,070,826	**$31,330,162**	$740,664	61.21% $19,177,192	38.79% **$12,152,969**
2018	$32,623,803	**$34,473,612**	($1,849,809)	61.44% $21,180,587	38.56% **$13,293,024**
2019	$35,152,564	**$36,408,599**	($1,256,035)	62.53% $22,766,296	37.47% **$13,642,302**
2020	$38,358,008	**$39,195,717**	($837,709)	62.65% $24,556,116	37.35% **$14,639,600**
2021	$42,818,562	**$44,818,562**	($1,891,990)	83.34% $37,351,789	16.66% **$7,466,772**
2022	$51,896,161	**$53,006,255**	($1,110,094)	83.57% $44,297,327	16.43% **$8,708,927**
2023	$64,969,302	**$61,717,891**	$3,251,411	82.37% $50,837,026	17.63% **$10,880,864**
2024	$66,618,313	**$67,168,106**	($549,793)	77.51% $52,061,998	22.49% **$15,106,107**
				TOTAL MISSING SUBSIDY....	$119,084,154

NO RESERVES?

Any subsidy not used should be in Reserves. Based on FRAUD SCHEME #1, there should be surplus grant funds from each voucher (as a result of the low comparables used to reduce the contract rent). Based on FRAUD SCHEME #2, there should be surplus grant funds from the fact that approximately 25% of the vouchers were not issued.

The HUD dashboard confirms that the HPHA has only $140,000 in Reserves *(in comparison to the other Hawaii PHAs that have millions in Reserves).*

HUD DASHBOARD link: https://app.powerbigov.us/view?r=eyJrIjoiM2Y2OTQ2MTAtODVkNC00YmM2LThhOWEtZWY4MGU5YWFmZDFmIiwidCI6IjYxNTUyNGM1LTIyZTktNGJjZC1l

STATE EMPLOYEES ALTERED THE HPHA FINANCIAL STATEMENTS

The state employees purposefully and intentionally alter the HPHA financial statements by claiming the expenditures equal the revenues, when in fact the HUD dashboard contradicts this information. The information that the HPHA provides to HUD is communicated via HUD FORM: HUD-52681-B. The plaintiff requested a copy of these public documents from the HPHA, but the HPHA has not yet produced the documents to the plaintiff. This is crucial in determining who the state employee is who completed the forms and provided false figures to HUD.

Below are copies of the HPHA financial statements (from 2015 to 2024) that prove the state employees altered the financial statements to hide the steal, by fraudulently claiming it used ±100% of the subsidy it received from HUD **(revenue v. expenditures)**. The HUD CHARTS and the above table provides confirmation by HUD that approximately ±25% of the vouchers were not issued.

The above table proves that the alleged approximate steal from the Hawaii Public Housing Authority is **$119,085,154** (since January 2015), and an approximately steal of over **$250,000,000** from the 3 (of the 5) PHAs who enforce FRAUD SCHEME #2.

HPHA FINANCIAL STATEMENTS WERE FRAUDULENTLY ALTERED

The following HPHA Financial Statements (from **2015 – 2024**) obtained from the Hawaii state auditors reports prove that the HPHA Financial Statements were fraudulently altered to hide the steal.

The figures in the HPHA Financial Statements confirm the steal by the HPHA falsely claiming that ±100% of the subsidy was used, but HUD confirms that approximately ±75% of the vouchers were issued *(percentage varies each year – see above table).*

2015-2024 HPHA FINANCIAL STATEMENTS – S8 HCV PROGRAM – REVENUES (true) v EXPENDITURES (false) **Download**

Based on FRAUD SCHEME #1 to use low comparables against the contract rent in all rent reasonableness determinations, there is absolutely no way the expenditures can exceed the revenues.

Based on FRAUD SCHEME#2 to not issue all the vouchers, there is absolutely no way the expenditures can exceed the revenues.

The original HPHA Financial Statements can be obtained at Hawaii's website for the state auditor. Here's the link: Office of the Auditor | State of Hawai`i

HPHA Financial Statements are available as far back as 2012, which proves that the HPHA has been altering their financial statements to hide the steal since 2012. Since the HUD dashboard provides data for the PHAs as far back as January 2015, it seemed reasonable to provide the HPHA Financial Statements beginning January 2015. This allows for ten (10) years of an accurate accounting to prove Fraud.

~ HUD CHARTS & FRAUD CHARTS ~

The following HUD CHARTS and the FRAUD CHARTS proves that Hawaii state employees stole over $250,000,000, and they continue to steal over $25,000,000 each year, $2,500,000 each month. I know I'm barely scratching the surface of the fraud schemes being implemented by state employees to steal federal funds from Hawaii, but I am confident that I can prove the fraud schemes that I am aware of. Even though my lawsuit is against the Hawaii Public Housing Authority for the damages they caused me personally, there is no question that I have uncovered fraud schemes that proves government corruption runs deep in Hawaii.

The HUD CHARTS and the FRAUD CHARTS prove that 3 of the 5 PHAs in Hawaii are currently stealing from the Section 8 Housing Choice Voucher Program (*Big Island and Maui do not steal*). Based on these charts, the following is alleged:

Hakim Ouansafi, Director of the PHA: Hawaii Public Housing Authority, stole **$110,922,769 (since January 2015)** from the Section 8 Housing Choice Voucher Program, and he continues to steal approximately **±$1,000,000 each and every month.** FRAUD CHART is from January 2015 to October 2024.

Anton Krucky, Director of the PHA: City of County of Honolulu, stole **$10,942,886 (in just one year, Jan – Oct 2024)** from the Section 8 Housing Choice Voucher Program, and he continues to steal approximately **±$1,000,000 each and every month (approximately a total of $109,428,860 since January 2015).** FRAUD CHART is from January 2024 to October 2024. Even though it is proven that the steal began in January 2015, I have yet to compile the HUD figures to create a chart beginning January 2015 to current date.

Adam Roversi, Director of the PHA: Kauai County Housing Agency, stole **$2,697,658 (in just one year, Jan – Oct 2024)** from the Section 8 Housing Choice Voucher Program, and he continues to steal approximately **±$270,000 each and every month (approximately a total of $26,976,580 since January 2015).** FRAUD CHART is from January 2024 to October 2024. Even though it is proven that the steal began in January 2015, I have yet to compile the HUD figures to create a chart beginning January 2015 to current date.

The HUD charts (***available on the HUD dashboard, page 12 of 14***) provides data to prove that the HPHA falsely claimed to HUD that it used ±100% of the subsidy it received from HUD, and yet HUD confirms that the HPHA issued only ±75% of the vouchers to the public.

* ±25% of the stolen subsidy = 25% of the vouchers are worthless = subsidy was stolen *

This website provides factual evidence to prove that the state employees of the Hawaii Public Housing Authority altered their financial statements to hide the steal, then lied to HUD, lied to the state auditors, and lied to the HPHA Board of Directors, by falsely claiming they used ±100% of the subsidy it received from HUD, but the HUD dashboard confirms only ±75% of the vouchers were issued. This proves that ±25% of the subsidy are/were stolen. Refer to attached HUD CHARTS.

FRAUD SCHEME #2: Evidence proves this fraud scheme allowed 3 of the 5 PHAs in Hawaii to steal a combined total of approximately **±$250,000,000 since January 2015** *(approximately $110M by HPHA alone).*

The following **HUD CHARTS** and **FRAUD CHARTS** prove that not only is the Hawaii Public Housing Authority stealing from

the Section 8 Housing Choice Voucher Program, but actually 3 of the 5 PHAs in Hawaii are currently stealing. The charts prove that Hawaii state employees have adopted the same fraud scheme that has allowed the **state employees to steal ±$250,000,000 from the Section 8 Housing Choice Voucher Program (since January 2015), and they continue to steal ±$25,000,000 each year, ±$2,500,000 each month.**

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HUD CHARTS

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The HUD CHART for the PHA: Hawaii Public Housing Authority proves the fraud scheme being implemented by Hakim Ouansafi, the Executive Director, **falsely reports** to HUD, to the state auditors, and to the HPHA Board of Directors that **he uses ±100% of the subsidy he receives from HUD.** However, HUD confirms that the HPHA actually **issues ±75% of the vouchers it receives from HUD.** Fact: ±25% of the vouchers are considered 'dead' vouchers because the subsidy allocated for those vouchers is stolen.

HUD DASHBOARD: The HUD dashboard (*link provided below*) provides factual data for all the PHAs in the country. The HUD data confirms that 3 of the 5 PHAs in Hawaii are currently stealing federal funds from the Section 8 Housing Choice Voucher Program. The HUD data confirms that Hakim Ouansafi and his management staff (on behalf of the Hawaii Public Housing Authority) **falsely reported to HUD** that they used 100% of the subsidy they received from HUD, but HUD confirms that only 75% of the vouchers the HPHA received from HUD were actually issued to the public.

https://app.powerbigov.us/view?r=eyJrIjoiM2Y2OTQ2MTAtODVkNC00YmM2LThhOWEtZWY4MGU5YWFmZDFmIiwidCI6IjYxNTUyNGM1LTIyZTktNGJjZC1hODkz

Definition of chart headings:

% BUDGET UTILIZATION = subsidy used = HPHA lied to HUD, claiming it used ±100% of the subsidy (federal funds) it received *(the lie)*

% LEASING UTILIZATION = vouchers used = HUD confirmed the % of vouchers used, per signed HAP leases *(the truth)*

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PHA: H1901 ~ HAWAII PUBLIC HOUSING AUTHORITY

HUD dashboard confirms that Hakim Ouansafi and his management staff **lied to HUD, lied to the state auditors, and lied to the HPHA Board of Directors, by claiming they used ±100% of the subsidy it received from HUD, but the HUD dashboard confirms only ±75% of the vouchers were issued.** This proves that **±25% of the subsidy was stolen.** *The FRAUD CHARTS are provided separately (in the next section) to prove that the state employees of the Hawaii Public Housing Authority stole* ***$110,922,769*** *since January 2015 (annual steal is ±$11,000,000, monthly steal is ±$1,000,000):*

HUD CONFIRMS PHA H1901 = HAWAII PUBLIC HOUSING AUTHORITY FALSELY REPORTS TO HUD THAT IT USED 100% SUBSIDY, HUD CONFIRMS 25% VOUCHERS NOT ISSUED = TOTAL STEAL OF $110,922,769 (SINCE JAN 2015), SEE FRAUD CHART and FINANCIAL STMTS Download

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PHA: H1003 ~ CITY AND COUNTY OF HONOLULU

HUD dashboard confirms that the CITY AND COUNTY OF HONOLULU **PHA lied to HUD, claiming it used ±100% of the subsidy it received,** when in fact the HUD confirms that only **±80% of the vouchers were issued.** This proves that **±20% of the subsidy was stolen.** *The FRAUD CHARTS prove that a total of* ***$109,428,860 was stolen*** *since January 2015 (annual steal is ±$10,000,000, monthly steal is ±$1,000,000):*

HUD CONFIRMS PHA H1003 = CITY AND COUNTY OF HONOLULU FALSELY REPORTS TO HUD THAT IS USED 100% SUBSIDY, HUD CONFIRMS 20% VOUCHERS NOT ISSUED = TOTAL STEAL OF $109,428,860 (SINCE JAN 2015), SEE FRAUD CHART Download

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PHA: H1005 ~ KAUAI COUNTY HOUSING AGENCY

HUD dashboard confirms that the KAUAI COUNTY HOUSING AGENCY **lied to HUD, claiming it used ±100% of the subsidy it received,** when in fact the HUD confirms that only **±70% of the vouchers were issued.** This proves that **±30% of the subsidy was stolen.** *The FRAUD CHARTS prove that a total of* ***$26,976,580 was stolen*** *since January 2015 (annual steal is ± $2,700,000 , monthly steal is ±$270,000):*

HUD CONFIRMS PHA H1005 = KAUAI COUNTY HOUSING AGENCY FALSELY REPORTS TO HUD THAT IS USED 100% SUBSIDY, HUD CONFIRMS 30% VOUCHERS NOT USED = TOTAL STEAL $26,976,580 (SINCE JAN 2015). SEE FRAUD CHART Download

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FRAUD CHARTS

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I created the FRAUD CHARTS using **HUD figures** from the HUD dashboard) *and* **HPHA figures** from HPHA financial records, and other HPHA documents. Even though my lawsuit is only against the Hawaii Public Housing Authority and its employees for the damages they personally caused me, there is no question that I have uncovered a fraud scheme that proves government corruption runs deep in Hawaii.

The FRAUD CHARTS are very detailed, providing a month-to-month detailed account of the amount of subsidy stolen each month from the Section 8 Housing Choice Voucher Program.

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*** HAKIM OUANSAFI, the Executive Director of the PHA: HAWAII PUBLIC HOUSING AUTHORITY stole $110,922,769 (since January 2015) from the Section 8 Housing Choice Voucher Program; and he continues to steal ± $1,000,000 every month.**

FRAUD CHART – PHA H1901 – HPHA – FINAL Download

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*** ANTON KRUCKY, Director of the PHA: CITY OF COUNTY OF HONOLULU stole $10,942,886 (in just ten months, Jan – Oct 2024), and he continues to steal ±$1,000,000 every month. Approximately a total of $109,428,860 stolen since January 2015; HUD data confirms the steal, but I have yet to compile the data into a Fraud Chart to prove the amount stolen each month.**

FRAUD CHART – PHA H1003 – City and County of Honolulu Download

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*** ADAM ROVERSI, Director of the PHA: KAUAI COUNTY HOUSING AGENCY stole $2,697,658 (in just ten months, Jan – Oct 2024), and he continues to steal ±$270,000 every month (approximately a total of $26,976,580 stolen since January 2015). HUD data confirms the steal, but I have yet to compile the data into a Fraud Chart to prove the amount stolen each month.**

FRAUD CHART – PHA H1005 – Kauai County Housing Agency Download

RESOURCES USED TO CREATE THE FRAUD CHARTS

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

- S8 HAP FIGURES
- S8 SUBSIDY FIGURES
- S8 VOUCHER FIGURES

HUD FIGURES (extracted from):

- HUD 5-year Plan
- HUD Annual Plan
- HUD Monthly Plan

(found in HUD websites – to access HUD's "HCV DATA DASHBOARD", go to https://www.hud.gov/hcv)
(found in HPHA websites – to access HPHA's PLANS, go to https://hpha.hawaii.gov/plans-reports)
(found in board meeting agendas – to access HPHA's "BOARD MEETING MINUTES", go to https://hpha.hawaii.gov/meeting-packets)

HPHA FIGURES (extracted from):

- HPHA Financial Statements

(found in the HPHA websites – to access "HPHA AUDITS", to go https://hpha.hawaii.gov/plans-reports#auditors-reports)
(found in board meeting agendas)

- State Auditor's Financial Statements

(found in state auditor's websites – to access "STATE AUDITS", to go https://auditor.hawaii.gov/financial-audits/)
(found in board meeting agendas – to access HPHA's "BOARD MEETING MINUTES", go to https://hpha.hawaii.gov/meeting-packets)

- Executive Director's Report

(found in board meeting agendas – to access HPHA's "EXECUTIVE DIRECTOR'S REPORT", go to https://hpha.hawaii.gov/meeting-packets)

This link is the HUD dashboard which provides factual data for all PHAs in the country who participate in the Section 8 Housing Choice Voucher Program:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard

6. ADDITIONIAL FRAUD SCHEMES

Section 8 ~ Waiting List for a Section 8 voucher is meaningless!

The applicants who are on the waiting list for a Section 8 voucher are in desperate need of housing assistance. But little do they know, the waiting list for a Section 8 voucher is meaningless!

The HUD dashboard confirms that Hakim Ouansafi falsely claims to HUD that h.e uses 100% of the subsidy he receives from HUD, but the HUD dashboard confirms that Hakim Ouansafi issues only 75% of the vouchers, which means that 25% of the vouchers are dead and are not available to be issued because the money for those vouchers is stolen.

My heart goes out to all the locals who are currently on the HPHA waiting list for a Section 8 voucher. The Section 8 vouchers have already been issued to the HPHA, but the HPHA chose to not issue the vouchers to you and instead chose to steal the money for those vouchers and not issue the vouchers to you. **On behalf of the community who truly cares about you, I am so sorry.**

Section 8 ~ Landlord Incentive Program

Hakim Ouansafi is intentionally not issuing incentive checks to new landlords for participating in the Section 8 program. To date, Hakim Ouansafi refuses to issue my current landlord an incentive check. New landlords who participate in the Section 8 program are entitled to receive an incentive check equal to one month's rent. This incentive is of great benefit to all recipients of the Section

8 program because of the difficulty in finding a landlord to participate in the Section 8 program. I can prove that for the last two years, Hakim Ouansafi refused to hire a Landlord Liaison to implement the Landlord Incentive Program, and even went so far as to instruct his staff to communicate to recipients/landlords that the funding for the 'Landlord Incentive Program' had been depleted, even though no landlords received an incentive check. Hakim Ouansafi refuses to dispense these HUD funds, which is just more federal funds he is stealing from the Section 8 program.

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Section 8 ~ VASH Veteran's Vouchers

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Hakim Ouansafi refuses to administer **all** of the Section 8 **veteran** vouchers (VASH) he receives from HUD, which are specifically designated to be issued only to Veterans. HUD's dashboard confirms the HPHA issued half of the veteran vouchers this year. The rest of the vouchers can't be issued because Hakim Ouansafi has already stolen that subsidy too. HUD issued a total of **643** vouchers to be issued to our veterans, but only **491** were actually dispensed (**76.36%**). **152 vouchers were not issued to veterans this last year, because Hakim Ouansafi stole the money for those vouchers too.**

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2014 v. 2023 ~ HUD INSPECTION SCORES DECREASED FOR ALL HAWAII'S STATE-OWNED PROJECTS, SINCE HAKIM OUANSAFI WAS HIRED AS THE EXECUTIVE DIRECTOR IN JANUARY 2015

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The HUD inspection scores for all the state-owned projects have drastically decreased **since Hakim Ouansafi was hired in January 2012.** Hakim Ouansafi admits in several written testimonies he has submitted to the legislature in support of various senate bills, the **Hawaii Public Housing Authority is currently $800,000,000 backlogged in repairs for all the state-owned projects.**

Refer to my written testimony for the 04.17.25 board meeting, which provides documents to prove that Hakim Ouansafi petitioned the legislature for approval of senate bills and received millions of dollars in federal and state funds allocated for repairs to the state-owned projects. This money also disappears. Withholding the federal funds allocated for repairs to state-owned projects is what substantiates the $800,000,000 backlog. And then Hakim Ouansafi uses the deficit to petition the legislalature for more funding to build new affordable housing. This has proven to be fruitless, because not one state owned project has been built since Hakim Ouansafi was hired in January 2012.

The charts *(attached below)* I created based on HUD inspections scores for each state owned project, confirms the **HUD INSPECTION SCORES** have drastically decreased for all the state-owned projects in Hawaii. This proves the $800,000,000 backlog on repairs. The state owned projects are currently in very poor condition, forcing residents to live in dilapidated, rat-infested, lead poisoned, and uninhabitable housing. It is well documented that if the tenants complain about repairs or draw attention to themselves, they are evicted from the property. About 40% of the units are currently vacant. Could this be that they vacant because they are uninhabitable and no longer available to provide housing for Hawaii? Any self-proclaimed "housing crisis" by Hawaii's government officials is self-inflicted because of poor management by Hawaii state employees.

FACT: **Hakim Ouansafi, who was hired in January 2012, has had the last 13 years to increase the inspection scores, but failed.** Hakim Ouansafi used the "backlog of $800,000,000" as a basis for the several written testimonies he has attached to several senate bills, in which he has received millions of dollars that just disappeared and the money was not used for repairs, which would have resulted in increasing the inspection scores of the state-owned projects.

The charts below prove a consistent decrease in HUD's annual inspection scores for all the HPHA state-owned projects. Example: KPT (Kulio Park Terrace) inspection score was **58** in 2013/14 *and* decreased to **43** in 2023.

As a result of me discovering the HUD inspection scores, I was able to uncover another fraud scheme being implemented by Hakim Ouanafi that allows him to steal even more federal funds from the State of Hawaii. Please refer to the written testimony I tried to submit to the Board of Directors on 04.17.25 (110 pages long) which provides facts to prove that Hakim Ouansafi petitioned the legislature on several occasions claiming to be backlogged $800,000,000 in repairs for state owned properties, and **in one bill Hakim Ouansafi requested and received $20,500,000 for repairs**, *and* **in another bill Hakim Ouansafi requested and received an additional $10,500,000.**

However, this money was never used for repairs and unfortunately the money just disappeared. As an overlap to receiving federal funds for repairs *(which funds were never used for that purpose),* Hakim Ouansafi then requested that the legislature provide federal funds to build new state-owned projects, claiming that the current condition of the state-owned properties is decrepit and

uninhabitable; and therefore, more federal funds are needed to build new state-owned properties. A total of $2,000,000,000 has been requested and received thus far (a board member at the March board meeting confirmed it is costing the state about $700,000 per unit for the state to build an "anticipated" project that Hakim Ouansafi has been working on for years now = money comes in, money disappears, no building yet.

Please refer to the written testimony I tried to submit to the Board of Directors on **04.17.25** (110 pages long), which Hakim Ouansafi refused to forward to the Board of Directors before the board meeting, which provides factual evidence to prove Hakim Ouansafi is stealing federal funds from state-owned projects and potential future properties; and is also stealing from the recipients and landlords of the Section 8 Housing Choice Voucher Program, from the Hawaii Public Housing Authority, and from the State of Hawaii citizens and homeless *(not all vouchers are issued because the money is stolen).*

2014-15 HUD INSPECTION SCORES FOR ALL HAWAII STATE OWNED PROJECTS Download

2023 HUD INSPECTION SCORES FOR ALL HAWAII STATE OWNED PROJECTS Download

7. LITIGATION UPDATE

PLAINTIFF'S PRE-TRIAL CONFERENCE STATEMENT *(filed 05.15.25)*

U.S. District Court scheduled two pre-trial conferences: ~~June 9, 2025~~ *(on 05.20.25, the court rescheduled to June 23, 2025)* before U.S. Magistrate Judge Wes Reber Porter, and July 7, 2025 before U.S. District Court Judge Micah W.J. Smith. **Trial is scheduled for July 21, 2025.**

I filed my required pre-trial conference statement in a timely manner on May 15, 2025 *(before the court issued their order on 05.20.25 to rescheduled the pre-trial conference from 06.09.25 to 06.23.25).*

My PRE-TRIAL CONFERENCE STATEMENT filed on 05.15.25 is attached below:

PLAINTIFF'S PRE-TRIAL CONFERENCE STATEMENT, filed 05.15.25 Download

PLAINTIFF'S OPPOSITION TO DEFENDANTS MOTION FOR SUMMARY JUDGMENT & MEMORANDUM OF LAW *(filed 03.12.25, pending)*

Attorney General Anne Lopez filed a Motion for Summary Judgment on behalf of the defendants, the Hawaii Public Housing Authority, Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura. Instead of representing me, the state's Attorney General Anne Lopez has chosen to represent the state employees who I allege the claims of retaliation and fraud for using illegal policies to steal federal funds from the Section 8 Housing Choice Voucher Program.

The state employees enforced the illegal policies to use low comparables against the contract rent in all rent reasonableness determinations as a part of the fraud scheme that allows state employees to fraudulently (1) **reduces** the amount of the payment standard for each and every voucher, which (2) **reduces** the contract rent for each and every voucher, which (3) **reduces** the amount of subsidy used when signing the HAP contract with the landlord, which (4) **increases** the amount of subsidy that is stolen. The illegal policies is of no benefit to the recipients and landlords, but only benefits the state employees, who illegally decrease the amount of subsidy used for each voucher, which increases the amount of subsidy the state employees can steal from the Section 8 Housing Choice Voucher Program.

The state employees lied to HUD, lied to the state auditors, and lied to the HPHA Board of Directors, that 100% of the subsidy was used, when in fact HUD confirms that approximately only 75% of the vouchers are issued to the public. By lying, the state employees were able hide the stealing of the 25% of the total subsidy the defendants receive from HUD and did not use to

dispense the 25% of the vouchers withheld from the public.

Attached below is my 'PLAINTIFF'S OPPOSITION TO DEFENDANTS MOTION FOR SUMMARY JUDGMENT', which I filed on March 12, 2025. My prayer is that Hawaii's U.S. District Court will deny the Defendants Motion for Summary Judgment and allow this case to proceed to trial. I am confident that I will be able to present the evidence and documents necessary to prove that all my claims against the defendants are true and accurate. To review the attachments cited in my OPPOSITION, you will need access to Pacer (online court system). Refer to U.S. District Court Case No. 23-CV-00412-MWJS-WRP, **docket #113**. There is a high probability the judge assigned to this case (*Biden appointed*) will approve the defendants Motion for Summary Judgment, and I will have no other option but to file an appeal with the Court of Appeals of the 9th Circuit. I won't give up.

PLAINTIFF'S OPPOSITION TO DEFENDANTS MOTION FOR SUMMARY JUDGMENT, filed 03.12.25 Download

MEMORANDUM OF LAW – attached to P's OPPOSITION TO D's MOTION FOR SUMMARY JUDGMENT Download

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1st REQUEST FOR LEAVE TO AMEND COMPLAINT *(denied)*

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On 08.23.24, I filed my 1st MOTION FOR LEAVE TO FILE AMENDED COMPLAINT *(to add the claim of Fraud)*. After I filed my lawsuit, I discovered the actions of the state employees constituted the claim of Fraud. So I petitioned the court to add the claim of Fraud, and to add Bennett Liu (Chief Financial Officer) as a defendant.

The defendants filed an opposition, and the court denied my request. The court incorrectly determined that I was filing criminal charges. *Note: I do not have the authority to file criminal charges, and the court knew I filed a civil lawsuit in the U.S. District Court.*

1st MOTION FOR LEAVE TO AMEND COMPLAINT – filed 08.09.24, rev 08.23.24 Download

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2nd REQUEST FOR LEAVE TO AMEND COMPLAINT *(denied)*

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On 12.16.24, I filed my 2nd REQUEST FOR LEAVE TO FILE AMEND COMPLAINT. The defendants filed an opposition, and the court again denied my request. I petitioned the court again for leave to amend my complaint to include the claims of FRAUD and BRIBERY, and to add Bennett Liu, HPHA's Chief Financial Officer, as a defendant. **The HPHA financial statements are altered *by and through Bennet Liu,* who communicates this false information (on behalf of Hakim Ouansafi) to third parties** (to HUD, to state auditors, to the Board of Directors) by falsely reporting that **±100%** of the subsidy received from HUD was used to issue only **±75%** of the vouchers the HPHA received from HUD. HUD confirms the balance of the **±25%** of subsidy not used is stolen. The FRAUD CHART is very detailed with the exact HUD figures stolen each month, which proves Hakim Ouansafi has been stealing federal funds from the Section 8 Housing Choice Voucher Program since January 2015.

In addition, I discovered the actions of Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, constituted a claim of Bribery. I petitioned the court to amend my complaint to add the claims Fraud and Bribery, and to add **Bennett Liu (Chief Financial Officer) as a defendant – who recently received a $54,000 salary increase**. Public records prove that majority of the management staff who reports to Hakim Ouansafi have already received huge salary increases, which I believe supports a bribery claim.

The defendants opposed my 2nd REQUEST FOR LEAVE TO AMEND COMPLAINT, and the court again denied my request. *Note: the court docket proves that not once has the court ruled in my favor on any matter.*

2nd MOTION FOR LEAVE TO FILE AMENDED COMPLAINT, filed 12.16.24 Download

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WHY IS ATTORNEY GENERAL ANNE LOPEZ REPRESENTING THE STATE EMPLOYEES WHO ARE STEALING?

As it pertains to FRAUD SCHEME #1, the use of the illegal policies to use low comparables against the contract rent is exclusive to the Hawaii Public Housing Authority, only because I have not researched the other two PHAs in Hawaii to determine if they are also enforcing the illegal policies in order to steal federal funds from the Section 8 Housing Choice Voucher Program. My lawsuit only applies to the Hawaii Public Housing Authority and its employees for the damages they have caused me personally. However, I am able to prove that the other two PHAs are stealing federal funds as it pertains to FRAUD SCHEME #2. The Attorney General's office is fully aware of the claims I have alleged in this website, and it is their responsibility to pursue criminal charges against these PHAs for stealing federal funds.

As of today, the Attorney General Anne Lopez is representing the state employees who I allege retaliated against me for disputing their illegal policies that allow them to steal federal funds.

DEFENDANTS REFUSE TO PRODUCE DISCOVERY, ADMISSIONS, etc.

The defendants refuse to provide me with copies of requested discovery documents, nor have they responded Request for Admissions I submitted to each of the defendants. I filed a Motion to Compel with the court, who denied my motion claiming I did not meet the deadline to request discovery, which I thought I did.

REQUESTED COPIES OF HUD FORM: HUD-52681-B

On 05.20.15, I sent the attached letter to the Hawaii Public Housing Authority, requesting that they provide me with copies of forms HUD-52681-B, which the HPHA is required to submit to HUD. This completed form will prove that the HPHA provided HUD with false/true figures as it pertains to revenues, expenditures, HAP payments, rent reasonableness determinations, and so much more for specifically the Section 8 Housing Choice Voucher Program.

HUD requires that the HPHA provide copies of this form to the public within 10 days. If I don't receive the requested copies, I will ask the public to request copies for me. Even though the HUD dashboard provides actual figures that were reported to them by the HPHA, these HUD forms are crucial to knowing who submitted the forms to HUD, who knew and assisted in the fraud schemes.

05.20.25 LETTER TO HPHA – Request for FORM HUD-52681-B re RENT REASONBLENESS Download

THIS IS THE HUD FORM I AM REQUESTING: **HUD-52681-B**

It is imperative that the Hawaii Public Housing Authority provide the "public" a copy of these completed forms.

HUD form = HUD-52681-B = REVENUE v EXPENDITURES (vouchers), reporting to HUD re Rent Reasonableness re HAP and much more... Download

8. HPHA LEADERSHIP & ACCOUNTABILITY

~ HAKIM OUANSAFI ~

VERBAL ABUSE by HAKIM OUANSAFI

I provided the following letter to *government officials* to prove VERBAL ABUSE BY HAKIM OUANSAFI at the public board meetings. My letter is addressed to Governor Josh Green, Mayor Rick Blangiardi, and the Attorney General Anne Lopez (who is representing Hakim Ouansafi and the state employees who I caught stealing federal funds). I wrote this letter because I just had enough of the verbal abuse by Hakim Ouansafi, claiming to the Board of Directors and to all who are in attendance at these public board meetings that I am a bigot, an idiot, stupid, hateful, and insane. This is unacceptable behavior from any state employee, especially from the executive director of a state agency.

State employees should be restrained from defaming, slandering, verbally abusing, publicly discrediting, humiliating, ridiculing, retaliating, and disgracing me (or anyone) and who attends public board meetings.

On 04.24.25, after being insulted by Hakim Ouansafi *again*, this time at the board meeting on 04.17.25, I wrote this letter to Governor Josh Green, U.S. Attorney General Ken Sorenson, the FBI, and the DHS Director Ryan Yamane (who is also a Board of Director on the board for the Hawaii Public Housing Authority).

04.24.25 LETTER RE VERBAL ABUSE BY HAKIM OUANSAFI Download

RYAN AKAMINE (CHIEF COMPLIANCE OFFICER) REPORTS DIRECTLY TO HAKIM OUANSAFI (EXECUTIVE DIRECTOR)

Ryan Akamine was hired in January 2022 as the Chief Compliance Officer of the Hawaii Public Housing Authority. Ryan Akamine reports directly to Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority.

Ryan Akamine, Chief Compliance Officer, job description reads as follows:

"...oversees and manages the agency's Housing Compliance Office ***to ensure all public housing programs comply with State and Federal Housing Laws****...assists program managers in reviewing Federal and State laws, rules and regulations to determine their impact on the agency's procedures, and assists program managers in determining and developing operational procedural changes..."*

"...This position reviews and investigates all programs and activities for any performance deficiencies, fraud, waste, and mismanagement and recommends corrective action to the Executive Director..."

What if Ryan Akamine is an accomplice to the "...deficiencies, fraud, waste, and mismanagement..."? What if Ryan Akamine refuses to enforce compliance with state and federal laws? Can it be determined that he is acting outside the scope of his duties if he is not "...ensuring all public housing programs comply with State and Federal Housing Laws? As a member of Hakim Ouansafi's management staff, Ryan Akamine reports directly to Hakim Ouansafi.

RYAN AKAMINE – job description for HPHA Chief Compliance Officer Download

HAKIM OUANSAFI, THE EXECUTIVE DIRECTOR

Hakim Ouansafi was hired in January 2012 as the Executive Director of the Hawaii Public Housing Authority.

Hakim Ouansafi, Executive Director, job description reads:

Hakim Ouansafi is required ***"...to provide the overall administration and management of all functions and activities related to the operation of the Hawaii Public Housing Authority...establish policies and procedures to guide program operations..."***.

HAKIM OUANSAFI – job description for HPHA Executive Director Download

Hakim Ouansafi is accused of knowingly implementing illegal policies, deflecting responsibility to staff and the Board. Hakim Ouansafi admits to using the illegal policy to use low comparables against the contract rent in all rent reasonableness determinations. I am alleging that this illegal policy is what allows state employees to misappropriate federal funds from the Section 8 Housing Choice Voucher Program.

The illegal policies were ratified into the HPHA Admin Plan 8.III-D in 2011, which the defendants claim allows them to use **low comparables** (1st illegal policy) **against the contract rent** (2nd illegal policy) in **all** rent reasonableness determinations (3rd illegal policy). **These illegal policies are not in compliance with HUD Regulations.**

Hakim Ouansafi attached this Declaration to his Motion for Summary Judgment, and admits to the 2011 illegal policies. But instead of taking responsibility as the Executive Director, he inputs liability for the Hawaii Public Housing Authority using the illegal policy to his subordinate staff and to the HPHA Board of Directors *(who were not on the board in 2011 when the illegal policy was ratified into the HPHA Admin Plan).*

Evidence that will be provided at trial will prove that over the years Hakim Ouansafi has repeatedly tried to get the current HPHA Board of Directors to approve his illegal policies to use low comparables against the contract rent in all rent reasonableness determinations.

The fact is, Hakim Ouansafi was hired in January 2012 and had the last 13 years to ratify the illegal policies into compliance with the HUD Regulations. Instead, Hakim Ouansafi chose to use the illegal policies for the last 13 years to his advantage for the purpose of stealing millions from the Section 8 program (FRAUD SCHEME #1).

Hakim Ouansafi admits in his Declaration that the Hawaii Public Housing Authority is implementing the illegal policy to use low comparables against the contract rent in all rent reasonableness determinations (Admin Rule 8.III-D ratified in 2011).

Hakim Ouansafi claims he is not responsible for the implementation of this illegal policy, and instead inputs liability for the Hawaii Public Housing Authority using the illegal policies to his staff and to the HPHA Board of Directors.

Hakim Ouansafi writes in his Declaration:

"...(8)...HPHA ***staff are responsible*** *for managing day to day operations..including conducting rent reasonableness tests to determine whether the rent requested by a landlord is reasonable..."*

"...(9)...The ***Board is responsible*** *for adopting HPHA's policies, including administrative rules and the Administrative Plan..." and "...(10)...****It is the HPHA Board, not me as the***

Executive Director, that is responsible for adopting policies such as the "one low comparable" policy *referenced by Plaintiff..."*

Evidence will prove that Hakim Ouansafi has known about this illegal policy for many years, and even admitted in a 2022 HPHA board meeting that the use of low comparables is "...a local process to determine rent reasonableness ***that differs from the currently [HUD] mandated program requirements****..." and "...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****...".*

ADMISSION OF GUILT by HAKIM OUANSAFI

Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, submitted his Declaration, signed on February 14, 2025, as an attachment to his Motion for Summary Judgment. **Hakim Ouansafi admits guilt by declaring that he is not** "... responsible for adopting policies such as the "one low comparable" policy...", but rather **inputs liability to his staff and to the HPHA Board of Directors** as being legally responsible for allowing him to use the illegal policies, which are used for the sole purpose of supporting Hakim Ouansafi's fraud scheme to steal federal funds from the Section 8 Housing Choice Voucher Program.

Hakim Ouansafi writes in his "DECLARATION", signed on February 14, 2025:

DECLARATION by HAKIM OUANSAFI, signed 02.14.25, attached to D's Motion for Summary Judgment = Ouansafi inputs liability for fraudulent use of 2011 illegal policies to staff and HPHA Board of Directors Download

This is not the first time Hakim Ouansafi admitted using the illegal policy to use low comparables. Hakim Ouansafi has repeatedly admitted to HUD and to the HPHA Board of Directors, on several occasions, that he uses the **illegal policy to use low comparables that "...differs from the HUD mandate..."**. Hakim Ouansafi refuses to ratify the illegal policies into compliance with the HUD Regulations, which is required according to 24 CFR 982.54. Instead, **he uses the illegal policies to use low comparables against the contract rent in all rent reasonableness determinations to steal federal funds from the Section 8 Housing Choice Voucher Program.** The alleged steal is well documented in all of the HPHA financial statements, which were intentionally altered to hide the steal. The altered figures were then provided to the state auditors, to the Board of Directors, and to HUD (possibly via Form HUD-52681-B) confirmed on the HUD dashboard. I am currently trying to access a copy of these forms that will provide additional proof of the false information the HPHA is providing HUD.

FACTS:

1. Hakim Ouansafi already admitted to HUD years ago that he was enforcing the illegal policy to use low comparables, which he admitted years ago was an illegal policy that **"...differs from the HUD mandate..."**.

2. Hakim Ouansafi again admits in his Declaration that he continues to use low comparables, which he again confirms is an illegal policy.

3. Hakim Ouansafi inputs liability to his staff and to the HPHA Board of Directors for his choice to use the illegal policy that was ratified into the HPHA Admin Plan in 2011.

4. Hakim Ouansafi was hired in January 2012, and has had 13 years to ratify this 2011 illegal policy into compliance with HUD Regulations. 24 CFR 982.54 requires that the HPHA Admin Plan must be in compliance with all federal rules and HUD Regulations.

5. Hakim Ouansafi intentionally enforces the illegal policies ("to use low comparables" "against the contract rent" "in all rent reasonableness tests") as the basis for reducing the subsidy for each voucher, thereby increasing the amount of subsidy he steals from the Section 8 Housing Choice Voucher Program.

6. Hakim Ouansafi's illegal policies are of no benefit to the recipients and landlords of the Section 8 Housing Choice Voucher Program.

7. Hakim Ouansafi's illegal policies only serves to benefit the steal.

8. Hakim Ouansafi does not dispute the illegal policies; which are still being applied to all vouchers today.

9. Hakim Ouansafi does not dispute the fraud scheme; which is still allowing the state employees to steal.

10. Hakim Ouansafi does not dispute stealing federal funds.

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Because it is expected that state employees are to act in the best interest of the recipients, most recipients do not question the actions of state employees or question decisions they make, even if those decisions have an adverse affect on the recipients. I guess I'm different. It seems reasonable for me to dispute the decisions the state employees made that have an adverse affect on my health and housing.

Only **after** the illegal policies were applied to my voucher, only **after** I I disputed the illegal policies, only **after** I provided Hakim Ouansafi and his staff with proof from HUD that the illegal policies they were using were not in compliance with the HUD Regulations, did **Hakim Ouansafi and his management staff choose to retaliate against me by intentionally interfere with my health and housing by terminating my reasonable accommodation to have a live in aide, and intentionally terminating my 2-bedroom voucher** *(which both were approved in 2013 on the mainland, and again approved by the Hawaii Public Housing Authority after I moved to Hawaii in 2017).*

Hakim Ouansafi was hired in January 2012, but prior to being hired he was able to dupe the Hawaii's legislature into passing bill **HCR 100 to honor "Islam Day" on 9/11.** Shortly thereafter, Hakim Ouansafi applied for the position and was hired as the Executive Director of the Hawaii Public Housing Authority. Since Hakim Ouansafi was hired, there is a trail of mismanagement; diversion and misappropriation of federal funds; refusal to comply with federal laws (HUD required Hakim Ouansafi sign a compliance agreement to force him to comply with federal laws); multiple lawsuits against Hakim Ouansafi; refusal to improve the living conditions of residents living in state-owned projects; **Hakim Ouansafi admits to a backlog of $800,000,000 for repairs**; hundreds of units are vacant due to being uninhabitable; refusal to improve the HUD inspection scores for all state owned projects; requiring tenants to live in squalor, in uninhabitable, rat-infested, decrepit housing. Evidence to these allegations will be provided at trial.

LAWSUIT: My lawsuit is against the Hawaii Public Housing Authority (HPHA), and the HPHA state employees Hakim Ouansafi (Executive Director), Ryan Akamine (Chief Financial Officer), and Lyle Matsuura (Supervisor). Immediately after I disputed the defendants' illegal policies, Hakim Ouansafi and his management staff immediately interfered with my reasonable accommodation to have a live in aide, and terminated by 2-bedroom voucher, by imposing more illegal policies regarding my live in aide; in which illegal policies applied only to me and not to all recipients of the Section 8 program.

Then to make things worse, Hakim Ouansafi and his staff threatened my live in aide and I that we were going to prison for fraud if we did not obey their newly fabricated illegal policies regarding my live in aide, which caused my son to quit as my live in aide (who was helping me for free!).

The illegal policies were fabricated for the sole purpose of retaliating against me and causing me harm. The illegal policies included, but were not limited to, my live in aide was *not* allowed to be employed, was *not* allowed to have a separate residence, must reside exclusively in my home as his "primary residence" and only residence, and must sleep in my home all seven days of the weeks in order for me qualify to be approved to have a live in aide who can provide disability-related overnight care when needed. There is absolutely no way I could hire and care for a live in aide to reside in my home exclusively, based on the fact that I am a 65 year old disabled woman and do not have the resources to pay for a live in aide, and to pay for housing and utilities for another person. My only source of income is Social Security, and I can barely care for myself. In addition, I do not want anyone in my home unless they are providing support services, including overnight care only when needed.

To make things even more difficult for me, Hakim Ouansafi and his management staff made me homeless by fabricating even more illegal policies and obstacles to interfere with my housing, by refusing to allow my landlord to reduce the size of his rental from a 2-bedroom unit to a 1-bedroom unit so that I could remain as a tenant with my 0-bedroom unit.

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HUD VIOLATIONS by HAKIM OUANSAFI

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HUD SECTION 504 VOLUNTARY COMPLIANCE AGREEMENT between Hawaii Disability Rights Center and Hawaii Public Housing Authority, Mr. Hakim Ouansafi, Executive Director

(https://www.hud.gov/sites/dfiles/FHEO/documents/18VCA_HDRC.pdf)

HUD 'VOLUNTARY COMPLIANCE AGREEMENT' SIGNED 07.11.18 BETWEEN HAKIM OUANSAFI & HI DISABILITY RIGHTS CTR – SECTION 504 VIOLATIONS

Download

HUD Case Number: 09-16-0001-4
CASE NAME: Hawaii Disability Rights Center v. Hawaii Public Housing Authority, Mr. Hakim Ouansafi
Effective Date of Agreement: 11 July 2018

"...On February 1, 2018, the reviewing Civil Rights Official issued a Formal Letter of Determination ("LOD") of noncompliance pursuant to 24 C.F.R. § 8.56 (h)(3). The LOD constitutes the Department's final determination regarding the Section 504 allegations. "...Recipients shall, within thirty (30) days of the execution of this Agreement, provide the Department with documentation which demonstrates compliance with the Section 504 regulations..."

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CIVIL LAWSUITS

AGAINST HAKIM OUANSAFI and/or HAWAII PUBLIC HOUSING AUTHORITY

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Hakim Ouansafi and/or the Hawaii Public Housing Authority are a party to the following U.S. District Court cases:

1:2006cv00516 / Toelupe v. State of Hawaii's Department of Human Services, Hawaii Public Housing Authority, et al

1:2008cv00578 / McMillon, et al v. State of Hawaii, Hawaii Public Housing Authority, et al

1:2010cv00742 / Sotto v. State of Hawaii, et al

1:2011cv00266 / Kolio et al v. State of Hawaii, et al

1:2013cv00228 / Bylsma v. Hawaii Public Housing Authority, Hakim Ouansafi, et al

1:2019cv00535 / Bylsma v. State of Hawaii, et al

1:2020cv00313 / Lazarus v. Ouansafi, et al

1:2021cv00206 / Salvia v. State of Hawaii, et al

1:2021cv00247 / Lazarus v. Ouansafi, et al

1:2023cv00412 / Thorson v. Hawaii Public Housing Authority, et al

1:2024cv00066 / Sarafin v. Hawaii Public Housing Authority, et al

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Hakim Ouansafi and/or the Hawaii Public Housing Authority are a party to the following Hawaii State Court cases:

1CCV-22-0000751 / Shareen W. Kaheaku v. State of Hawaii, et al

1CC181001641 / Hakim Ouansafi v. City and County of Honolulu

1RC131004356 / RDH Transportation Sers Inc. v. Hakim Ouansafi, et al

1SS131000519 / Hakim Ouansafi v. Jamal Morris

1SS111000889 / Eric Reiter v. Hakim Ouansafi, et al

1DT1-10-112832 / State v. Hakim A. Ouansafi

1SC081000980 / 21st Century Lighting etc v. Hakim Ouansafi, et al

1SC051001612 / International Deisgn etc v. Accomodations, et al

5621780MO / State v. Hakim Ouansafi

1CC001003616 / Carey K. Higaki, et al v. Richard Zumbro, et al

1CC131001636 / Garrie McKenzie v. Hawaii Public Housing Authority

2CCV-21-0000285 / Steven Hildebrand v. Hawaii Public Housing Authority

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HPHA ADMINISTRATIVE MEMORANDUM by HAKIM OUANSAFI

POLICY BY HAKIM OUANSAFI VIOLATES 24 CFR §5.403 & FEDERAL REGISTER 98-10374, PAGE 23850

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On 08.17.23, Hakim Ouansafi issued an ADMINISTRATIVE MEMORANDUM that is titled "REASONABLE ACCOMMODATION AND MODIFICATION POLICY & PROCEDURES FOR HAWAII PUBLIC HOUSING AUTHORITY"

https://cdn.prod.website-files.com/61d64d5f9d24da33de8c58ab/656f9d9fd08a4720c1f9815c_AdminMemoNo4ReasonableAccommodationModificationPolicyProcedu

08.17.23 HAKIM OUANSAFI ISSUES 'ADMINISTRATIVE MEMORANDUM' re 'REASONABLE ACCOMMODATION AND MODIFICATION POLICY & PROCEDURES FOR HPHA' – CLAIMS HPHA IS GATEKEEPER, SELF IMPOSED AUTHORITY OVER AUTHORITY OF PHYSICIANS Download

Refer to page 2:

24 CFR 5.403(1) reads: "...(1) Is determined to be essential to the care and well-being of the persons...". This federal rule does not include the words "...by the authority...".

HPHA policy is illegal by intentionally granting themselves authority to have precedence over the authority of physicians. HPHA is only required to obtain "written verification" by physicians. It is illegal for the HPHA to add the words "...by the authority...". HPHA's policy is illegal as it is written: "...Is determined **by the authority** to be essential to the care and well-being of the persons...".

Federal Register 98-10374, page 23850 is cited in the next section, which confirms "...HA has no responsibility or authority to act as a gatekeeper...".

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~ CLAIM OF BRIBERY by HAKIM OUANSAFI ~

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BRIBERY is defined as "...the offering, giving, receiving, or soliciting of any item of value (to include outrageous salary increases, which not in accordance with Hawaii's employee compensation schedules) to influence the actions of an official, or other person, in charge of a public or legal duty and to incline the individual to act contrary to their duty and the known rules of honesty and integrity. With regard to governmental operations, essentially, bribery is defined as corrupt solicitation, acceptance, or transfer of value (i.e., outrageous salary increases) in exchange for official action"...".

SENAGE BILL 3120

SB 3120 ~ Pray the legislature nullifies SB 3120, thereby reneging on its decision to authorize Hakim Ouansafi to have authority over the Hawaii Revised Statutes and the Board of Directors of the Hawaii Public Housing Authority, so that Hakim Ouansafi

alone has sole authority to hire his own managers and "reward" them with salaries "...that exceed the Governor's salary...", which is against the law according to **HRS §356D-2.**.

SB 3120 reads *(which was written by Hakim Ouansafi)*: "...**executive director shall employ**...a chief financial officer, a property management branch chief, a chief planner, a redevelopment officer, a chief compliance officer, 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**...".

"...executive director and an executive assistant, whose salaries shall be set by the board...". *(Note: the board already set the Director's salary at 99% of the Governor's salary; and the board already set the Director Assistant's salary at 99% of the Director's salary; however, the legislature recently approved a ±60% increase for all government officials, judges, and agency directors.)*

On January 24, 2024, Hakim Ouansafi introduced SB 3120, **after** the Board of Directors for the Hawaii Public Housing Authority refused to grant him authority to increase the salaries of his management staff *(to exceed the governor's salary)*. SB 3120 is what triggered the bribery scheme because Hakim Ouansafi intentionally by-passed the authority of the Board of Directors and their decision, and then petitioned the legislature by introducing SB 3120.

On February 8, 2024, Hakim Ouansafi submitted testimony to the legislature in "strong support" of SB 3120 **to grant himself sole authority to by-pass the HPHA Board of Directors and by-pass the Hawaii Revised Statutes**, which mandates that NO STATE EMPLOYEE SHOULD HAVE THE AUTHORITY TO BY-PASS THE HAWAII REVISED STATUTES.
https://www.capitol.hawaii.gov/sessions/session2024/Testimony/SB3120_TESTIMONY_HOU_02-08-24_.PDF

Hakim Ouansafi writes in his written testimony in support of SB 3120:

*"...**salaries are authorized by the Executive Director and not the Board of Directors**..."*

*"...**Deletes the wage ceiling** requirement for positions in the HPHA..."*

"...clarify that the staff report to the Executive Director..."

"...authorize the Executive Director to hire staff that may need salaries that are required to be ABOVE the Governor's salary..." (which is in violation of the Hawaii Revised Statutes HRS §356D-2)

(https://www.capitol.hawaii.gov/session/measure_indiv.aspx?billtype=SB&billnumber=3120&year=2024)

BRIBERY CHART

This BRIBERY CHART proves that Hakim Ouansafi is allegedly "rewarding" his managers into supporting and implementing his illegal fraud scheme to steal federal funds from the Section 8 Housing Choice Voucher Program, by "rewarding" (a nice word for "bribery") his managers with outrageous salary increases.

The BRIBERY CHART provides a list of the managers who report directly to Hakim Ouansafi and who received outrageous salary increases. Managers supporting Hakim Ouansafi's fraud schemes received significant salary increases, potentially violating Hawaii Revised Statutes §356D-2.

BENEFICIARIES OF SB 3120

The following employees are beneficiaries of SB 3120, which authorizes Hakim Ouansafi to "reward" his management staff for supporting his illegal policies and fraud schemes:

BENNETT LIU (Chief Financial Officer) who alters the HPHA's financial statements, who lied to HUD, who lied to the state auditors, and who lied to the HPHA Board of Directors **(recently received a $56,472 salary increase)**.

RYAN AKAMINE (Chief Compliance Officer) who enforces Hakim Ouansafi's illegal policies **(recently received a $16,000 salary increase)**.

LYLE MATSUURA (Supervisor IV) who works directly with the Section 8 recipients and landlords and who implements Hakim Ouansafi's illegal policies to all recipients and landlords of the Section 8 program **(recently received a $31,512 salary increase)**.

BARBARA ARASHIRO (Assistant to Hakim Ouansafi) who supports Hakim Ouansafi's fraud schemes **(recently received a $30,000 salary increase)**.

JENNIFER SUGITA (Property Management & Maintenance Services Branch Chief) who supports Hakim Ouansafi's fraud schemes **(recently received a $42,936 salary increase)**.

BRIBERY CHART, SB 3120 Download

9. HPHA LEADERSHIP & ACCOUNTABILITY

HAWAII PUBLIC HOUSING AUTHORITY

~ BOARD OF DIRECTORS ~

The Board of Directors are fully informed of my claims against the Hawaii Public Housing Authority, Hakim Ouansafi, Ryan Akamine, Lyle Matsuura, and Bennett Liu. Since October 2024, I have attended the board meetings each month and provide written testimony so that each board member is fully informed of the fraud schemes being implemented by Hakim Ouansafi and his management staff. Not one board member has contacted me to discuss my claims. To date, I have submitted several written testimonies and provided a substantial amount of evidence (i.e., Fraud Chart, Bribery Chart, HUD documents, etc.) to prove that Hakim Ouansafi is acting outside the scope of his duties but for the purpose of stealing federal funds from the Section 8 Housing Choice Voucher Program.

Because the board members are required to file a "financial disclosure", I researched this information to prove if there is a conflict of interest by any or all of the board members, and maybe there is a reason for their silence (unbeknownst to me or government officials). This requires more research from the FBI. I understand that it may take months for the U.S. District Court to rule on the summary judgment motion.

In the meantime, I need to decide if I should go forward to file another lawsuit against the Board of Directors of the Hawaii Public Housing Authority, acting as co-conspirators in the fraud schemes by the state employees of the Hawaii Public Housing Authority. I have been patient and have allowed months to pass, waiting for the Board of Directors to take some kind of action against the state employees, but my patience is running thin. I have had numerous opportunities to communicate to the Board of Directors, and I am confident that they are fully informed of the "steal" by Hakim Ouansafi and other state employees. It seems reasonable to allow the board time to decide their fate; especially after Hakim Ouansafi alrady declared in his 'Declaration' attached to his Motion for Summary Judgment, that liability should be inputted to the Board of Directors for approving the 2011 illegal policies that allow Hakim Ouansafi to steal $110,000,000, and he continue to steal $1,000,000 each and every month.

As much as I do not want to believe the Board of Directors are co-conspirators to the fraud schemes being implemented by Hakim Ouansafi, the evidence proves that several of the Board of Directors do have direct ties to Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority. Their inactions imply support for the fraud schemes that allow Hakim Ouansafi and other state employees to steal.

The Hawaii Revised Statutes require that one board member must be a recipient of the Section 8 program, which has never been allowed. Chairperson, Mr. Robert Hall, falsely claims that as a board member he represents the City and County of Oahu, but after I informed the board that there is no such entity as the City and County of Oahu, the HPHA website has been updated to read that Mr. Hall represents the City and County of Honolulu; however, **Mr. Hall is not and never has been an employee of the City and County of Honolulu.** Chairperson, Mr. Joseph Campos, is the current Deputy Director of DHS and use to be an employee of the Hawaii Public Housing Authority, which is a conflict of interest and he should not be permitted to be on the board.

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HPHA IS BLOCKING ME FROM COMMUNICATING DIRECTLY WITH THE HPHA BOARD OF DIRECTORS

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Since October 2024, the month the HPHA made me homeless, I have attended the monthly board meetings. The purpose of attending the board meetings is to inform the board members of the illegal policies and the fraud schemes being implemented by Hakim Ouansafi and his management staff to steal federal funds. Despite my efforts to communicate with the Board of Directors, the state auditors report was approved by the board "as is" based on false figures that Hakim Ouansafi and Bennett Liu provided the state auditors.

On numerous occasions, I have requested that Hakim Ouansafi direct his staff to provide me with the contact information for all the Board of Directors. His staff refused, claiming that I needed to communicate through the HPHA office my concerns and complaints, and that they would forward my communications to the Board of Directors. This is unacceptable.

The only opportunity I have to communicate directly with the HPHA Board of Directors is at the board meetings, at which time I am only provided three (3) minutes to speak. I have requested that the board members dialogue with me, and they have refused, claiming "...this is not the arena for that...".

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03.20.25 Zoom video recording of HPHA board meeting: *files.hawaii.gov/hpha/BOD March Meeting V2.mp4*

Before the 03.20.25 board meeting began, before I provided my verbal testimony, I attempted to communicate with the Board of Directors, attempting to communicate directly with the board members (scroll to 4:20). After speaking for under 2 minutes, I asked the board if I should continue speaking or were they going to respond. Chairman Robert Hall responded "...the clock has started already, so go ahead, you can finish...". I responded (scroll to 6:15) "...that's not my public testimony, that is me addressing the board...", in which Chairman Robert Hall responded (scroll to 6:19) "...**this is not the forum**, I'm sorry, you can continue Laurie...". Realizing that I was only being provided three minutes to speak, I continued with my verbal testimony.

I informed the Board of Directors of my email to the contracted state auditors Plante & Moran in which I informed them that the figure provided by HPHA (on page 55 of the agenda) is incorrect, informing them that there is no way 100% of the subsidy the HPHA received could have been consumed, when in fact HUD confirms that only 80% of the vouchers were issued. Chairman Hall then asked the attorneys who were present at this board meeting (from the AG's office) what is the status of my lawsuit. Attorney Chase Suzumoto informed the board of their Motion for Summary Judgment, and that I had filed an Opposition. Attorney Chase Suzumoto confirmed to the board that I provided a copy of their SJ Motion and my Opposition as an attachment to my written testimony, which the board confirmed they received.

04.17.25 Zoom video recording of HPHA board meeting: *https://files.hawaii.gov/hpha/BOD%20April%20Meeting.mp4*

After the 04.17.25 board meeting, I contacted the HPHA to request that they provide me with the contact information for each of the HPHA Board of Directors. **HPHA refused.** HPHA responded to my email by claiming that I had to provide my written communications directly to the HPHA first and then the HPHA would forward my communications to the Board of Directors. **This is unacceptable.** The fact that the HPHA refused to forward my written testimonies to the board members before the 04.17.25 board meeting proves that they are not to be trusted to forward any other communications I have for the Board of Directors.

NOTE: Hakim Ouansafi declared in his Declaration (attached to his Motion for Summary Judgment) that he was not responsible for implementing the illegal policies (which illegal policies he uses as part of his fraud scheme to steal federal funds). Hakim Ouansafi in his Declaration: "...(9)...The **Board is responsible** for adopting HPHA's policies, including administrative rules and the Administrative Plan..." and "...(10)...**It is the HPHA Board, not me as the Executive Director, that is responsible for adopting policies such as the "one low comparable" policy** referenced by Plaintiff...". Because Hakim Ouansafi now inputs liability to the HPHA Board of Directors for the "steal", this now opens the door to a potential lawsuit against the HPHA Board of Directors.

The HPHA Board of Directors have a legal responsibility to **stop** Hakim Ouansafi from enforcing the illegal policies "to use low comparables" against the contract rent in all rent reasonableness determinations. The only purpose of enforcing the illegal policies is to increase the amount of federal funds that state employees can steal.

The HPHA Board of Directors have a legal responsibility to **stop** Hakim Ouansafi from stealing federal funds from the Section 8 Housing Choice Voucher Program.

The HPHA Board of Directors have a legal responsibility to **terminate** all the state employees who have participated in the fraud scheme to steal over $110,000,000, and who continue to steal $1,000,000 each and every month.

The only conclusion that I can come to for the HPHA Board of Directors intentionally not taking action against the state employees to stop the "steal", is because they are active participants and co-conspirators of the fraud scheme to steal federal funds from the Section 8 Housing Choice Voucher Program. *(Note: This is a separate matter from my current lawsuit against the Hawaii Public Housing Authority, Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura)*

I will attend the next board meeting on May 29, 2025, and will provide a copy of this letter to the Board of Directors. I will also provide them with a copy of this website. There is no question now that the Board of Directors are fully informed of my claims against the Hawaii Public Housing Authority, Hakim Ouansafi, and his management staff.

I understand Hakim Ouansafi is very upset that I filed a lawsuit, alleging that he and his management staff retaliated against me **after** I caught them using illegal policies that support the stealing of federal funds from the Section 8 Housing Choice Voucher Program. To date, Hakim Ouansafi has not denied using the illegal policies, nor has he denied stealing federal funds. Instead, **according to Hakim Ouansafi's Declaration, he now inputs liability for using the illegal policies to his staff and to the HPHA Board of Directors, which is clearly his choice to implement the 2011 illegal policies that have allowed him to steal federal funds from the Section 8 Housing Choice Voucher Program.**

NOTE: Hakim Ouansafi admits in his Declaration that he is aware of the 2011 illegal policies. Hakim Ouansafi was hired in January 2012, and has had the last 13 years to ratify the illegal policies into compliance with the HUD Regulations (as required by federal laws). Instead, Hakim Ouansafi has chosen to use the 2011 illegal policies to his advantage to steal federal funds from the Section 8 Housing Choice Voucher Program.

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HPHA REFUSED TO FORWARD MY WRITTEN TESTIMONIES TO THE HPHA BOARD OF DIRECTORS BEFORE THE BOARD MEETING ON 04.17.25

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Since October 2024, after the defendants made me homeless for the month of October 2024, I started attending the monthly HPHA board meetings. I am allowed to submit written testimonies to the HPHA Board of Directors no later than two days before the board meetings. And I am allowed to provide verbal testimony at the board meetings for three minutes only (per agenda item). Other than this limited communications with the Board of Directors, I am not allowed to communicate directly with the board members, nor will HPHA provide me with their direct contact information. I am required to submit my communications in writing, and then HPHA says they will forward my written communications to the board members. But if the HPHA does not forward my written testimonies to the board members, how can I trust them to forward my letters to them, especially considering I am providing the board members with information where I am alleging illegal activity by the HPHA management staff.

On November 21, 2024, I attended the HPHA board meeting and presented to the HPHA Board of Directors written testimony and a copy of my Fraud Chart that proves that Hakim Ouansafi stole $110,922,769 from the Section 8 program, and continues to steal $1,000,000 each and every month. My written testimony to the HPHA Board of Directors reads as follows:

"...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 $110,922,769 (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 ±100% of the subsidy was used by the HPHA, when facts prove the HPHA actually issued only ±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..."

On December 5, 2024, I attended the HPHA board meeting and presented to the HPHA Board of Directors written testimony and a copy of my Fraud Chart that proves that Hakim Ouansafi stole $110,922,769 from the Section 8 program, and continues to steal $1,000,000 each and every month.

The board meeting was a joke. At the very beginning of the board meeting, I am allowed only three (3) minutes to read my written testimony (and am always cut off mid-way through my verbal testimony). Attached below is a copy of the written testimonies I have submitted to the Board of Directors in the last three months.

For this board meeting, my lawsuit was on the agenda. I was not notified so that I could provide a response. The board allows Attorney Chase Suzumoto to speak endlessly about my lawsuit with no time restrictions, and . Mr. Suzumoto did not speak the truth. Instead, he lied about me and twisted the facts. I raised my hand repeatedly because I wanted to inform the board members of the truth, or at least my version of the truth. I was not allowed the opportunity to respond because the board's chairperson, Mr. Robert Hall, refused to acknowledge me. **The board refused to acknowledge me and refused to allow me to speak.**

Then the state's auditors presented to the HPHA board members their annual audit of the HPHA. Even though the HPHA did not forward my written testimonies or my Fraud Chart to the auditors (which they had an obligation to do), the auditors did acknowledge to the board members that they were aware of my lawsuit and my claims of fraud. Again, I raised my hand repeatedly during their presentation because I wanted to inform the auditors that their audit was incorrect and I wanted to direct them to specific figures on specific pages which I was able to prove the figures were fabricated. **The board refused to acknowledge me and refused to allow me to speak.**

After the board meeting was over, I sent an email directly to the auditors (Plante & Moran), and I also sent an email to Assistant Attorney General Chase Suzumoto. Both emails are attached below. I will provide a copy of these emails at the next board meeting scheduled for January 16, 2025.

I will continue to make every attempt to keep all the HPHA Board of Directors apprised of my lawsuit and of my fraud claims against the Hawaii Public Housing Authority, Hakim Ouansafi, and other employees.

During the board meeting, **Vice Chairperson, Betty Lou Larson, asked Attorney Chase Suzumoto if he could get a restraining order against me**! For what? The board members are fully aware of my claims against the Hawaii Public Housing Authority and its employees for stealing federal funds from the Section 8 program. And yet not one board member has contacted me to discuss my claims.

I do not yet understand the relationships between Hakim Ouansafi and the board members. But just based on Ms. Larson's response, I believe there may be conflicts of interest between the board members acting as overseers of the Hawaii Public Housing Authority, which may include being accomplices, financial benefitting from the fraud schemes, business relationships outside of HPHA, personal relationships, etc. I pray the FBI agents investigating my claims are able to include an in depth investigation into all the HPHA Board of Directors.

The FRAUD CHARTS is evidence to prove **$110,922,769** was stolen from the Section 8 Housing Choice Voucher Program by and through the Hawaii Public Housing Authority, Hakim Ouansafi, Ryan Akamine, Lyle Matsuura, Bennett Liu, and others!

12.05.24 EMAIL TO PLANTE & MORAN (STATE AUDITORS)- HPHA SUBMITTED TO BOARD ON BOARD MTG ON 12.05.24 Download

12.05.24 EMAIL TO ATTY CHASE SUZUMOTO w/COPY OF LETTER FROM MY ATTY (sent to Suzumoto after the board mtg bcuz he lied about me at the board mtg) Download

ALL WRITTEN TESTIMONIES (+SB 3120) SUBMITTED TO HPHA BOARD OF DIRECTORS Download

It is well documented in past board meeting agendas and minutes that the Board of Directors have a record of approving the fraud scheme being implemented by Hakim Ouansafi. This is a serious problem, especially since it is the Board of Directors who have a legal responsibility to supervise Hakim Ouansafi. Because of my concerns about the Board of Directors and conflicts of interest with some of the board members, and also how they are now treating me, I wrote the following "written testimony" and sent it to all the board members for their review before this week's board meeting. I also provided the board members with copies of the emails I sent to Attorney Chase Suzumoto and to the state auditors 'Plante & Morante', basically just to make sure they are informed. I can't control how they will respond, but I can only hope that they will take the necessary actions to correct the fraud.

WRITTEN TESTIMONY #1, BOARD MTG ON 01.16.25, WITH ATTACHMENTS Download

WRITTEN TESTIMONY #2, BOARD MTG ON 01.16.25, cc OUANSAFI EMPLOYMENT CONTRACT – REQ FOR TERMINATION Download

VERBAL TESTIMONY, 01.16.25 board meeting Download

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04.17.25 BOARD MEETING: Prior to the board meeting on 04.17.25, all my written testimonies were forwarded to the HPHA (as required) and were to be forwarded to the Board of Directors before the board meetings.

Before the board meeting on 04.17.25, I submitted to the HPHA two written testimonies that were to be forwarded to the Board of Directors. HPHA confirmed to me in an email that they received my written testimonies and would forward my written testimonies to the Board of Directors. This was not done.

Before the Zoom board meeting began on 04.17.25, Chairman Robert Hall asked Barbara Arashiro (Assistant Executive Director) if she had received any written testimonies, and she responded "…**No, we did not receive any written testimonies…" This is false.** The following emails proves that the HPHA confirmed to me that it did receive my written testimonies, but yet intentionally refused to confirm that they were forwarded to the board members. The HPHA chose to not forward my written testimonies to the Board of Directors before the board meeting, and I believe it was because of the HUD evidence I was trying to provide the HPHA board members confirmed the steal by Hakim Ouansafi and his management staff.

04.17.25 EMAILS, HPHA CONFIRM RECEIVED MY WRITTEN TESTIMONIES, BUT AT BOARD MTG ADMITS DID NOT FORWARD IT TO THE BOARD MEMBERS BEFORE MTG Download

WRITTEN TESTIMONY, 04.17.25 board mtg (with attachments). Attachments N-67 to N-73 (at the end of doc) proves HPHA used +100% of subsidy but issued only 70-75% of vouchers = FRAUD Download

WRITTEN TESTIMONY #2, 04.17.25 board meeting Download

VERBAL TESTIMONY, 04.17.25 board meeting Download

The information I provided in my written testimonies was crucial for the purpose of communicating with the Board of Directors. My written testimonies provided the HPHA Board of Directors with facts from the HUD dashboard that proves the Hawaii Public Housing Authority are stealing federal funds by fraudulently providing false figures to HUD, provided false figures to the state auditors, and provided false figures to the Board of Directors, all in an attempt to hide the steal.

At this board meeting, I informed the Board of Directors and all who were in attendance at this Zoom board meeting, that they could access my written testimonies at this website.

Prior to my request, the board meetings were not being recorded and made available to the public. Since I requested that the board meetings be video recorded and posted on the HPHA website, anyone can now view the Zoom board meetings on the HPHA website.

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10. RETALIATION CLAIM

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The plaintiff alleges retaliation by HPHA, including termination of live in aide, 2-bedroom voucher, and refusal to allow a landlord to adjust a rental unit, leading to homeless in October 2024. HPHA's actions appear to be targeted to punish the plaintiff for challenging illegal policies, violating fair housing rights.

I am a 65 year old disabled woman who is a recipient of the Section 8 Housing Choice Voucher Program. In retaliation, because I caught Hakim Ouansafi and his management staff using illegal policies as part of their fraud scheme to steal federal funds from the

Section 8 Housing Choice Voucher Program, Hakim Ouansafi terminated my reasonable accommodation to have a live in aide, and terminated my 2-bedroom Section 8 voucher. Both reasonable accommodations were approved on the mainland in 2013, and again approved in 2017 by the HPHA after I moved to Hawaii. Both reasonable accommodations were approved based on several written verification letters from several physicians who confirmed that I am disabled and require a live in aide who can provide disability-related overnight care when needed.

Because of the retaliation against me, I had no other option but to file a lawsuit in the U.S. District Court against the Hawaii Public Housing Authority, Hakim Ouansafi (Executive Director), Ryan Akamine (Chief Compliance Officer), and Lyle Matsuura (Supervisor).

After I disputed the illegal policies that Hakim Ouansafi fabricated and used against my Section 8 voucher, and **after** I caught Hakim Ouansafi stealing federal funds (**$110,922,769**, since 2015) from the Section 8 Housing Choice Voucher Program, Hakim Ouansafi (by and through Ryan Akamine and Lyle Matsuura) **retaliated against me by intentionally removing my reasonable accommodation to have a live in aide, then he intentionally reduced my 2-bedroom voucher to a 0-bedroom voucher, then he did not allow my landlord to reduce his 2-bedroom to a 1-bedroom rental so I could remain as a tenant using the 0-bedroom voucher, and then he created even more illegal policies and obstacles so that I was unable to use my 0-bedroom voucher, which inevitably caused me to be homeless at 65 years old.**

In 2017, I transferred my Section 8 voucher from Oregon to Hawaii so that my son could be my live in aide for free, to assist me in my disabilities which included providing disability-related overnight care when needed. Upon arriving in Hawaii, the HPHA approved my reasonable accommodation to have a live in aide who can provide disability-related overnight care when needed, and the 2-bedroom voucher was approved; based on four (4) letters from four (4) different doctors located in Oregon who cared for me for seven (7) years before I moved to Hawaii in 2017.

In 2022, the HPHA issued me another 2-bedroom voucher so that I could move from rental in Kailua that I had lived in for five years. The HPHA approved my reasonable accommodation to have a live in aide, which was approved in 2017 and every year thereafter.

After I found another rental, located in Hawaii Kai, the defendants performed their rent reasonableness determiantion (whichi is required by HUD). In the first rent reasonableness determination, the defendants used a low comparable that caused my rent to be drastically reduced. **The landlord refused to lower his rent from $4,000 to $2,647 to accommodate the defendants low comparable.** The defendants performed another rent reasonableness determination and used another low comparable and required the landlord lower his rent again. **The landlord refused to lower his rent from $4,000 to $3,273.** Despite the defendants knowing the landlord refused to lower his rent to accommodate the defendants low comparables, the defendants proceeded to schedule an inspection on the unit. The landlord and I had already submitted the RFTA and signed Lease for the new rental in Hawaii Kai, and the inspection was scheduled for April 13, 2022 at 8:00am, based on that RFTA and Lease for the contract rent of $4,000. Then the day before the rental unit was scheduled for the inspection, I received an email from Ryan Akamine on April 12, 2022 at 1:17pm, requiring that I respond to numerous interrogatory questions regarding my live in aide. Ryan Akamine required that I respond in **2 hour and 43 minutes** or the inspection scheduled for the following morning would be cancelled.

04.12.22 1.17pm EMAIL FROM RYAN AKAMINE re LIA (I had 1 hr & 43 minutes to respond, or inspection scheduled for following morning would be cancelled)

Download

I responded to Ryan Akamine's email (three times) and I provided a voluminous amount of medical evidence and "written verifications" by physicians to prove I am disabled and am required to have a live in aide who can provide "disability-related overnight care when needed". I emailed Ryan Akamine and Hakim Ouansafi copies of my medical records and chart notes (proving diagnosis of: epilepsy, TEA (Transient Epileptic Amnesia), Diabetes, blind in my right eye, x-rays and pictures proving injuries from falling during seizures, fractured back T-3 to T-12, four pinched nerves, broke left arm, arthritis in knees, holes in my tongue from seizing, scratches on my face, wounds on my knees and elbows from seizing on the floor; and I also provided written verification letters from my doctors in Oregon and additional letters from my doctors in Hawaii. So now the defendants have seven (7) letters from six (6) difference doctors who all confirmed I am disabled and am required to have a live in aide who can provide disability-related overnight care when needed.

The inspection was performed the following morning (on 04.13.22) and Lyle Matsuura contacted me to inform me the unit passed inspection and I could move into the rental. **After** I moved in, the landlord was then informed that he would be required to reduce his rent by $727 (as a result of the low comparable used against the contract rent in the rent reasonableness determination). My new landlord (Kelly McGill) was furious, and I was humiliated. Because **I was already living in the unit**, the landlord had two options, to kick me out or reduce his contract rent to accommodate the defendants use of the illegal policy to use low comparables. The retaliation did not stop. The defendants began investigating me and my live in aide, contacting my ex-landlord and ex-neighbors. I eventually became aware of the defendnats threat that my son and I were going to prison for fraud from a neighbor. HPHA claimed (to third parties outside the agency) that we were not obeying their "illegal policies", which we had no idea what those policies were, and we were going to prison. I had no choice but to file a complaint with HUD/FHEO.

HUD/FHEO CONFIRMS HPHA INVESTIGATED MY "NEED" FOR A LIVE IN AIDE

Hakim Ouansafi reopened his "investigation" from April 2022 into my live in aide. I thought Ryan Akamine claimed he was instructed by Hakim Ouansafi to "review my file".

Over a year later, on June 12, 2023, I contacted the HUD/FHEO Branch Chief, Stephanie Rabiner, after I was informed by the ex-neighbor and ex-landlord that "investigators" came to their homes to interview them about me and my live in aide, and told them that my live in aide and I were going to prison for fraud. I immediately contacted the FHEO Branch Chief, thinking it was the FHEO who sent the investigators.

On 06.12.23, I received an email from HUD/FHEO Branch Chief, Stephanie Rabiner, in which she wrote:

"...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..."

*"...your **son's residence** and **your need for a live in aide was of concern to HPHA** because you have a second bedroom on your voucher because you requested and were granted a reasonable accommodation for a live in aide. **If you no longer require a live in aide**, you might not have been eligible to rent the unit..."*

*"...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..."*

HPHA INVESTIGATORS

MADE THREATS THAT MY LIVE IN AIDE AND I WERE GOING TO PRISON FOR FRAUD

I was informed by my ex-neighbor and ex-landlord that "investigators" made contact with them, and that the **investigators informed the ex-neighbor and ex-landlord that my son and I were going to prison for fraud.** Not having a clue what I was doing to warrant such a threat, I immediately contacted the FHEO, thinking that it was the FHEO who was sending the investigators to Kailua to "investigate"me and my live in aide by interviewing my neighbors.

After I contacted the FHEO office, I received this email from the HUD/FHEO Branch Chief, Stephanie Rabiner:

On 06.12.23, HUD/FHEO Branch Chief, Stephanie Rabiner, wrote:

"...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..."

FHEO confirmed the HPHA investigators is who made contact with my ex-landlord and ex-neighbors, and informed them that my live in aide and I were going to prison for fraud. The only conclusion I could come to was what I already knew was communicated to me by Ryan Akamine, that **my live in aide and I were not complying with his illegal policies he fabricated regarding my live in aide (*which only apply to me and not all recipients*).**

The illegal policies that applied only to my live in aide, are:

(1) my live in aide was not allowed to be employed;

(2) was not allowed to have a separate residence;

(3) must use my home as his "primary residence" and only residence; and

(4) must sleep in my home all seven days of the weeks in order for me to be approved to have a live in aide who can provide disability-related overnight care when needed.

(Ryan Akamine confirmed his illegal policies in an email, attached below).

Because of this "threat" by HPHA (***albeit via third parties outside the agency***) that my live in aide and I are going to prison for fraud, for apparently not obeying their illegal policies, the threat alone was enough to cause my son to quit as my live in aide. And the only way I could have another live in aide is if I complied with the HPHA's illegal policies that I pay for and care for a live in aide in reside exclusively in my home and not be permitted to have a job. But the retaliation and interference with my voucher did not stop.

In 2023 and 2024, Hakim Ouansafi continued to interfere with my voucher and my housing by creating obstacles so that I could not remain in my current rental. Even after requiring that I provide additional letters from my local doctors, Hakim Ouansafi refused to honor these additional letters and refused to reinstate my reasonable accommodation to have a live in aide and ultimately took away my 2-bedroom voucher.

Hakim Ouansafi made sure to terminate my live in aide, then terminate my 2-bedroom voucher, then issued me a 0-bedroom voucher, then created obstacles in order to interfere with my ability to use the 0-bedroom voucher, which then caused me to be homeless, living in my vehicle at 65 years old.

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~ CONTINUED RETALIATION ~

ANOTHER FABRICATED ILLEGAL POLICY?!

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Hakim Ouansafi and his management staff were determined to retaliate against me, even after they issued me a 0-bedroom voucher.

On 02.19.24, my landlord wrote the defendants a formal letter (*attached below*), informing them that he would be willing to reduce the size of his rental from a 2-bedroom unit to a 1-bedroom unit, so that I could remain as a tenant with my 0-bedroom voucher. The defendants refused.

02.19.24 LETTER FROM LANDLORD, KELLLY McGILL, TO Ds REQUESTING P REMAIN IN UNIT (w/0BR+120% RA voucher) – HPHA SAID NO TO LANDLORD REDUCING HIS 2 BDRM UNIT TO A 1 BDRM UNIT SO P COULD REMAIN AS A TENANT WITH HER 0BR VOUCHER, MADE P HOMELESS Download

The defendants fabricated yet another illegal policy to claim that according to the City and County of Honolulu Property Tax Records, the designation of the property did not allow the landlord to

reduce the size of his rental from a 2-bedroom unit to a 1-bedroom by simply locking/sealing a door.

I proved this was a lie, and was just another attempt by the defendants to continue to retaliate against me by interfering with my housing.

On 08.30.24, I send an email (attached below) to all the defendants, HAKIM OUANSAFI, RYAN AKAMINE, AND LYLE MATSURRA, informing them that I contacted the City and County of Honolulu Tax Property Records Dept and spoke to the compliance manager, Mr. Sam Rowland, who confirmed that the defendants were incorrect in determining that the landlord was not allowed to seal a door to reduce the size of his rental unit.

I informed the defendants that Mr. Sam Rowland confirmed that the landlord was allowed to do anything he wanted with his property, including locking a door to reduce the size of his rental (especially so that I could remain as a tenant using my 0-bedroom voucher). The only legal requirement was that the landlord had to file for a permit if the building itself was to be altered (i.e., addition of a bedroom, kitchen, bathroom, etc.). But sealing or locking a door to reduce the size of the unit was permitted, and that the designation of the property was for tax purposes only.

On 08.30.24, I emailed the defendants and provided them with Mr. Sam Rowland's contact information so they could speak to him directly, to confirm that it was perfectly legal for my landlord to seal a door to reduce his rental from a 2-bedroom unit to a 1-bedroom so that i could remain as a tenant with my 0-bedroom voucher.

The defendants never responded to my email.

On September 1, 2024, the landlord had no other option but to issue me a Notice to Vacate, which resulted in me being homeless effective October 1, 2024.

08.30.24 EMAIL FROM LAURIE TO HPHA re Mr. Sam Rowland (City and County of Honolulu-Code Enforcement) allowing landlord to reduce the size of his rental by locking a door, BUT HPHA SAID "NO" ANYWAY Download

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On 09.04.24, I sent Hakim Ouansafi this email, and I forwarded the above email to him again. I requested that he please approve the landlord's request to reduce the size of his rental so that I could remain as a tenant with my 0-bedroom voucher. Hakim Ouansafi never responded, purposefully making me homeless.

09.04.24 EMAIL TO HAKIM OUANSAFI, REQ HE ALOW THE LANDLORD TO REDUCE THE SIZE OF HIS SO I CAN REMAIN AS A TENANT WITH THE 0-BEDROOM VOUCHER – NO RESPONSE – HE MADE ME HOMELESS Download

08.29.24, 12.03pm EMAIL FROM P TO LYLE MATSUURA re FABRICATED CITY RULE re "FABRICATED" DESIGNATION OF PROPERTY TAX RECORDS Download

After the landlord issued me the Notice to Move, Hakim Ouansafi continued to enforce his fabricated illegal policy regarding the designation of rental properties (according to the Property Tax Records), which created obstacles to inhibit my ability to secure another rental unit using my 0-bedroom voucher. I inevitably became homeless and was living in my vehicle. I was informed that my 0-bedroom voucher expired one month after it was issued on October 1, 2024, and the defendants informed me that they would not grant me an extension.

I finally found a studio rental a few days before my voucher expired. The new landlord and I submitted our RFTA and Lease before the deadline. Because she had never rented to a Section 8 recipient before, she did her research and discovered she could receive a 'Landlord Incentive Payment' (equal to one month's rent). She contacted Lyle Matsuura about the LIP program and he informed

the landlord that the program had no money, and then he told her that no employee was assigned to the program. To this day, the defendants have not issued my new landlord her LIP payment, which is only granted to new landlords who participate in the Section 8 program (which is to encourage landlords to participate in the Section 8 program).

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~ LIVE IN AIDE ~

24 CFR §5.403 (DEFINING THE WORD "RESIDE")

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Ryan Akamine repeatedly refused to approve my request for a live in aide to provide disability related overnight care when needed. The basis of his refusal has been documented with the court, by claiming that the word "reside" in 24 CFR 5.403 means that a live in aide's "primary residence" and only residence must be my home.

> ***24 CFR §5.403(3)**, confirms that a live in aide "...would **not** be living in the unit **except** to provide the necessary supportive services..."*
>
> . . .
>
> ***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 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.*
>
> *eCFR :: 24 CFR 5.403 — Definitions.*

.

Hakim Ouansafi contradicts HUD's position as determined by the HUD/FHEO Branch Chief, Stephanie Rabiner, who wrote in an email to the plaintiff:

> *FHEO Branch Chief, Stephanie Rabiner, wrote:*
>
> *"...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**...".*

Nevertheless, Ryan Akamine was determined to act as the gatekeeper, determining that his authority had precedence over the authority of my doctors in determining what support services I can or cannot receive to accommodate my disabilities.

06.13.23 EMAIL FROM HUD/FHEO BRANCH CHIEF, STEPHANIE RABINER – HUD DOES NOT DEFINE 'PRIMARY RESIDENCE' OF LIA Download

The following attached emails confirm that Ryan Akamine refused to approve my request for a reasonable accommodation to have

a live in aide who can provide disability-related overnight care when needed. It should be noted that because I only receive Social Security, I was dependent on my son helping me for free, and that I am unable to pay for and care for a live in aide to "reside" in my home permanently and exclusively without any employment to care for themselves, as required by Ryan Akamine. **Ryan Akamine's actions against me were purposeful and intentional to cause me harm, which I believe wholeheartedly was in retaliation, acting on behalf of Hakim Ouansafi.**

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LEGAL AUTHORITIES TO WARRANT APPROVAL LIVE IN AIDE CAN PROVIDE "...DISABILITY-RELATED OVERNIGHT CARE..."

.

HOUSING SEARCH AND LEASING (page 13):
https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Housing_Search_and_Leasing_November%202020.pdf

"...4.5 Reasonable Accommodations "...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 § 982.402(b)(8)..."*

24 CFR § 982.402(b)(8)

"...In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if the PHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances. (For a single person ***other than a disabled or elderly person*** *or remaining family member, such PHA exception may not override the limitation in paragraph (b)(7) of this section.)..."*

24 CFR 982.316

"...Live in Aide. (a)...PHA ***must*** *approve a live in aide if needed as a reasonable accommodation in accordance wtih 25 CFR Part 8 to make the program accessible to and usable by the family member with a disability..."*

HUD Notice PIH 2009-22 (HA)

"...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****..."*

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ILLEGAL POLICIES WERE APPLIED TO TERMINATE MY LIVE IN AIDE

.

To **retaliate** against me, Ryan Akamine (acting on behalf of Hakim Ouansafi) fabricated and implemented illegal policies regarding my live in aide in order to retaliate against me, which illegal policies were enforced by Ryan Akamine in order to terminate my live in aide and terminated my 2-bedroom voucher, **by** intentionally interfering with my reasonable accommodation to have a live in

aide.

Ryan Akamine's fabricated illegal policies regarding live in aides applies only to me, and not to other recipients.

Ryan Akamine claimed that the word "reside" in ***24 CFR §5.403*** *means that my live in aide:*

(1) is not permitted to have a separate residence

(2) must reside in my home 24/7

(3) must sleep in my home all 7 days of the week in order for me to be approved to receive disability-related overnight care when needed, and

(4) is not permitted to be employed

(5) that I no longer qualify for a 2-bedroom voucher to accommodate sleeping arrangements for a live in aide when providing overnight support services

(6) that I am required to pay for and care a live in aide on my fixed income of Social Security in the amount of $934 per month

(7) that I am no longer permitted to receive support services from my son for free

(8) Ryan Akamine's definitions of a live in aide's "residence" is not in compliance with the definition, or the lack thereof, provided by FHEO Branch Chief, Stephanie Rabiner, who wrote: "...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...".

On 08.09.24, I sent the following email to Ryan Akamine, pleading with him to reconsider his illegal policies regarding my live in aide. I informed him that I was unable to find someone to be my live in aide for free, not have a separate residence, and not be employed.

08.09.24 EMAIL FROM P TO RYAN AKAMINE, REQUEST FOR LIA Download

On 08.09.24, Ryan Akamine responded to my email (above) and confirmed his illegal policies (below):

08.09.24 EMAIL FROM RYAN AKAMINE CONFIRMING HIS ILLEGAL POLICIES re MY LIVE IN AIDE = ILLEGAL POLICIES DO NOT APPLY TO ALL RECIPIENTS, just me! Download

After I disputed the illegal policies, Ryan Akamine acting on behalf of Hakim Ouansafi, retaliated against me by interfering with my live in aide, but for the sole purpose of terminating my reasonable accommodation to have a live in aide, and terminating my 2-bedroom voucher. Unfortunately, the state employees imposed so many illegal policies regarding me having a live in aide, that I will never again qualify to be approved to have a live in aide. (Note: the defendants illegal policies regarding my live in aide apples only to me, and does not apply to other recipients of the Section 8 program. Also, these illegal policies are not ratified into the HPHA Admin Plan, which is required by federal rules:

24 CFR §982.54

*"...The administrative plan **must** be in accordance with HUD regulations and requirements..."*

AUTHORITY OF STATE EMPLOYEES

versus

AUTHORITY OF PHYSICIANS

State employees are not gatekeepers and do not have the authority to have precedence over the authority of physicians in determining if a recipient is disabled, and what support services the recipient can or cannot receive to accommodate the recipient's disabilities. State employees are only required to obtain 'written verification' as required from the recipient's physician.

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..."*

*"...**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**...",*

*"...**HA may not inquire into the nature or extent of disability**..."*

Click to access 98-10374.pdf

The only reason I moved to Hawaii was so that my son could help me for free. It is absolutely ludicrous for the state employees of the Hawaii Public Housing Authority to act as gatekeepers to determine what support services I can or cannot receive to accommodate my disabilities. There is no way I can afford to pay for a live in aide on my limited income of Social Security, just to satisfy Ryan Akamine's illegal policies regarding my live in aide. Ryan Akamine threatened me and my live in aide that we would go to prison if we did not obey his illegal policies, intentionally interfering with what support services I can or cannot receive to accommodate my disabilities. Ryan Akamine terminated my reasonable accommodation to have a live in aide, and he terminated my 2-bedroom voucher, for no other reason than to retaliate against me for disputing the illegal policies he enforces on behalf of Hakim Ouansafi.

Prior to me attending the board meeting in October 2024, the defendants had never met me or seen me. But for some reason believed they had the authority to act as gatekeepers, to have precedence over the authority of my doctors, to have the authority to

determine if I am disabled, to determine if I can have a live in aide, and to determine what support services I can and cannot receive to accommodate my disabilities.

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ILLEGAL v. LEGAL POLICIES (re: LIVE IN AIDE)

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To **retaliate** against me, Ryan Akamine (acting on behalf of Hakim Ouansafi) terminated my reasonable accommodation for a live in aide, which was approved on the mainland in 2013, and again approved after I moved to Hawaii by the HPHA in 2017. This allowed Ryan Akamine to terminate my 2-bedroom voucher so that I could no longer receive overnight support services from a live in aide.

Ryan Akamine fabricated his illegal policies regarding live in aides, which policies apply only to me and not to all recipients of the Section 8 program. To prove Ryan Akamine's policies regarding live in aides is illegal, he has yet to ratify his illegal policies into the HPHA Admin Plan.

According to HUD Regulations and federal laws, a live in aide must be provided a separate bedroom to sleep in when providing overnight care. The live in aide is not permitted to sleep in the same bed or in the same bedroom as the recipient, and is not permitted to sleep in the living room since that takes away from the recipient enjoying her home.

The defendants have in their possession written verification from seven (7) letters from six (6) different physicians who unanimously confirmed in writing that I am disabled and am required to have a live in aide who can provide support services to accommodate my disabilities, which includes disability-related overnight care when needed. Nevertheless, Ryan Akamine claims that his "authority" has precedence over the "authority" of my doctors in determining what support services I can and cannot receive. As a result, Ryan Akamine terminated my reasonable accommodation to have a live in aide.

Ryan Akamine (acting on behalf of Ryan Akamine) made a conscious decision to retaliate against me by interfering with my reasonable accommodations in an attempt to interfere with my voucher and my housing, by intentionally terminating my live in aide and terminating my 2-bedroom voucher *(which both were approved in 2013 on the mainland, and again approved by the HPHA after I moved to Hawaii in 2017).*

24 CFR §982.316
Live-in aide.

(a) A family that consists of one or more elderly, near-elderly or disabled persons may request that the PHA approve a live-in aide to reside 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. (See § 982.402(b)(6) concerning effect of live-in aide on family unit size.)*

(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.

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****...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****.*

24 CFR §966.53

The following CFR confirms that a live in aide is not considered a tenant of the disabled person's home:

§ 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.*

(https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-

966/subpart-B/section-966.53)

(Note: the live in aide is not a tenant, and according to 24 CFR 5.403(3) "...would ***not*** *be living in the unit* ***except*** *to provide the necessary supportive services...".)*

(Note: I do not want anyone living in my home when they are not providing support services. And I do not want to share my home with anyone, including my 40 year old son.)

(Note: It is not reasonable to require that I pay for a live in aide on my fixed income, and provide permanent residency for a live in aide, in order for the HPHA to approve my live in aide can provide disability-related overnight care when needed.)

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:

https://governmentcorruptioninhawaii.wordpress.com/

(1) Is 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.*

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..."*

(Note: it is the doctor (not a state employee) who provides "written verification" to certify a live in aide is needed and is "essential for the care and well-being of the elderly...disabled", and who determines what support services the recipient can or cannot receive. It is not reasonable to expect that a state employee, who has never met the recipient, be allowed to determine if a live in aide is required and to determine what support services the recipient can and cannot receive)

It is a physician (not a state employee) who provides "written verification" to certify a recipient is disabled, and to certify if a live in aide is "essential for the care and well-being of the elderly...disabled", and to certify what support services the recipient can and/or cannot receive.

It is the responsibility of a state employee to only obtain the "written verification" from a physician. A state employee, who has never met the recipient, is not allowed to determine if a recipient is disabled or is allowed or not allowed to receive support services to accommodate their disabilities. The authority of a state employee does not have precedence over the authority of a physician in determining if a recipient is disabled, and in determining what support services the recipient can and cannot receive to accommodate the recipient's disabilities.

DENIED DISABILTY-RELATED OVERNIGHT CARE

The evidence proves that the defendants purposefully and intentionally terminated my live in aide, and refused to allow my live in aide to provide disability-related overnight care when needed. This allowed them to then terminate my 2-bedroom voucher.

The live in aide and the 2-bedroom voucher were approved in 2013, and again in 2017 by the defendants when I moved to Hawaii so that my son could provide support services to accommodate my disabilities, which included disability-related overnight care when needed. I provided the defendants with numerous letters from physicians and medical records to prove my disabilities and need for support services.

Because Ryan Akamine determined that as a state employee he had the "authority" to determine what support service I could receive or could not receive, he interfered with my physicians "authority" in determining what support services I could receive. I have never met Ryan Akamine, so it is virtually impossible that a state employee would be granted "authority" to have precedence over the "authority" of my physicians.

Because Ryan Akamine refused to approve my live in aide could provide disability-related overnight care when needed, this allowed him to terminate my live in aide, and then terminate my 2-bedroom voucher. There is no doubt that his actions were in retaliation because I disputed the illegal policies that he was enforcing on behalf of Hakim Ouansafi.

The following rules support that Ryan Akamine should have approved my live in aide (my son) could provide disabilty-related overnight care when needed (for free), and enforcing fabricated illegal policies that my live in aide was required to live in my home 24/7, not be permitted to have a separate residence, and not have a job. There is absolutely no way I could pay for and care for a live in aide under these terms.

HOUSING SEARCH AND LEASING (page 13):

Click to access HCV_Guidebook_Housing_Search_and_Leasing_November%202020.pdf

"...4.5 Reasonable Accommodations....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 § 982.402(b)(8)..."*

24 CFR 982.316

"...Live in Aide. (a)...PHA must approve a live in aide if needed as a reasonable accommodation in accordance wtih 25 CFR Part 8 to make the program accessible to and usable by the family member with a disability..."

HUD Notice PIH 2009-22 (HA)

Click to access DOC_8989.PDF

"...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****..."*

11. LEGAL AUTHORITIES

FRAUD ~ DEFINED BY STATE AND FEDERAL LAWS

Plaintiff has met the highest level of stringent standards required by many appellate courts, requiring that civil fraud claims "... must state with particularity the circumstances constituting fraud...", as required by FRCP 9(b).

Plaintiff identifies in great detail the actions and the actors involved, and provides factual detailed documents (i.e., HUD charts, Fraud Charts, legal documents, etc.) to prove with great particularity in regards to time, place, and content of the facts that prove the intent to commit fraud to intentionally steal federal funds from the Section 8 Housing Choice Voucher Program.

FRCP 9(b)
"...Rule 9. Pleading Special Matters
(b) ***FRAUD*** *OR MISTAKE; CONDITIONS OF MIND. In alleging* ***fraud*** *or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally..."*

Hawaii Revised Statutes §708-835.65

*"...**FRAUD.** (1) A person commits the offense of fraud if, with the intent to defraud, the person executes or attempts to execute any scheme or artifice to defraud or for the purpose of obtaining money or property by means of false or fraudulent pretenses, representations, or promises..."*

***Commentary on §708-835.65** reads: "...Act 131, Session Laws 2023, added this section to establish the offense of **fraud as a class B felony**. The legislature found that it was of utmost importance to restore public trust in state government and increase the level of transparency in government operations and accountability of individuals. To improve the standard of conduct within government, and to more effectively combat fraud, waste, and corruption, it was necessary to establish criminal offenses and penalties. Act 131 provided a mechanism to increase the public's trust and confidence in state and local government while providing law enforcement with a tool to adequately deter and commensurately punish acts of public corruption. Conference Committee Report No. 1, Senate Standing Committee Report No. 720. (2) For purposes of this section, "scheme or artifice to defraud" includes a scheme or artifice to deprive another of the intangible right of honest services. (3) Fraud shall be a class B felony. [L 2023, c 131, §2]*

Plaintiff filed her civil claims in the U.S. District Court because her lawsuit involves federal funds allegedly being stolen from the federal program: Section 8 Housing Choice Voucher Program. The plaintiff wants to make it clear that she is not filing criminal charges, acknowledging that this is the responsibility of Hawaii prosecutors and the Hawaii U.S. Attorney General, who are welcome to use the information the plaintiff has provided to motivate them to do their own investigation into Hawaii state employees who are allegedly stealing federal funds from the federal program, in which 18 U.S.C. §666 and CRM 1002 may apply.

***18 U.S.C. §666** reads:*

"...18 U.S. Code § 666 – Theft or bribery concerning programs receiving Federal funds..."

*"...**(A)** embezzles, steals, obtains by fraud **[FRAID CLAIM]**, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies, property that—**(i)** is valued at $5,000 or more, and **(ii)** is owned by, or is under the care, custody, or control of such organization, government, or agency; or **(B)** corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of $5,000 or more; or **(2)** corruptly gives, offers, or agrees to give anything of value to any person, with intent to influence or reward an agent **[BRIBERY CLAIM]** of an organization or of a State, local or Indian tribal government, or any agency thereof, in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of $5,000 or more; shall be fined under this title, imprisoned not more than 10 years, or both. **(b)** The circumstance referred to in subsection (a) of this section is that the organization, government, or agency receives, in any one year period, benefits in excess of $10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance. **(c)** This section does not apply to bona fide salary, wages, fees, or other compensation paid, or*

expenses paid or reimbursed, in the usual course of business. ***(d)****As used in this section—* ***(1)*** *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, officer, manager,*** *and representative;* ***(2)*** *the term "government agency" means a subdivision of the* ***executive,*** *legislative, judicial, or other branch of government, including a* ***department****, independent establishment, commission, administration, authority,* ***board****, and bureau, and a corporation or other legal entity established, and subject to control, by a government or governments for the execution of a governmental or intergovernmental program;*

Criminal Resource Manual 1000–1499, 1002

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 U.S.C. § 666. The section is designed to facilitate the prosecution of persons who steal money or otherwise divert property or services from state and local governments*** *or private organizations–for example, universities, foundations and business corporations–****that receive large amounts of Federal funds****.*

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****, local or Indian tribal* ***government agency*** *that receives $10,000 or more annually in Federal 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 the section****.*

Under prior law, with few exceptions, thefts from such governments or organizations could be prosecuted only under the general theft statute, 18 U.S.C. § 641, or the statute prohibiting theft of funds under the Comprehensive Employment and Training Act (CETA), 18 U.S.C. § 665. Use of the general theft statute was often precluded because either the title to the property stolen had passed from the Federal government before it was stolen or the funds were so commingled that their Federal character could not be shown.

Consequently, ***Congress created 18 U.S.C. § 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 U.S.C. § 641 nor § 665 could reach..."*

FACT: ILLEGAL POLICIES ARE FABRICATED AND ENFORCED, OF WHICH HAKIM OUANSAFI HAS YET TO DISPUTE (i.e., using low comparables in all rent reasonableness determinations, using low comparables against the contract rent

instead of against the payment standard, lying to HUD and to the state auditors by claiming that 100% of the subsidy was used to issue approximately 70% of the Section 8 vouchers, altering and manipulating the HPHA financial records in an attempt to hide the "steal", harassing recipients who dispute the illegal polices being implemented by Hakim Ouansafi and approved by the Board of Directors of the Hawaii Public Housing Authority, etc.)

FACT: All the inspection scores for all the state-owned projects have drastically decreased since Hakim Ouansafi was hired as the Executive Director in 2012. Hakim Ouansafi has admitted in several areas (to the board, to the senate (to support senate bills), in miscellaneous documents, etc.) that he is currently backlogged $800,000,000 in repairs for state owned projects. Residents who live in state owned projects are living squalor, in rat-invested dilapidated buildings. This is unacceptable.

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CLAIM OF FRAUD

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A claim of fraud must be supported by some illegal activity, which includes adopting and enforcing illegal policies but for the sole purpose of stealing federal funds. As the plaintiff in my case, it is my job to prove it. I am confident that I can prove the state employees are enforcing **the illegal policies to use low comparables against the contract rent in all rent reasonableness determinations as the basis for stealing federal funds from the Section 8 Housing Choice Voucher Program.** This fraud scheme is in addition to the fraud scheme to steal federal funds by not issuing all the vouchers, by falsely claiming ±100% of the subsidy was used to issue ±75% of the voucher.

As the Executive Director of the Hawaii Public Housing Authority, Hakim Ouansafi is required to implement the federal rules and HUD regulations that govern how the Section 8 Housing Choice Voucher Program is implemented. Hakim Ouansafi purposefully and intentionally fabricated and implemented his elaborate fraud scheme in order to steal federal funds from the Section 8 Housing Choice Voucher Program.

FRAUD is defined as conduct that relies on deception, misrepresentation of the truth, concealment of a material fact, an intentional or deliberate act, in order to achieve financial or personal gain.

> ***DOJ CRM 1007*** *defines Fraud as:*
>
> ***"...false representations, dishonesty, and deceit..."***

> ***FRCP 9 (b)*** *defines Fraud as:*
>
> ***Fraud*** *or Mistake; Conditions of Mind.* ***In alleging fraud*** *or mistake, a party* ***must state with particularity the circumstances constituting fraud*** *or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally.*

The attached FRAUD CHART proves that Hakim Ouansafi stole **$110,922,769,** and that he continues to steal approximately $1,000,000 each and every month from the Section 8 Housing Choice Voucher Program.

The attached FRAUD CHART proves that since January 2015, Hakim Ouansafi falsely claimed to HUD that he used **±100%** of the Section 8 subsidy the HPHA received from HUD, but only issued **±75%** of the Section 8 vouchers the HPHA received from HUD. Remember, the vouchers belong to HUD, not to the HPHA, so HUD knows exactly how many vouchers were issued to the HPHA and exactly how many vouchers were used to the public.

The attached FRAUD CHART proves the exact amount of subsidy Hakim Ouansafi lied to HUD, lied to the State Auditors, and lied to the HPHA Board of Directors, by falsely claiming he used 100% of the subsidy he received from HUD. Hakim Ouansafi purposefully and intentionally altered the HPHA financial statements in order to hide the millions of dollars he continues to steal from the Section 8 program.

The attached FRAUD CHART proves Hakim Ouansafi implemented his elaborate fraud scheme to steal federal funds from the Section 8 Housing Choice Voucher Program, in exchange for intentionally depriving the most vulnerable of housing assistance

(including veterans ~ VASH vouchers), and intentionally depriving all landlords who participate in the Section 8 program of receiving HUD's FMR (Fair Market Rent) for their rentals.

FRAUD CHART – PHA H1901 – HPHA – FINAL Download

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LANDLORDS AND RECIPIENTS DO NOT BENEFIT FROM THE ILLEGAL POLICY TO USE LOW COMPARABLES

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Section 8 landlords: This is a huge red flag to all the Section 8 landlords. The illegal policy to use low comparables means that all the landlords who participate in the Section 8 program will always be required to lower their rent in accordance with the illegal policy to use low comparables, and therefore will always be deprived of receiving HUD's Fair Market Rent (FMR) for their rental. The government would have the public believe it is the landlords fault because of the lack of available housing, but I would argue that the government has caused the shortage in affordable housing, and not the landlords. By creating the housing shortage, the government is able to petition the federal government for federal funds under the guise of there being a shortage of housing. The State of Hawaii has received millions of dollars from the federal government, money that just disappears. I can 'also prove that millions of dollars have been approved by the legislature, which money just disappears.

Section 8 recipients: This is a huge red flag to all the Section 8 recipients. The illegal policy to use low comparables means that the Section 8 recipient's "payment standard" will always be reduced below the initial approved payment standard for their voucher. Because landlords are required to lower the contract rent in accordance with Hakim Ouansafi's illegal policy to use low comparables, and if the landlord does not agree to reduce the rent accordingly, then the recipient is required to search for another rental using the revised reduced "payment standard" (*as a result of the application of the illegal policy to use low comparables*). Section 8 recipients are now at a disadvantage because there are very few available rentals on the island, and very few landlords who will participate in the Section 8 program. I believe the homeless problem is instigated by the governments illegal policies that have a ripple effect that hinders housing for the public.

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HUD RULES AND REGULATIONS

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HUD CLIPS:

https://www.hud.gov/hudclips

MONITORING OF PHA GUIDEBOOK: CHAPTER 2, HUD and PHA RESPONSIBILITIES:

https://www.hud.gov/hudclips/guidebooks-74607g

"...THE PHA MUST MAINTAIN COMPLETE AND ACCURATE BOOKS..."

CHIEF FINANCIAL OFFICER: https://www.hud.gov/hudclips/handbooks/cfo

HOUSING CHOICE VOUCHER PROGRAM:

https://www.hud.gov/helping-americans/housing-choice-vouchers

HOUSING CHOICE VOUCHER PROGRAM GUIDEBOOK:

https://www.hud.gov/helping-americans/housing-choice-vouchers-guidebook

HOUSING SEARCH AND LEASING (page 13):

Click to access HCV_Guidebook_Housing_Search_and_Leasing_November%202020.pdf

"…4.5 Reasonable Accommodations….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 § 982.402(b)(8)…"*

24 CFR 982.316

"…Live in Aide. (a)…PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 25 CFR Part 8 to make the program accessible to and usable by the family member with a disability…"

HUD Notice PIH 2009-22 (HA)

Click to access DOC_8989.PDF

"…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 a ***n additional bedroom to permit disability-related overnight care****…"*

PAYMENT STANDARDS GUIDEBOOK (page 2):

Click to access HCV_Guidebook_Payment_Standards_November_2020.pdf

"…In the Housing Choice Voucher (HCV) program, payment standards are used in the calculation of the housing assistance payment (HAP) that the Public Housing Agency (PHA) pays to the owner on behalf of the family leasing the unit. 24 C.F.R. 982.4 defines Payment Standard as the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)…"

RENT REASONABLENESS GUIDEBOOK (page 8):

Click to access HCV_Guidebook_Rent%20Reasonableness_updated_Sept%202020.pdf

"…3.12 Ensure method represents entire market, not only units within the PHA's Payment Standard…"

"…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 [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…"

CALCULATING RENT AND HOUSING ASSISTANCE PAYMENTS (page 2):

https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Calculating_Rent_and_HAP_Payments.pdf

"…When the PHA issues a housing choice voucher, it is important for the PHA to give the applicant or participant information on the maximum amount the family is expected to contribute toward housing costs and the maximum subsidy that the PHA may pay. This information is essential for a family ***to search and select an appropriately priced home*** *within the voucher term…"*
"…The PHA establishes payment standards by bedroom size. ***Payment standards are the maximum monthly assistance payment for a family assisted in the voucher program****…"*

CONCLUSION

Legal authorities, extensive documentation, including HUD data and legal filings, **substantiates claims of fraud, misappropriation of federal funds, mismanagement, and retaliation** *(as well as other claims the plaintiff has outlined in great detail).*

In summary: This website outlines the allegations of corruption within the Hawaii Public Housing Authority (HPHA), claiming over **$500,000,000** was stolen *(and the steal continues today)* from the Section 8 Housing Choice Voucher Program through illegal policies, fraud, and retaliation, led by Executive Director Hakim Ouansafi and his management team.

The state employees of the Hawaii Public Housing Authority PHA are accused of systemic fraud and mismanagement, with significant financial and social impacts on Section 8 recipients, landlords, and the community.

12. PRAYER

PRAY FOR MY PROTECTION

Please pray for my protection. Someone put a tracker (air tag) on my vehicle before I became homeless, so whoever did it knew where I lived at the time. The police were unable to find the tracker and asked me if I knew anyone who would want to hurt me. I told the police that the only person I knew who would be upset with me would be Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura because of my lawsuit. I explained to the officer what they did to me, and the officer filed a police report. Whoever put the tracker on my vehicle hid it well and now is able to find my location at all times. Please pray for my protection.

After being subjected to verbal abuse by Hakim Ouansafi at the board meetings, who claimed to the Board of Directors and all who are in attendance at these public board meetings, that he sees me as a bigot, an idiot, stupid, hateful, and insane, I am now very concerned about my physical safety. State employees should be restrained from provoking discord, defaming, slandering, verbally abusing, publicly discrediting, humiliating, ridiculing, retaliating, and/or disgracing me, or anyone, who attends public board meetings or who files a grievance against any state employee.

PRAY I FIND AN ATTORNEY

Please pray that the Hawaii U.S. Attorney General will assist me with my case. I am confident that I have provided sufficient evidence to warrant their help with my case. I welcome a private attorney who can assist me with my lawsuit.

I had no choice but to file my case as a pro se plaintiff in order to meet the court's Statute of Limitations deadline. A class action lawsuit is a consideration since *all* recipients and *all* landlords of the Section 8 Housing Choice Voucher Program are negatively affected by the illegal policies being implemented by Hawaii's state employees. Since I filed my lawsuit, I have met many recipients and landlords who would participate in a class action lawsuit if I had an attorney. Many of my witnesses for trial are recipients, landlords, and several state employees. Please pray for them, that they will not be subject to retaliation *(like I was)* for testifying at trial. Please pray nobody loses their state job for coming forward and speaking the truth.

Please do not hesitate to contact me at HPHAFRAUD@GMAIL.COM if you are an attorney who is interested in helping me. And if you are a recipient or landlord who participates in Hawaii's Section 8 program, you are welcome to email me and share your experiences with me *(good and bad).*

~ GOD BLESS HAWAII ~

CONTACT INFORMATION

X: HPHA FRAUD (@HPHAfraud)

Facebook: https://www.facebook.com/profile.php?id=61567826276812
Email: HPHAfraud@gmail.com
Website: https://GovernmentCorruptionInHawaii.wordpress.com

IF YOU ARE AWARE OF FRAUD, WASTE, OR ABUSE BY THE 'HAWAII PUBLIC HOUSING AUTHORITY' AND ITS EMPLOYEES, PLEASE FILE A COMPLAINT WITH THE HUD/OIG: https://www.hudoig.gov/hotline/report-fraud ~ AND FILE A COMPLAINT WITH THE FBI: https://tips.fbi.gov/home

DISCLAIMER: ALL CLAIMS STATED IN THIS WEBSITE ARE CONSIDERED ALLEGATIONS AS PART OF AN ONGOING CIVIL LAWSUIT, NOT CRIMINAL CHARGES, AND ALL PARTIES MENTIONED IN THIS WEBSITE ARE PRESUMED INNOCENT UNTIL PROVEN GUILTY IN A COURT OF LAW

FRAUD FLYER – After the HPHA made me homeless, every morning Mon-Fri, I would stand at the entrance of the HPHA parking lot and passed out this flyer to all the employees who were arriving to work. Thank you to all the HPHA employees who spoke kind words to me, and to all the police officers who would check on me every morning to make sure I was ok and encouraged me to not give up the fight. This is when a group of local Hawaiian women came to me before October's board meeting and prayed for me, and the women asked me to join them at the HPHA board meeting. I've been attending every month since October 2024. Download

"Today you are on the verge of battle with your enemies. Do not let your heart faint, do not be afraid, and do not tremble or be terrified because of them; for the Lord your God is He who goes with you, to fight for you against your enemies, to save you."

Deuteronomy 20:3-4

Psalm 3 ~ God used David. God used Mary. God can use me too. I pray God can use me for his glory, for his purpose, like He used David and Mary. And I pray God will have mercy on my enemies. God bless the men and women who have the great responsibility of governing Hawaii. I am praying for you! God bless Hawaii!

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TABLE OF CONTENTS

- 1. INTRODUCTION
- 2. LEGAL AUTHORITIES / SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
- 3. FRAUD SCHEMES / BRIEF DESCRIPTION OF FRAUD SCHEME #1 and FRAUD SCHEME #2
- 4. FRAUD SCHEME #1
- 5. FRAUD SCHEME #2
- 6. ADDITIONAL FRAUD SCHEMES
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- 8. HPHA LEADERSHIP & ACCOUNTABILITY / HAKIM OUANSAFI
- 9. HPHA LEADERSHIP & ACCOUNTABILITY / HPHA BOARD OF DIRECTORS
- 10. RETALIATION CLAIM
- 11. LEGAL AUTHORITIES / FRAUD, LIVE IN AIDE, AUTHORITY OF STATE EMPLOYEES, ETC.
- 12. PRAY

ATTACHMENT B

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 Defendants.	Civil No. CV23-00412 MWJS-WRP DECLARATION OF HAKIM OUANSAFI

DECLARATION OF HAKIM OUANSAFI

I, HAKIM OUANSAFI, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the Executive Director of the Hawaii Public Housing Authority ("HPHA"), a position that I have held since January 2012.

2. I have personal knowledge of the matters set forth herein and am competent to testify to them.

3. I have reviewed the Complaint filed by Plaintiff Laurie Thorson on October 4, 2023, particularly, the allegations that I am "solely responsible for adopting the illegal policy to use one low comparable in all rent reasonableness determinations" and that my instruction for HPHA Chief Compliance Officer Ryan

Akamine to review Plaintiff's file was an order "to go on the attack against [her]." ECF No. 1 at PageID.37-38.

4. I categorically deny both of these allegations.

5. On April 4, 2022, I received an email from Plaintiff's attorney at the Legal Aid Society of Hawaii ("LASH"). Attached as Exhibit "A" is a true and correct copy of the email I received from Plaintiff's attorney Nicholas Severson on that date.

6. The following day, April 5, 2022, I instructed HPHA staff to conduct a thorough review of Thorson's files to appropriately address and respond to Plaintiff's complaints.

7. On the same day, I notified Plaintiff's attorney at LASH that I had instructed HPHA staff to conduct a complete review of Plaintiff's file and informed him that Mr. Akamine would take the lead on this matter. Attached as Exhibit "B" is a true and correct copy of the email I sent to Plaintiff's attorney on April 5, 2022.

8. While I receive updates on critical issues, HPHA staff are responsible for managing the day-to-day operations related to Section 8 recipients and tenants at HPHA properties, including conducting rent reasonableness tests to determine whether the rent requested by a landlord is reasonable.

9. The governing body of HPHA is the Board of Directors ("Board"), as established under Hawaii Revised Statues § 356D-3. The Board is responsible for adopting HPHA's policies, including administrative rules and the HPHA Administrative Plan (among others).

10. It is the HPHA Board, not me as Executive Director, that is responsible for adopting policies such as the "one low comparable" policy referenced by Plaintiff.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: Honolulu, Hawaii, February 14, 2025.

HAKIM OUANSAFI

favorite hide flag share

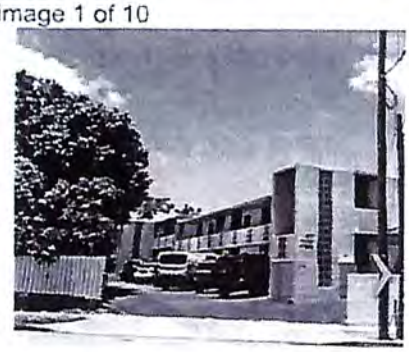
Posted 13 days ago on: 2022-03-10 12:11

ATTACHMENT C

Contact Information:

$1,500 / 2br - 2BR/1BA Apt unit (Palolo Ave/6th Ave) - Kaimuki

image 1 of 10





RENT 1500
ELECT 12-1
1621

1245 Palolo Ave

LR SUB FOR TH

apartment 2BR / 1Ba

laundry on site

carport

1621 + 2621 + 4321 = 8563/3 = 2854.33

2BR/1BA Apt unit (Palolo Ave/6th Ave) - Kaimuki

$2,854 OR LESS

Property Address
1245 Palolo Ave | Honolulu, HI 96816
Two units available (#103 & #204)
Available: Now

Offered By
NAI CBI Hawaii

QR Code Link to This Post

Description

2BD/1BA Apartment - Great Location & Conveniently Located
1245 Palolo Avenue / 1242 6th Avenue, Honolulu, HI 96816

Contact Info:
Christine G. Adderley NAI CBI Hawaii | show contact info

EXHIBIT X

Property Address:
• 1245 Palolo Avenue / 1242 6th Avenue, Honolulu, HI 96816

Rental Terms:
• Rent: $1,500/month
• Security Deposit: $1,500
• Available: NOW!
• Application Fee: $20/person
• Minimum Lease: 6 Months
• No Smoking Allowed
• No Pets Allowed

Details:
• 2BD/1BA Apartment
• Two-Story Building

$1,500.00 - 2BR/1BA unit in a 2 story walk-up apartment, with 1 parking stall. Unit is vacant and move-in ready. Property is situated conveniently close to all support facilities i.e. Bus route, shopping and grocery stores, gas station and restaurants. Apartment building has a common laundry area. Water/sewer included in rent. Electricity and other utilities paid by tenant. NO PETS/NO SMOKING allowed.

Amenities

- Community Laundry

Details

- Beds/Baths: 2BD/1.0BA

Rental Terms

- Rent: $1,500.00
- Available: Now
- Application Fee: $20.00
- Security Deposit: $1,500.00

Pet Policy

- Cats not allowed
- Dogs not allowed

ATTACHMENT D

From: Kelly McGill kellywmcgill@gmail.com
Subject: Re: Regarding unit 6125B Summer Street for Potential Tenant THORSON, Laurie
Date: Mar 23, 2022 at 4:55:05 PM
To: Laurie Thorson lthorson7@gmail.com, Caal, Cosme F cosme.f.caal@hawaii.gov
Cc: Matsuura, Lyle F lyle.f.matsuura@hawaii.gov

Thank you Laurie.

Please let me know when rent adjustments are settled.

We are sticking with FMV at $4000/month.

Mahalo!

~ K W M ~

-------- Original message --------
From: Laurie Thorson <lthorson7@gmail.com>
Date: 3/23/22 4:52 PM (GMT-10:00)
To: "Caal, Cosme F" <cosme.f.caal@hawaii.gov>
Cc: kellywmcgill@gmail.com, "Matsuura, Lyle F" <lyle.f.matsuura@hawaii.gov>
Subject: Re: Regarding unit 6125B Summer Street for Potential Tenant THORSON, Laurie

This is incorrect. Cosme, please talk to Lyle. You did not apply 120% special accommodation.
Laurie

On Mar 23, 2022, at 4:49 PM, Caal, Cosme F <cosme.f.caal@hawaii.gov> wrote:

Hello Kelly,

According to our rent reasonableness test, the Proposed Rent must come down $1,353.00 to **$2,647**.
Please let me know if you are willing to reduce the Proposed Rent by $**1,353.**
If not, I will inform THORSON, Laurie that she must look for a new potential unit.

ATTACHMENT E

From: Matsuura, Lyle F <lyle.f.matsuura@hawaii.gov>
Sent: Tuesday, March 29, 2022 11:05 AM
To: Ryan Thorson <rthorson@pactechgroup.com>
Cc: lthorson7@gmail.com
Subject: RE: Comperables for Laurie Thorson

CAUTION: This email originated from outside of PacTech. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Laurie and Ryan,

The rent comp still did not pass. As stated yesterday we take the average of a lower, medium, and high comp to get a proper market analysis. The comps that were used were $1621, $4321, and $4500. Here are the options,

1. Lower rent to $3273
2. Make rent $3480 with all utilities included
3. Decline

Can you let Kelly know the options and get back to us?

Mahalo!

Lyle Matsuura, MPA | Public Housing Supervisor IV
Section 8 Subsidy Programs Branch | Hawaii Public Housing Authority
1002 North School Street | Honolulu, HI 96817 | O:808.832.5863 | F:808.832.3461 www.hpha.hawaii.gov

EQUAL HOUSING OPPORTUNITY

The Hawaii Public Housing Authority provides housing assistance and programs free from discrimination.
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ATTACHMENT F

From: Rabiner, Stephanie K Stephanie.K.Rabiner@hud.gov
Subject: Re: <External Message> Re: Thorson v. HPHA #696940 (09-23-1981-8, 4, D), PLEASE FORWARD COPY TO: JASON PU
Date: Jun 13, 2023 at 9:59:26 AM
To: Laurie Thorson lthorson7@gmail.com
Cc: Wong, Milton H Milton.H.Wong@hud.gov

Ms. Thorson,

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.

When you are able to locate the source for the quote, please forward it to Milton.

Thank you,

Stephanie

Stephanie Rabiner
Enforcement Branch Chief
Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
One Sansome Street, Suite 1200, San Francisco, CA 94104-4430
Tel: (415) 489-6549
Cell: (202) 718-3656
Email: Stephanie.K.Rabiner@hud.gov

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ATTACHMENT G

KELLY & THAO MCGILL
144 MAUNALANIKAI PLACE HONOLULU HI 96816

February 19, 2024

Lyle Matsuura
Public Housing Supervisor IV
Section 8 Subsidy Programs Branch
808.832.6040

Aloha Lyle,

Laurie sent me a copy of the letter you mailed to her dated January 25, 2024. You wrote: "...if you remain in your current rental, your updated 0BR 120% HUD FMR RA payment standard will be applied...".

Unfortunately, it is not reasonable for me to continue to rent my 2-bedroom rental for anything less than $4,000 per month. That was the rent amount 2 years ago. I'm sure you would agree it would be only fair that I would be eligible to receive at least a 5% increase per year, which would be a $200 increase per year. I've been very patient while Laurie has appealed what happened to her.

So in order for Laurie to remain in my rental, I am willing to reduce the unit size from a 2-bedroom to a 1-bedroom. This would allow Laurie to use her 0-bedroom voucher for a 1-bedroom unit. It is important that you do not reneg on your promise "...if you remain in your current rental, your updated 0BR 120% HUD FMR RA payment standard will be applied...", so that we can move forward without any interruptions in the HPHA payments to me.

I've calculated the total "..0BR 120% HUD FMR RA payment standard.." amount, plus the utility allowance, to be $3,532. This amount is acceptable.

> Laurie forwarded to me the 2023 payment standard charts and utility allowance charts from HPHA and from the City and County of Honolulu PHA (see attached). Laurie said she couldn't find the 2024 charts.
>
> **2023 City and County of Honolulu payment standard chart:**
> ($2,532 0BR/96821 x 120% RA = $3,038 + $494 1BR/UA = **$3,532**)
>
> **2023 HPHA payment standard chart:**
> ($2,350 0BR/96821 x 120% RA = $2,820 + $373 1BR/UA = **$3,193**)

If I used the wrong charts and/or my calculations are not correct, please provide me with the correct figures and the correct charts in the next 2-3 days, so I can make a final decision.

Also, please let me know if you will require the Lease to be revised again.

Because there's only one meter for the HECO bill, please make sure to add the maximum utility allowance amount since I will be responsible to pay all the utilities, including the electric bill. I used the figures from

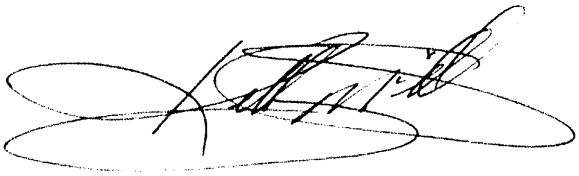
the utility allowance (UA) charts from the 1-bedroom column since the unit is a 1-bedroom, even though the voucher is for a 0-bedroom.

I know there are not many rentals out there and it would be very difficult for Laurie to find another home, so let's work together to make sure she can remain in her current rental, using her 0-bedroom voucher to rent my 1-bedroom unit. My plan is to block off the master bedroom, which has a separate entrance. I haven't decided yet how I will use this space. My focus right now is on settling Laurie's rental situation so she can remain in her home.

Laurie is an amazing lady and a wonderful tenant. It is very difficult to find that nowadays. Lets work together to keep her in her home and safe...

I really appreciate your help Lyle!

Mahalo,



Kelly McGill ~ 808.392.8454

City and County of Honolulu Housing Choice Voucher Program 2023 Payment Standards

Effective January 1, 2023

Group	Zip Code	Area	Number of Bedrooms								
			Studio	1	2	3	4	5	6	7	8
A23	96792 96795	Waianae/Makaha/Nanakuli Waimanalo	$1,332	$1,464	$1,920	$2,724	$3,276	$3,768	$4,258	$4,750	$5,241
B23	96730 96817 96819	Kaaawa Kapalama Moanalua	$1,488	$1,632	$2,136	$3,036	$3,636	$4,182	$4,726	$5,272	$5,817
C23	96712 96731 96797 96813 96822 96826	Haleiwa Kahuku Waipahu Downtown Honolulu Manoa Moiliili	$1,704	$1,872	$2,460	$3,480	$4,212	$4,844	$5,475	$6,108	$6,739
D23	96701 96717 96744 96762 96816	Aiea/Halawa Hauula/Punaluu Kaneohe Laie Kaimuki/Palolo	$1,812	$1,992	$2,604	$3,696	$4,440	$5,106	$5,772	$6,438	$7,104
E23	96707 96759 96782 96786 96789 96791 96814	Kapolei/Makakilo Kunia Pearl City Wahiawa Mililani Waialua Ala Moana	$1,980	$2,172	$2,844	$4,044	$4,848	$5,575	$6,302	$7,029	$7,756
F23	96706 96815	Ewa Waikiki	$2,280	$2,496	$3,276	$4,656	$5,580	$6,417	$7,254	$8,091	$8,928
G23	96734 96818 96821 96825	Kailua Salt Lake/Foster Village Kuliouou/Kalani Iki Hawaii Kai	$2,532	$2,772	$3,636	$5,172	$6,192	$7,120	$8,049	$8,978	$9,907

REV 1/13/2023 RED – Lower PS/lower for Zip (Hold Harmless) GREEN – Higher PS for Zip

HAWAII PUBLIC HOUSING AUTHORITY

Payment Standards Based on SAFMR

Effective January 1, 2023

TIER	ZIP CODES	BEDROOM SIZE								
		0	1	2	3	4	5	6	7	8
Tier 1	96825	$2,360	$2,570	$3,370	$4,790	$5,740	$6,600	$7,460	$8,300	$9,000
Tier 2	96821 96734	$2,350	$2,470	$3,230	$4,590	$5,500	$6,325	$7,150	$7,900	$8,800
Tier 3	96818	$2,155	$2,365	$3,100	$4,415	$5,315	$6,115	$6,900	$7,700	$8,500
Tier 4	96706	$2,120	$2,330	$3,050	$4,340	$5,210	$5,990	$6,700	$7,550	$8,300
Tier 5	96815	$2,080	$2,280	$3,000	$4,250	$5,100	$5,850	$6,620	$7,400	$8,150
Tier 6	96860	$2,060	$2,260	$2,970	$4,220	$5,050	$5,800	$6,600	$7,360	$8,130
Tier 7	96759 96786 96791 96853	$1,750	$1,950	$2,530	$3,620	$4,380	$5,000	$5,670	$6,350	$7,100
Tier 8	96701 96707 96744 96762 96782 96789 96814 96863	$1,650	$1,930	$2,520	$3,590	$4,310	$4,950	$5,600	$6,250	$6,850
Tier 9	96709 96717 96801 96802 96803 96804 96805 96806 96807 96808 96809 96810 96811 96812 96816 96820 96823 96824 96828 96830 96836 96837 96839 96848 96850 96854 96857 96858 96859 96861	$1,580	$1,720	$2,250	$3,250	$3,890	$4,500	$5,050	$5,650	$6,200
Tier 10	96712 96731 96797 96813 96822 96826	$1,560	$1,710	$2,200	$3,100	$3,850	$4,400	$4,950	$5,550	$6,100
Tier 11	96730 96819	$1,430	$1,570	$2,050	$2,920	$3,500	$4,030	$4,560	$5,080	$5,600
Tier 12	96817	$1,360	$1,485	$1,950	$2,780	$3,330	$3,830	$4,330	$4,830	$5,330
Tier 13	96792 96795	$1,220	$1,330	$1,750	$2,490	$3,000	$3,450	$3,900	$4,350	$4,800

Utility Allowance Schedule
See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
exp. 7/31/2022

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA	Unit Type	Date (mm/dd/yyyy)
City and County of Honolulu	2023: Duplex - Townhouse	01/01/2023

Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas						
	Bottled Gas						
	Electric						
	Electric – Heat Pump						
	Fuel Oil						
	Other						
Cooking	Natural Gas	12	14	21	27	33	40
	Bottled Gas						
	Electric	28	33	48	63	78	92
	Other						
Other Electric		132	156	217	278	340	402
Air Conditioning							
Water Heating	Natural Gas	30	35	51	67	83	99
	Bottled Gas						
	Electric	74	87	113	137	162	186
	Fuel Oil						
Water		40	43	67	103	139	175
Sewer		103	106	125	153	182	210
Trash Collection							
Other – specify							
Range/Microwave		36	36	36	36	36	36
Refrigerator		33	33	33	33	33	33

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

Head of Household Name

=$494

Unit Address

Number of Bedrooms

Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	

Utility Allowance Schedule
See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
exp. 7/31/2022

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA	Unit Type	Date (mm/dd/yyyy)
Hawaii Public Housing Authority	Townhome/Duplex	7/01/2023

Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas						
	Bottled Gas						
	Electric						
	Electric – Heat Pump						
	Fuel Oil						
	Other						
Cooking	Natural Gas	18	22	31	41	51	60
	Bottled Gas						
	Electric	30	32	42	52	61	70
	Other						
Other Electric		81	96	133	171	210	248
Air Conditioning							
Water Heating	Natural Gas	46	54	78	102	126	150
	Bottled Gas						
	Electric	45	54	70	85	100	115
	Fuel Oil						
Water		45	49	77	118	160	214
Sewer		97	101	125	160	196	231
Trash Collection							
Other – specify	Natural Gas Monthly Fee	10	10	10	10	10	10
Range/Microwave		20	20	20	20	20	20
Refrigerator		21	21	21	21	21	21

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

January 25, 2024

Laurie Thorson
6125-B Summer St
Honolulu, HI 96821

RE: Voucher and Payment Standard

Laurie Thorson,

An interim change Notice of Rent (Retro to October 1, 2023) was recently sent to you to document your removal of your live-in aide from your household. Assuming you do not move, there will be no changes to your current Contract Rent, lease, Family Rent Portion, or Housing Assistance Payment (HAP) indicated on page 1, until your Annual Certification in April 2024. Your present voucher size of 2-Bedroom plus 120% of the HUD Fair Market Rent (FMR) provided as a reasonable accommodation (RA) all remain in effect until your April 2024 Annual Review is completed.

After your April 2024 Annual Review is completed, if you remain in your current unit, your updated 0BR 120% HUD FMR RA payment standard will be applied. If your rent is above your payment standard, you will be responsible for the difference.

Please contact me if you have any questions.

Sincerely,

Lyle Matsuura, Public Housing Supervisor IV
Section 8 Subsidy Programs Branch
808-832-6040, 808-832-3461(FAX)

Encl: LEP

ATTACHMENT H

From: Akamine, Ryan M ryan.m.akamine@hawaii.gov
Subject: RE: [EXTERNAL] re: live in aide
Date: Aug 9, 2024 at 4:47:33 PM
To: Laurie Thorson lthorson7@gmail.com
Cc: Urbanc, Klemen klemen.urbanc@hawaii.gov, Suzumoto, Chase chase.suzumoto@hawaii.gov

Dear Ms. Thorson,

The HPHA's responses to your specific questions follow.

1. Is my live in aide required to only live in my home, even when not providing support services?

   HPHA's response: Your live-in aide would not be living in the unit except to provide the necessary supportive services. Per HUD rules, occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Also, see the response to the next question.

2. Is my live in aide required to not have a separate residence?

   HPHA's response: Because "residence" is where a person lives, your live-in aide's residence must be your unit. Your live-in aide could own real property but cannot live at the property and must live or reside in your unit.

3. Is my live in aide not permitted to be employed? (considering I do not have the resources to pay or care for a live in aide)

   HPHA's response: Your live-in aide must be essential to your care and well-being and would not be living in your unit except to provide the necessary supportive services. For example, if your healthcare provider says that you require 24/7 care and your live-in aide works outside your unit and is not able to provide the necessary supportive services, that person cannot be a live-in aide.

Sincerely,

Ryan M. Akamine
Chief Compliance Officer
Hawaii Public Housing Authority
Office: (808) 832-4690
Email: ryan.m.akamine@hawaii.gov

ATTACHMENT I

Gmail

Laurie Thorson <lthorson7@gmail.com>

Thorson - Landlord is legally allowed to lock a door to reduce 2-bdrm to a 1-bdrm and to restrict access to other parts of his bldg.

Laurie Thorson <lthorson7@gmail.com> Fri, Aug 30, 2024 at 11:03 AM
To: "HPHA: Lyle Matsuura" <lyle.f.matsuura@hawaii.gov>, "HPHA: Ryan Akamine" <ryan.m.akamine@hawaii.gov>, "HPHA: Hakim Ouansafi" <hakim.ouansafi@hawaii.gov>
Cc: Attorney Klemen Urbanc <klemen.urbanc@hawaii.gov>, Attorney Chase Suzumoto <chase.suzumoto@hawaii.gov>, craig.y.iha@hawaii.gov, "U.S. Attorney Clare Connors" <USAHI.PublicAffairs@usdoj.gov>, "AG Anne E. Lopez" <hawaiiag@hawaii.gov>, Ryan Yamane DHS Director <dhs@dhs.hawaii.gov>, "Governor Josh B. Green" <Josh.Green@hawaii.gov>, "HI HUD/PIH: Jesse Wu" <jesse.wu@hud.gov>, Kelly McGill <kellywmcgill@gmail.com>

Dear Lyle Matsuura, Ryan Akamine, and Hakim Ouansafio,

The purpose of this letter is to inform you that the **City and County of Honolulu** confirmed that the landlord is legally allowed to lock a door to reduce the 2-bedroom unit to a 1-bedroom unit, and/or to restrict me from accessing other parts of the building.

After the HPHA recently declined another rental unit because of the 'Property Tax Records' designating the property as a "single residence" home, I decided to research this myself.

So I called the **Dept. of Property Tax Records,** who told me that they only assess and evaluate the property for tax purposes, and could not provide the information I needed.

So they referred me to the **Dept. of Permitting and Planning**, who told me that they only assist with permitting, planning, and coding as it relates to plans submitted by the owner to modify/alter the physical characteristics of the property, and could not provide the information I needed.

So they referred me to the **Dept. of Commercial and Multi-family Code Enforcement Branch to speak to Mr. Sam Rowland**. Mr. Rowland confirmed that the owner of the property is legally allowed to lock a door to reduce the size of his rental from a 2-bedroom unit to a 1-bedroom unit, especially since my Section 8 voucher was reduced from a 2-bedroom voucher to a 0-bedroom voucher. Mr. Rowland confirmed that the owner is allowed to lock the door to reduce the size of his rental and to restrict access to other parts of the building (outside of the designated 1-bedroom unit).

Mr. Rowland confirmed that it is nobody's business what the landlord does with the part of the building I would no longer have access to. As long as the landlord does not add a kitchen or make physical alterations to the physical building itself, the landlord can do whatever he wants with his property, including locking a door to reduce the size of his rental and/or to restrict me from having access to other parts of the building.

If you have any questions, Mr. Sam Rowland said you are welcome to contact him directly at **808-768-8152.**

Based on the above information, I am requesting that you continue to apply my 0-bedroom voucher to my current rental, but only as a 1-bedroom rental. This will allow me to remain as a tenant. As of today, the door is locked.

Respectfully,
Laurie Thorson

ATTACHMENT J

Gmail

L T <lthorson7@gmail.com>

Thorson - Landlord is legally allowed to lock a door to reduce 2-bdrm to a 1-bdrm and to restrict access to other parts of his bldg.

Laurie Thorson <lthorson7@gmail.com> Wed, Sep 4, 2024 at 10:04 AM
To: "HPHA: Lyle Matsuura" <lyle.f.matsuura@hawaii.gov>, "HPHA: Ryan Akamine" <ryan.m.akamine@hawaii.gov>, "HPHA: Hakim Ouansafi" <hakim.ouansafi@hawaii.gov>
Cc: Attorney Klemen Urbanc <klemen.urbanc@hawaii.gov>, Attorney Chase Suzumoto <chase.suzumoto@hawaii.gov>, craig.y.iha@hawaii.gov, "U.S. Attorney Clare Connors" <USAHI.PublicAffairs@usdoj.gov>, "AG Anne E. Lopez" <hawaiiag@hawaii.gov>, Ryan Yamane DHS Director <dhs@dhs.hawaii.gov>, "Governor Josh B. Green" <Josh.Green@hawaii.gov>, "HI HUD/PIH: Jesse Wu" <jesse.wu@hud.gov>, Kelly McGill <kellywmcgill@gmail.com>

Dear Hakim Ouansafi,

Assuming you have had a chance to read my attached email dated 08.30.24, I am requesting that you **please respond by the end of today** so that I know how to move forward.

I am requesting that you please "...apply my 0-bedroom voucher to my current rental, but only as a 1-bedroom rental...". Your written approval is required before the landlord can reneg on his notice that I am required to move out by September 30.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,
Laurie Thorson
Lthorson7@gmail.com
808-222-5885

On Aug 30, 2024, at 11:03 AM, Laurie Thorson <lthorson7@gmail.com> wrote:

Dear Lyle Matsuura, Ryan Akamine, and Hakim Ouansafio,

The purpose of this letter is to inform you that the **City and County of Honolulu** confirmed that the landlord is legally allowed to lock a door to reduce the 2-bedroom unit to a 1-bedroom unit, and/or to restrict me from accessing other parts of the building.

After the HPHA recently declined another rental unit because of the 'Property Tax Records' designating the property as a "single residence" home, I decided to research this myself.

So I called the **Dept. of Property Tax Records,** who told me that they only assess and evaluate the property for tax purposes, and could not provide the information I needed.

So they referred me to the **Dept. of Permitting and Planning**, who told me that they only assist with permitting, planning, and coding as it relates to plans submitted by the owner to modify/alter the physical characteristics of the property, and could not provide the information I needed.

So they referred me to the **Dept. of Commercial and Multi-family Code Enforcement Branch to speak to Mr. Sam Rowland**. Mr. Rowland confirmed that the owner of the property is legally allowed to lock a door to reduce the size of his rental from a 2-bedroom unit to a 1-bedroom unit, especially since my Section 8 voucher was reduced from a 2-bedroom voucher to a 0-bedroom voucher. Mr. Rowland confirmed that the owner is allowed to lock the door to reduce the size of his rental and to restrict access to other parts of the building (outside of the designated 1-bedroom unit).

Mr. Rowland confirmed that it is nobody's business what the landlord does with the part of the building I would no longer have access to. As long as the landlord does not add a kitchen or make physical alterations to the physical building itself, the landlord can do whatever he wants with his property, including locking a door to reduce the size of his rental and/or to restrict me from having access to other parts of the building.

If you have any questions, Mr. Sam Rowland said you are welcome to contact him directly at **808-768-8152**.

Based on the above information, I am requesting that you continue to apply my 0-bedroom voucher to my current rental, but only as a 1-bedroom rental. This will allow me to remain as a tenant. As of today, the door is locked.

Respectfully,
Laurie Thorson
Lthorson7@gmail.com
808-222-5885

ATTACHMENT K

KELLY & THAO MCGILL

4557 SIERRA DRIVE - HONOLULU HI 96816

September 29, 2024

Judge Micah W.J. Smith
U.S. District Court of Hawaii
300 Ala Moana Blvd., C-338
Honolulu, HI 96850

Dear Judge Micah W.J. Smith

I am writing this letter in support of Laurie Thorson. My name is Kelly McGill and I am the property owner of 6125-B Summer Street in Hawaii Kai.

On March 21, 2022, Laurie applied for my 2-bedroom rental which was advertised for the FMR of $4,000 per month. Laurie explained she had a Section 8 voucher, and I agreed to participate in the program. On March 21, 2022, Laurie and I signed a Lease for my 2-bedroom rental for $4,000 per month. It was my understanding that Laurie would be the tenant, and that her live in aide (who was her son, Ryan Thorson) would be an occupant who would reside in the unit when Laurie required overnight care. I never believed Laurie's live in aide would reside in my rental as a permanent tenant.

On April 13, 2022, the Hawaii Public Housing Authority performed an inspection, which was about 3 weeks after the Lease and RFTA was submitted on March 21, 2022. The unit passed inspection and the Housing Authority contacted Laurie to tell her she could move in on this same day. Prior to the inspection, the Housing Authority never required that I revise the Lease or the RFTA (Request for Tenancy Approval), so I believed the rent of $4,000 was acceptable when they performed the inspection (despite the Housing Authority's numerous attempts to lower my rent by using low comparable in their rent reasonableness tests).

After Laurie moved into my rental on April 13, 2022, the Housing Authority refused to communicate with me for over 2 weeks so that I could sign the HAP contract and begin receiving payment for my rental, which Laurie was already living in. Because the Housing Authority refused to return my phone calls or respond to my emails, I took the initiative on April 29, 2022 to revise the Lease to the last proposed rent made by the Housing Authority to reduce the rent from $4,000 to of $3,273 based on a low comparable in the amount of $1,500. I agreed as long as Laurie would appeal the low comparable of $1,500 that caused my rent to be reduced from $4,000 to $3,273. I have been patient for 2-1/2 years.

In April 2024, Laurie's voucher was reduced from a 2-bedroom voucher ($3,273) to a 0-bedroom voucher ($2,796). I offered to reduce my 2-bedroom unit to a 1-bedroom unit (by locking and sealing a door) so that Laurie could remain as a tenant using her 0-bedroom voucher. The Housing Authority refused to allow me to do this, claiming my property tax records designated my property as a "single-family" residential home, and therefore did not qualify as a 1-bedroom unit. For tax purposes, my property is actually designated as a "H.P.R." residential home.

Because I could no longer sustain the 2-bedroom rental with the reduction in rent from $4,000 to now $2,796, I had no choice but to issue Laurie a notice to vacate.

I hope this information assists the court in restraining the Housing Authority from continuing to interfere with Laurie's ability to use her voucher to secure another rental. I really do hope she is successful in changing the way low comparable are used, which negatively affects all landlords who participate in the Section 8 program.

Mahalo,



Kelly McGill

ATTACHMENT L

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 5,362,089	$ 5,362,089	$ 5,362,089
Expenditures -			
Rental housing and assistance program	5,362,089	5,362,089	5,065,920
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 296,169

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 25,486,975	$ 25,486,975	$ 25,486,975
Expenditures -			
Rental housing and assistance program	25,486,975	25,486,975	25,823,220
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (336,245)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2016

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 7,960,683	$ 7,960,683	$ 7,960,683
Expenditures -			
Rental housing and assistance program	7,960,683	7,960,683	6,626,279
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 1,334,404

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 29,964,655	$ 29,964,655	$ 29,964,655
Expenditures -			
Rental housing and assistance program	29,964,655	29,964,655	29,802,417
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 162,238

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2017

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 9,070,748	$ 9,070,748	$ 9,070,748
Expenditures -			
Rental housing and assistance program	9,070,748	9,070,748	8,714,416
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 356,332

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 32,070,826	$ 32,070,826	$ 32,070,826
Expenditures -			
Rental housing and assistance program	32,070,826	32,070,826	31,330,162
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 740,664

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2018

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 7,339,894	$ 7,339,894	$ 7,339,894
Expenditures -			
Rental housing and assistance program	7,339,894	7,339,894	7,136,805
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 203,089

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	$ 32,623,803	$ 32,623,803	$ 32,623,803
Expenditures -			
Rental housing and assistance program	32,623,803	32,623,803	34,473,612
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (1,849,809)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 8,372,030	$ 8,372,030	$ 8,372,030
Expenditures -			
Rental housing and assistance program	8,372,030	8,372,030	8,168,880
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 203,150

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	35,152,564	$ 35,152,564	$ 35,152,564
Expenditures -			
Rental housing and assistance program	35,152,564	35,152,564	36,408,599
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (1,256,035)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2020

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 5,941,437	$ 5,941,437	$ 5,941,437
Expenditures -			
Rental housing and assistance program	5,941,437	5,941,437	5,821,506
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 119,931

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	38,358,008	$ 38,358,008	$ 38,358,008
Expenditures -			
Rental housing and assistance program	38,358,008	38,358,008	39,195,717
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (837,709)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS
(UNAUDITED)

Year Ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 9,488,132	$ 9,488,132	$ 9,488,132
Expenditures -			
Rental housing and assistance program	9,488,132	9,488,132	9,239,834
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 248,298

	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	42,926,572	$ 42,926,572	$ 42,926,572
Expenditures -			
Rental housing and assistance program	42,926,572	42,926,572	44,818,562
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (1,891,990)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS
(UNAUDITED)

Year Ended June 30, 2022

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 5,563,751	$ 5,563,751	$ 5,563,751
Expenditures -			
Rental housing and assistance program	5,563,751	5,563,751	5,296,373
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 267,378

	Housing Assistance Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	51,896,161	$ 51,896,161	$ 51,896,161
Expenditures -			
Rental housing and assistance program	51,896,161	51,896,161	53,006,255
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ (1,110,094)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS
(UNAUDITED)

Year Ended June 30, 2023

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	$ 11,984,421	$ 11,984,421	$ 11,984,421
Expenditures -			
Rental housing and assistance program	11,984,421	11,984,421	10,748,786
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 1,235,635

	Housing Assistance Voucher MTW Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	64,969,302	$ 64,969,302	$ 64,969,302
Expenditures -			
Rental housing and assistance program	64,969,302	64,969,302	61,717,891
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ -	$ -	$ 3,251,411

See accompanying independent auditor's report.

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	$ 66,618,313	$ 66,618,313	$ 66,618,313
Expenditures			
Rental housing and assistance program	66,618,313	66,618,313	67,168,106
Excess of expenditures over revenues	-	-	(549,793)

MonthDate	% Budget Utilization	% Leasing Utilization
[illegible]	[illegible]	[illegible]
Monday, July 31, 2023	100.99%	82.74%
Thursday, August 31, 2023	100.64%	82.74%
Saturday, September 30, 2023	100.17%	82.33%
Tuesday, October 31, 2023	100.60%	81.70%
Thursday, November 30, 2023	98.35%	81.62%
Sunday, December 31, 2023	97.38%	81.49%
Wednesday, January 31, 2024	102.47%	78.26%
Thursday, February 29, 2024	103.21%	78.14%
Sunday, March 31, 2024	104.57%	78.10%
Tuesday, April 30, 2024	105.22%	77.96%
Friday, May 31, 2024	103.39%	77.77%
Sunday, June 30, 2024	102.09%	77.87%
Wednesday, July 31, 2024	100.22%	77.77%
Saturday, August 31, 2024	100.54%	77.47%
Monday, September 30, 2024	100.01%	77.47%
Thursday, October 31, 2024	100.88%	76.96%
Saturday, November 30, 2024	85.93%	76.61%
Tuesday, December 31, 2024	96.40%	75.84%

ATTACHMENT N

May 20, 2025
(VIA EMAIL ONLY – HPHA@HAWAII.GOV)

Hawaii Public Housing Authority
Attention: Records Custodian
1002 North School Street
Honolulu, HI 96817

SUBJECT: UIPA REQUEST FOR HUD FORM HUD-52681-B RECORDS

Dear Records Custodian:

Under Hawaii's Uniform Information Practices Act (HRS §92F), as a public person, I request copies of all HUD **FORM HUD-52681-B** (Rent Reasonableness Certification) records maintained by the Hawaii Public Housing Authority (HPHA) for the Section 8 Housing Choice Voucher Program, from January 1, 2015 to May 20, 2025. These records are relevant to my federal lawsuit (U.S. District Court Case No 23-CV-00412-MWJS-WRP), alleging fraud through improper rent reasonableness determinations, as detailed on my website.

I request:

1. All HUD-52681-B forms, including comparable unit data, contract rents, and payment standards.
2. Redacted forms, if necessary, to comply with HRS §92F-13(1) privacy protections, ensuring access to non-personal data.
3. Any HPHA internal policies or correspondence related to rent reasonableness compliance.

These records are public under HRS §92F-11, as they pertain to the administration of federal funds and public housing programs. Disclosure serves the public interest by promoting accountability. I request expedited processing due to court deadlines (upcoming pre-trial conference meetings). I agree to pay reasonable copying fees up to $50 and request notification if costs exceed this amount.

If records are withheld, provide a written explanation citing specific UIPA exemptions. Deliver records electronically to Lthorson7@gmail.com and a hardcopy via First Class Mail to the address noted below.

Please do not hesitate to contact me by telephone for clarification, or if you have any questions or concerns. Thank you for your prompt response within ten (10) business days (as required per HRS §92F-23).

Sincerely,
/s/ Laurie Thorson
P. O. Box 1409
Kailua, HI 96734
Lthorson7@gmail.com
(808) 222-5885
https://GovermentCorruptionInHawaii.wordpress.com

ATTACHMENT O

Voucher for Payment of Annual Contributions and Operating Statement

Housing Assistance Payments Program
Supplemental Reporting Form

US Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0282
(Exp. 03/31/2025)

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HA Number:	HA Name:		HA FYE:
Submission Type:	Original Submission	Revised Submission	Special Submission

Housing Choice Voucher Program – Utilization and Administrative Fee and Expense Reporting

Vouchers under lease on the First Day of the Month:	
UML:	
Rental Assistance Demonstration 1– Public Housing Conversion	
Rental Assistance Demonstration 2- Mod Rehab, Rent Supp, RAP Conversion	
Rental Assistance Demonstration 3 –PRAC Conversion	
Litigation	
Homeownership	
New This Month	
Moving To Work	
One Year Mainstream – MTW	
Family Unification – Non MTW	
Family Unification – Pre2008 - MTW	
Family Unification – 2008/Forward - MTW	
Non-Elderly Disabled – Non-MTW	
Non-Elderly Disabled – 2008/Forward - MTW	
Portable Vouchers Paid	
Hope VI	
Tenant Protection	
Enhanced Vouchers	
Veterans Affair Supported Housing (VASH) Voucher	
DHAP to HCV Vouchers Leased	
Foster Youth to Independence	
Mobility Demonstration	
Housing Stability Vouchers	
Emergency Transfer Vouchers for VAWA	
All Other Vouchers	
Total Vouchers	
HAP Expenses:	
Rental Assistance Demonstration 1– Public Housing Conversion	
Rental Assistance Demonstration 2- Mod Rehab, Rent Supp, RAP Conversion	
Rental Assistance Demonstration 3 – PRAC Conversion	
Litigation	
Homeownership	
New This Month	
Moving To Work	
One Year Mainstream – MTW	
Family Unification – Non MTW	

HAP Expenses (cont.):	
Family Unification – 2008/Forward - MTW	
Non-Elderly Disabled – Non-MTW	
Non-Elderly Disabled – 2008 Forward - MTW	
Portable Vouchers Paid	
Hope VI	
Tenant Protection	
Enhanced Vouchers	
Veterans Affair Supported Housing (VASH) Voucher	
DHAP to HCV Vouchers Leased	
All Other Vouchers	
MTW – Family Unification 2008/Forward HAP expenses after the First of the Month	
MTW – Family Unification per-2008 HAP After the First of the Month	
MTW – Non-Elderly Disabled 2008/Forward HAP Expenses after the First of the Month	
MTW – VASH HAP Expenses after the First of the Month	
MTW – One Year Mainstream HAP After the First of the Month	
HCV – FSS Escrow Deposits	
HCV – All Voucher HAP Expenses After the First of Month	
Foster Youth to Independence	
Mobility Demonstration	
Housing Stability Vouchers	
Emergency Transfer Vouchers for VAWA	
MTW – Foster Youth to Independence HAP Expenses After the First of the Month	
MTW – Mobility Demonstration HAP Expenses After the First of the Month	
MTW – Housing Stability Vouchers HAP Expenses After the First of the Month	
MTW – Emergency Transfer Vouchers for VAWA HAP Expenses After the First of the Month	
Total Vouchers	
Other Voucher Reporting Requirements:	
UML:	
HCV Number of Vouchers Under Lease (HAP Contract) on the last day of the month	
HA Owned Units Leased – included in the units leased above	
HCV New Vouchers Issued but not under HAP contract as of the last day of month	
Portable Vouchers Administered (Port-In)	
Mainstream	
Number of PBVs under AHAP and not under HAP	
Number of PBVs under HAP and Leased	
Number of PBVs under HAP and not Leased	
Number of PBVs under HAP and not Leased with vacancy payment and associated vacancy HAP expense	

Mainstream – Number of New Vouchers Issued but not Under HAP Contract as of the last day of the month	
Housing Stability Vouchers – Number of New Vouchers Issued but not Under HAP Contract as of the last day of the month	
HAP Expenses:	
Portable Vouchers Administered (Port-In)	
Mainstream	
Number of PBVs under HAP and not Leased with vacancy payment and associated vacancy HAP expense	
Project Based Vouchers – Total HAP Expenses	
Mainstream – HAP Expenses After the First of the Month	
Mainstream – FSS Escrow Deposits	
Adjustment Funding- Per Unit Cost	
Adjustment Funding- Shortfall	
Adjustment Funding- Per Unit Cost Increase MS Program	
Adjustment Funding- Shortfall MS Program	

Memorandum Reporting:	
UML:	
Number of Hard to House Families Leased	
HAP Expenses:	
HCV – Fraud Recovery Total Collected this Month	
Interest or other income earned this month from the investment of HAP funds and Net Restricted Assets	
HCV – FSS Escrow Forfeitures	
Portable HAP costs Billed and Unpaid – 90 Days or older	
Mainstream – FSS Escrow Forfeitures this Month	
Mainstream – Fraud Recovery Total Collected this Month	
Administrative Expenses:	
HAP Expenses:	
Non-MTW Administrative Expenses	
Audit	
Mainstream- Administrative Expenses	
Mobility Demonstration Services Expenditures	
Financial	
HAP Expenses:	
HCV – Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
HCV – Restricted Net Position Funds (RNP) as of the Last Day of the Month	
HCV – Cash/Investment as of the Last Day of the Month	
Mainstream - Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
Mainstream – Restricted Net Position Funds (RNP) as of the Last Day of the Month	
Mainstream – Cash/Investment as of the Last Day of the Month	
MTW:	
HAP Expenses:	
MTW – Public Housing Operating Subsidy Eligible Expenses	
MTW – Capital Fund Eligible Expenses	
MTW – Local, Non-Traditional (LNT) Program	
MTW – HCV Administrative Fee Expenses	
MTW – HCV Administrative Expenses Using HAP	

Other - Unspent Funds Fund Source 1	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 1	
Type of Account – 1	
Activity – 1	
Funds Committed – 1	
Type of Commitment – 1	
Date of Commitment – 1 (MM/DD/YYYY)	
Funds Obligated – 1	
Type of Obligation – 1	
Date of Obligation – 1 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 1	
Projected Date of Full Expenditure – 1 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 2	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 2	
Type of Account – 2	
Activity – 2	
Funds Committed – 2	
Type of Commitment – 2	
Date of Commitment – 2 (MM/DD/YYYY)	
Funds Obligated – 2	
Type of Obligation – 2	
Date of Obligation – 2 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 2	
Projected Date of Full Expenditure – 2 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 3	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 3	
Type of Account – 3	
Activity – 3	
Funds Committed – 3	
Type of Commitment – 3	
Date of Commitment – 3 (MM/DD/YYYY)	
Funds Obligated – 3	
Type of Obligation – 3	
Date of Obligation – 3 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 3	
Projected Date of Full Expenditure – 3 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 4	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 4	
Type of Account – 4	
Activity – 4	
Funds Committed – 4	
Type of Commitment – 4	
Date of Commitment – 4 (MM/DD/YYYY)	
Funds Obligated – 4	
Type of Obligation – 4	
Date of Obligation – 4 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 4	
Projected Date of Full Expenditure – 4 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 5	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 5	
Type of Account – 5	
Activity – 5	
Funds Committed – 5	
Type of Commitment – 5	
Date of Commitment – 5 (MM/DD/YYYY)	
Funds Obligated – 5	
Type of Obligation – 5	
Date of Obligation – 5 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 5	
Projected Date of Full Expenditure – 5 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 6	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 6	
Type of Account – 6	
Activity – 6	
Funds Committed – 6	
Type of Commitment – 6	
Date of Commitment – 6 (MM/DD/YYYY)	
Funds Obligated – 6	
Type of Obligation – 6	
Date of Obligation – 6 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 6	
Projected Date of Full Expenditure – 6 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 7	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 7	
Type of Account – 7	
Activity – 7	
Funds Committed – 7	
Type of Commitment – 7	
Date of Commitment – 7 (MM/DD/YYYY)	
Funds Obligated – 7	
Type of Obligation – 7	
Date of Obligation – 7 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 7	
Projected Date of Full Expenditure – 7 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 8	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 8	
Type of Account – 8	
Activity – 8	
Funds Committed – 8	
Type of Commitment – 8	
Date of Commitment – 8 (MM/DD/YYYY)	
Funds Obligated – 8	
Type of Obligation – 8	
Date of Obligation – 8 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 8	
Projected Date of Full Expenditure – 8 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 9	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) - 9	
Type of Account - 9	
Activity - 9	
Funds Committed - 9	
Type of Commitment - 9	
Date of Commitment - 9 (MM/DD/YYYY)	
Funds Obligated - 9	
Type of Obligation - 9	
Date of Obligation - 9 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation - 9	
Projected Date of Full Expenditure - 9 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 10	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) - 10	
Type of Account - 10	
Activity - 10	
Funds Committed - 10	
Type of Commitment - 10	
Date of Commitment - 10 (MM/DD/YYYY)	
Funds Obligated - 10	
Type of Obligation - 10	
Date of Obligation - 10 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation - 10	
Projected Date of Full Expenditure - 10 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 11	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 11	
Type of Account – 11	
Activity – 11	
Funds Committed – 11	
Type of Commitment – 11	
Date of Commitment – 11 (MM/DD/YYYY)	
Funds Obligated – 11	
Type of Obligation – 11	
Date of Obligation – 11 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 11	
Projected Date of Full Expenditure – 11 (MM/DD/YYYY)	
Expenses:	
HAP Expenses:	
Expense Amount 1	
Expense Amount 2	
Expense Amount 3	
Expense Amount 4	
Expense Amount 5	
Misc.:	
Expense Amount 1 Comment	
Expense Amount 2 Comment	
Expense Amount 3 Comment	
Expense Amount 4 Comment	
Expense Amount 5 Comment	

MTW Other Expense Category	
HAP Expenses:	
MTW – Other PHA to identify the type of expense incurred Amount – 6	
MTW – Other PHA to identify the type of expense incurred Amount – 7	
MTW – Other PHA to identify the type of expense incurred Amount – 8	
Misc.:	
MTW – Other PHA to identify the type of expense incurred Amount – 6 Comment	
MTW – Other PHA to identify the type of expense incurred Amount – 7 Comment	
MTW – Other PHA to identify the type of expense incurred Amount – 8 Comment	
Comments:	
Misc.:	
Comments	
Disaster Voucher Program-1 (DVP):	
Misc.	
Disaster Comments - Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Disaster Voucher Program-2 (DVP):	
Misc.:	
Disaster Comments- Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	
Disaster Voucher Program-3 (DVP):	
Misc.:	
Disaster Comments Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Disaster Voucher Program-4 (DVP):	
Misc.:	
Disaster Comments Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Comments:		
Name of PHA Point of Contact:	POC Phone Number:	Ext:
Date Submitted:	Official HA Email Address:	

ATTACHMENT P

April 24, 2025

(VIA E-MAIL ONLY)

Governor Josh Green
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DHS Director, Ryan Yamane
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Attorney General, Anne Lopez
hawaiiag@hawaii.gov

Dear Gentlemen and Attorney General Anne Lopez:

As you all know, I filed a lawsuit against the Hawaii Public Housing Authority (HPHA) and its state employees: Hakim Ouansafi (Executive Director), Ryan Akamine (Chief Compliance Officer), and Lyle Matsuura (Supervisor) for stealing over $110,000,000.

Instead of representing me, Attorney General Anne Lopez is representing the state employees who are stealing from the State of Hawaii and from the Section 8 Housing Choice Voucher Program. U.S. District Court Case No. 23-CV-00412-MWJS-WRP.

Since October 2024, I have attended the monthly HPHA board meetings, providing the board members with facts to prove my claims that the HPHA state employees are committing fraud.

I am allowed only three minutes to provide verbal testimony at the board meetings. I am not permitted to interact with the board members. So I contacted the HPHA to request the contact information for the board members so that I can communicate directly with each of the board members. The HPHA refused to provide me with the contact information, claiming that I had to go through the HPHA in order to communicate with the board members.

It is totally inappropriate to expect me to communicate with the HPHA in order to communicate with the board members. My communications with the HPHA are strictly limited to the processing of my Section 8 voucher. All other communications are directed to the Attorney General's office because they are representing the HPHA and the state employees who I caught stealing federal funds from the Section 8 Housing Choice Voucher Program.

As a recipient of the Section 8 program, I have a right to attend board meetings to provide verbal testimony. As a Christian woman, I have always been respectful and have conducted myself in a dignified manner. I have never been abusive or hostile. I am a 65-year old elderly woman, and expect to be treated respectfully by the HPHA state employees and the board members, regardless if anyone agrees with me or not.

Unfortunately, there are several instances of verbal abuse by Mr. Ouansafi towards me during the board meetings, in which there are many from the public in attendance. It is totally unprofessional and unacceptable for the Executive Director of the Hawaii Public Housing Authority to verbally abuse me (or any Section 8 recipient) for attending a board meeting and providing verbal testimony.

I am providing you with quotes from the video recordings of the board meetings to prove that Hakim Ouansafi has consistently verbally abused me at the last three board meetings. Prior to that, the meetings were not being recorded; but since I requested that the board meetings be video recorded, I now have proof of the verbal abuse I am being subjected to by Hakim Ouansafi.

The following are quotes from the videos to prove that Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, has continuously **defamed and slandered my character and reputation by publicly referring to me as a bigot, stupid, an idiot, sick, motivated by hate, and insane;** and falsely claiming that I have subjected him and his staff to **attacks and abuse**.

I do not deserve to be ridiculed and verbally abused in public by Hakim Ouansafi. I am requesting that Hakim Ouansafi be restrained from defaming, slandering, verbally abusing, publicly discrediting, humiliating, retaliating, and disgracing me (or any recipient) **who files a lawsuit, who attends a board meeting, and/or who provides verbal testimony at a public board meeting.**

The following are quotes are from the HPHA video recordings that are now available on the HPHA website, proving that I have been subjected to verbal abuse, ridiculed, and defamed by Hakim Ouansafi:

1. (listen to 02.20.25 board mtg video recording - link is at HPHA website: https://files.hawaii.gov/hpha/BOD%20Meeting%20022025.mp4)

   scroll to 4:05

   Director Joe Campos requests that I be restrained from providing verbal testimony. This is the Director who was a HPHA employee and therefore should be disqualified from being a board member. Joe Campos has a personal and

business relationships with Hakim Ouansafi, is compromised and unable to act in the best interest of the recipients and landlords of the Hawaii Public Housing Authority.

2. (listen to 03.20.25 board mtg video recording - link is at HPHA website: https://files.hawaii.gov/hpha/BOD%20March%20Meeting%20V2.mp4)

scroll to 21:45

Hakim Ouansafi says:

"...HPHA does not engage in responding to really, unfounded and baseless accusations **motivated by hate and bigotry**..."

3. (listen to 03.20.25 board mtg video recording - link is noted above)

scroll to 1:47:30

Hakim Ouansafi says:

"...operational wise, everything is going well, you don't get everything you need, certainly we want more funding...some of the stuff I would say doesn't go well but it's **a nuisance** is certain individuals who...**due to bigotry...they tend to attack** our staff...our staff are very professional and kind and patient, we will continue to be that, no matter what. We are public servants and what comes with that is that we take certain **abuse**, that's something of course we don't like but some people do it for different reasons, we pray for them, **we pray for their sanity**..."

4. (listen to 03.20.25 board mtg video recording - link is noted above)

scroll to 1:49:09

Hakim Ouansafi says:

"...any legal challenges we have...capable team, we're winning day in and day out, we're not a perfect agency but we are considered one of the best in the nation, by far.. And did I say we get zero audit findings again for ten years.. Something that

didn't go well, "...there are some people within our HPHA family who are **sick** and that's something we don't like to see...we continue to serve the grateful and the **ungrateful**..."

5. (listen to 04.17.25 board meeting, link is at HPHA website: https://files.hawaii.gov/hpha/BOD%20April%20Meeting.mp4

scroll to 35:55 - 39:25

I give verbal testimony about the fraud schemes being implemented by Hakim Ouansafi

scroll to 39:35

Note: Hakim Ouansafi is laughing as he begins to speak. There was nothing about my testimony that was funny.

Note: Hakim Ouansafi confirms the board approved the state auditor's financial audit "as is" in March 2025, despite the evidence I provided to prove Hakim Ouansafi stole $110M.

scroll to 40:40

Hakim Ouansafi says:

"...the most ethical, the most beautiful agency..."

Scroll to 41:00

"...about the financial statement, how clean it came out...consistent with the previous auditor and the previous auditor before them..."

scroll to 42:35

I provide verbal testimony.

scroll to 47:07

Hakim Ouansafi says:

"...It's really frustrating that we can't respond too...I'll stop at that...I guess, as public servants we take abuse and for the bigger picture...at the end of the day, we're grateful for our

45,000 tenants. We will continue to do our job. Any noise that comes in, it's nothing but that. We let the professionals respond on our behalf. And that's what we do. And this message for my staff. I compliment them on their hard work. From time to time, we will see **bigotry**, we will **idiocrasy**, we will see a lot of **stupidity** quite frankly. But we will never respond in kind..."

(Note: I am not a bigot. I am not an idiot. I am not stupid.)

scroll to 54:00

Hakim Ouansafi says:

"...the final thing, as you all know, we had zero audit findings in our financials, breaking yet another record..."

(Note: This is false. I proved the "steal" to the HPHA board members in my Written Testimonies I provided to all the board member on 04.17.25, which is attached and also posted on my website.)

It can only be assume that Hakim Ouansafi believes that anyone who files a lawsuit or catches him stealing is a bigot, is an idiot, and is stupid. Shame on him!

. . . . . .

NOTE: THERE ARE OTHER INSTANCES WHERE HAKIM OUANSAFI HAS VERBALLY ABUSED ME IN PUBLIC BOARD MEETINGS, BUT THOSE MEETINGS WERE NOT RECORDED. ONLY AFTER I REQUESTED THAT THE HPHA BOARD MEETINGS BE RECORDED, DO I NOW HAVE PROOF.

. . . . . .

It is unprofessional and unacceptable for the Executive Director of the Hawaii Public Housing Authority to verbally abuse me (or any Section 8 recipient) during a board meeting. This is unacceptable behavior from any state employee, especially from an Executive Director representing the State of Hawaii.

Please visit my website (link is noted below) that explains in great detail the fraud schemes I allege in my lawsuit against Hakim Ouansafi and other state employees for implementing illegal poliices but for the sole purpose of stealing federal funds from the Section 8 Housing Choice Voucher Program.

For facts to prove my claims, please download and read the HUD documents attached to this document posted on my website, titled: "**Written Testimony, 04.17.25 board mtg, with attachments**" and "**Written Testimony #2 by Laurie Thorson, 04.17.25 board mtg**". I will do my best to update my website to keep government officials and the public informed.

https://governmentcorruptioninhawaii.wordpress.com/

Please do not hesitate to contact me if you have any questions or need additional information. God bless Hawaii.

Respectfully,

Laurie Thorson
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cc:

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FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII
May 15, 2025 9:37 AM
Lucy H.Carrillo, Clerk of Court

IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF HAWAII

LAURIE THORSON pro se plaintiff v.	) CV-23-00412-MWJS-WRP
HAWAII PUBLIC HOUSING AUTHORITY aka: HPHA and Hakim Ouansafi, HPHA Executive Director Ryan Akamine, HPHA Compliance Chief Lyle Matsuura, HPHA Supervisor IV	) PRE-TRIAL CONFERENCE STATEMENT) SCHEDULED ON:) 06.09.25 AT 10:00AM) BEFORE MAGISTRATE JUDGE) WES REBER PORTER

COURT RESCHEDULED TO 06.23.25, 9AM

PLAINTIFF'S PRE-TRIAL STATEMENT

Plaintiff Laurie Thorson, proceeding pro se, submits this Pre-Trial Statement pursuant to the Court's pre-trial order and the Local Rules of the United States District Court for the District of Hawaii, in preparation for the pre-trial conference scheduled for June 9, 2025 at 10:00am.

This statement outlines Plaintiff's claims, defenses to Defendants' counterclaims as proposed in their Motion for Summary Judgment, proposed witnesses, exhibits, legal issues, and other matters relevant to the trial scheduled for July 21, 2025.

I. NATURE OF THE CASE

This is a civil action brought by Plaintiff, a 65-year-old disabled woman and recipient of the Section 8 Housing Choice Voucher Program, against

the Hawaii Public Housing Authority (HPHA) and its employees, Hakim Ouansafi (Executive Director), Ryan Akamine (Chief Compliance Officer), and Lyle Matsuura (Supervisor).

Plaintiff alleges that Defendants engaged in fraud, retaliation, discrimination, and violation of federal regulations governing the Section 8 program, causing Plaintiff significant harm, including the termination of her reasonable accommodation for a live-in aide, termination of her 2-bedroom voucher, and homelessness.

II. PLAINTIFF'S CLAIMS

Plaintiff asserts the following claims against Defendants:

1. **Retaliation (Violation of Fair Housing Act, 42 U.S.C. § 3617, and Section 504 of the Rehabilitation Act, 29 U.S.C. § 794)**:

   • After Plaintiff disputed Defendants' illegal policies in March 2022, Defendants retaliated by terminating her reasonable accommodation for a live-in aide and her 2-bedroom voucher, both approved in 2013 and 2017. Defendants imposed illegal policies, not ratified in the HPHA Admin Plan, requiring Plaintiff's live-in aide to reside exclusively in her home, not be employed, and not have a separate residence, contrary to HUD regulations (24 CFR § 5.403, 24 CFR § 982.316).

   • Defendants' actions, including threats of imprisonment for fraud, caused Plaintiff's son to quit as her live-in aide, leading to Plaintiff's homelessness in October 2024.

2. **Discrimination Based on Disability (Violation of Fair Housing Act, 42 U.S.C. § 3604(f), and Section 504 of the Rehabilitation Act)**:

- Defendants denied Plaintiff's reasonable accommodation for a live-in aide, despite seven letters from six physicians verifying her disabilities (epilepsy, transient epileptic amnesia, diabetes, blindness in one eye, and mobility issues). Defendants' actions violated HUD regulations prohibiting public housing authorities from assessing the nature of a disability or acting as gatekeepers for supportive services (24 CFR § 982.316, Federal Register 98-10374).

3. **Breach of Federal Regulations (24 CFR Part 982)**:

- Defendants' use of low comparables in rent reasonableness determinations violates HUD's mandated methodology for gathering comparables (HUD Guidebook, Chapter 3, Section 3.1.2), which requires comparables to reflect fair market rents and not be limited to low or mid-range units. This policy reduced Plaintiff's payment standard and contract rent, causing harm to Plaintiff and other Section 8 recipients and landlords.

4. **Intentional Infliction of Emotional Distress**:

- Defendants' retaliatory actions, verbal abuse by Hakim Ouansafi at public board meetings (calling Plaintiff a "bigot," "idiot," "stupid," "hateful," and "insane"), and threats of imprisonment caused severe emotional distress, exacerbating Plaintiff's health conditions and leading to her homelessness.

5. **Fraud (Violation of Hawaii Revised Statutes § 708-835.65 and 18 U.S.C. § 666)**:

- Defendants, particularly Hakim Ouansafi, implemented illegal policies to use low comparables in rent reasonableness determinations, as outlined in HPHA Admin Plan Rule 8.III.D, which violates HUD regulations (24 CFR § 982.4, 24 CFR § 982.54, and HUD Housing Choice Voucher Program Guidebook, Chapter 3). These policies facilitated the theft of approximately $110,922,769 in federal funds from the Section 8 program since January 2015 by falsely reporting to HUD that 100% of subsidies were used while issuing only 75% of vouchers, as evidenced by HUD's HCV Dashboard data.

- Defendants altered HPHA financial statements to conceal the theft, misleading HUD, state auditors, and the HPHA Board of Directors.

III. DEFENDANTS' DEFENSES AND PLAINTIFF'S RESPONSE

Defendants have filed a Motion for Summary Judgment (Docket #101 filed 02.15.25), arguing that their actions were lawful and that Plaintiff's claims lack merit. Plaintiff opposes this motion (Docket #113, filed 03.12.25), asserting:

- **Defendants' Claim of Compliance with HPHA Policies**: Defendants argue that the "one low comparable" policy is authorized by the HPHA Admin Plan and Board of Directors. Plaintiff counters that this policy violates HUD regulations (24 CFR § 982.54, 24 CFR § 982.4), as admitted by Hakim Ouansafi in his Declaration dated February 14, 2025 (an attachment to his Motion for Summary

Judgment) and prior statements made to the HPHA Board of Directors and to HUD, where he acknowledged the policy "...differs from the HUD mandate..."

- **Defendants' Denial of Retaliation**: Defendants claim their actions were routine administrative reviews. Plaintiff provides evidence, including emails from Ryan Akamine and Lyle Matsuura, showing targeted interference with her live-in aide and voucher after she disputed the illegal policies, supported by HUD's confirmation of non-compliance (emails from Jesse Wu, HUD/PIH Director, dated March 25 and 29, 2022).

- **Defendants' Assertion of No Fraud**: Defendants deny stealing federal funds. Plaintiff's HUD Charts and Fraud Charts derived from HUD Dashboard data and HPHA financial records, demonstrates a discrepancy between reported subsidy use (100%) and actual voucher issuance (75%), proving theft of approximately $110,922,769 since January 2015.

IV. UNDISPUTED FACTS

The following facts are undisputed based on the record:

1. Plaintiff is a disabled Section 8 recipient with approved reasonable accommodations for a live-in aide and a 2-bedroom voucher since 2013, re-approved by HPHA in 2017.

2. Defendants applied a low comparable in Plaintiff's rent reasonableness determinations in March 2022, first reducing the contract rent by $1,353 ($4,000 to $2,647), and then again reducing the contract rent by $727 ($4,000 to $3,273), as documented in emails from caseworker Cosme Caal and Supervisor Lyle Matsuura.

3. Hakim Ouansafi admitted in his Declaration dated February 14, 2025 (as an attachment to his Motion for Summary Judgment), and admitted in prior statements to HUD and the HPHA Board of Directors, that HPHA uses a "one low comparable" policy, which Hakim Ouansafi acknowledged differs from HUD regulations ("...differs from the HUD mandate...").

4. HUD Dashboard data confirms HPHA reported using 100% of subsidies but issued only 75% of vouchers, with only $140,000 in reserves, indicating unaccounted funds.

5. Defendants terminated Plaintiff's live-in aide and 2-bedroom voucher, imposing policies not applied to other Section 8 recipients, leading to Plaintiff's homelessness in October 2024.

V. DISPUTED FACTS

1. Whether Defendants' use of low comparables was intentional to steal federal funds or a legitimate administrative practice.

2. Whether Defendants' termination of Plaintiff's live-in aide and voucher was retaliatory or based on lawful grounds.

3. Whether Defendants' actions caused Plaintiff's homelessness and severe emotional distress.

4. The exact amount of federal funds stolen, estimated as follows:

FRAUD SCHEME #1
TOTAL APPROXIMATE STEAL SINCE JANUARY 2015 IS: $52,681,200 to $382,226,832
Defendants steal federal funds by enforcing the illegal policy to use low comparables against the contract rent in all rent reasonableness determinations, which increases the amount of subsidy that is stolen from each voucher.

FRAUD SCHEME #2
TOTAL APPROXIMATE STEAL SINCE JANUARY 2015 IS: $110,922,769

Defendants steal federal funds by refusing to issue all the vouchers it receives from HUD so that it can steal the subsidy from vouchers not issued.

HUD data confirms the HPHA used ±100% of the subsidy it received from HUD, but HUD confirms the HPHA only issued approximately ±75% of the vouchers. ±25% of the vouchers are not issued, or are unable to be issued, because the subsidy for those vouchers is stolen.

5. Whether the HPHA Board of Directors knowingly approved or failed to correct the illegal policies, potentially implicating them as co-conspirators.

VI. LEGAL ISSUES

1. Did Defendants violate HUD regulations (24 CFR Part 982) by using low comparables in rent reasonableness determinations, contrary to HUD's mandated methodology?

2. Did Defendants commit fraud under Hawaii Revised Statutes § 708-835.65 and 18 U.S.C. § 666 by falsely reporting subsidy use and stealing federal funds?

3. Did Defendants retaliate against Plaintiff in violation of the Fair Housing Act (42 U.S.C. § 3617) and Section 504 of the Rehabilitation Act (29 U.S.C. § 794) for disputing their illegal policies?

4. Did Defendants discriminate against Plaintiff based on her disability by denying her reasonable accommodation, violating the Fair Housing Act (42 U.S.C. § 3604(f)) and Section 504?

5. Did Defendants' actions constitute intentional infliction of emotional distress under Hawaii law and federal law?

6. Are Defendants entitled to summary judgment, or does Plaintiff's evidence raise genuine issues of material fact warranting trial?

VII. WITNESSES

Plaintiff intends to call the following witnesses at trial (subject to supplementation):

1. Laurie Thorson, pro se Plaintiff: To testify about her disabilities, interactions with Defendants, retaliation, homelessness, and emotional distress.

2. Ryan Thorson, Plaintiff's Son: To testify about his role as Plaintiff's live-in aide, Defendants' threats, and the impact of their actions.

3. Kelly McGill, Landlord: To testify about Defendants' refusal to approve his rent; imposing illegal policies that prevented the landlord from receiving the Fair Market Rental (FMR) value for his rental; refusal for reduction of his 2-bedroom unit to a 1-bedroom unit which would allowed the Plaintiff to remain as a tenant with her 0-bedroom voucher, leading to Plaintiff's eviction.

4. Jesse Wu, HUD/PIH Director: To testify about his communications with Plaintiff confirming Defendants' non-compliance with HUD regulations.

5. Stephanie Rabiner, HUD/FHEO Branch Chief: To testify about HUD's position on live-in aide regulations; and Defendants' misinterpretations, and definitions not supported by HUD.

6. Current/Former HPHA Employees *(to be identified after the court issues a protective order for the employees as part of subpoena order, for fear of retaliation for being a witness for Plaintiff):*
To testify about Defendants' policies, financial practices, and internal operations, subject to subpoena.

7. Section 8 Recipients and Landlords *(to be identified after the court issues a protetive order for the recipients as part of subpoena order, for fear of retaliation for being a witness for Plaintiff):*
To testify about similar experiences with Defendants' illegal policies, supporting a pattern of misconduct.

8. Medical Professionals: To authenticate Plaintiff's medical records and verify her need for a live-in aide who is permitted to provide support services, including disability-related overnight care when needed, to accommodate Plaintiff's disabilities.

VIII. EXHIBITS

Plaintiff intends to introduce the following exhibits at trial (subject to supplementation and authentication):

1. HUD Dashboard Data: Showing discrepancies in HPHA's subsidy use and voucher issuance:
(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard).

2. Plaintiff's Fraud Chart: Detailing $110,922,769 stolen since January 2015, figures derived from HUD and HPHA records.

3. Plaintiff's HUD Chart: Detailing $52-681,200 to $382,226,832 stolen since January 2015, figures derived from HUD and HPHA records.

4. Hakim Ouansafi's Declaration (February 14, 2025): Admitting use of the "one low comparable" policy and imputing liability to the HPHA Board.

5. Emails from Lyle Matsuura and Cosme Caal (March 2022): Documenting use of low comparables in Plaintiff's rent reasonableness determinations.

6. Emails from Jesse Wu (March 25 and 29, 2022): Confirming Defendants' non-compliance with HUD regulations.

7. Ryan Akamine's Emails: Outlining illegal policy regarding Plaintiff's live-in aide requirements; intentional interference efforts; and retaliation efforts.

8. HPHA Financial Statements: Showing altered figures to conceal theft.

9. Medical Records and Physician Letters: Seven letters from six physicians verifying Plaintiff is disabillities and need for a live-in aide.

10. HPHA Admin Plan Rule 8.III.D: Documenting the illegal "one low comparable" policy.

11. HUD Regulations and Guidebook: 24 CFR Part 982, HUD Housing Choice Voucher Program Guidebook, Chapter 3.

12. Board Meeting Minutes and Zoom Recordings (March 20 and April 17, 2025): Showing Defendants' refusal to forward Plaintiff's written testimonies and verbal abuse by Hakim Ouansafi.

13. Senate Bill 3120 and Bribery Chart: Evidencing Defendants' salary increases as potential bribery.

14. HUD Inspection Score Charts: Showing decreased scores for HPHA state-owned projects.

IX. DISCOVERY STATUS

- Plaintiff has conducted limited discovery due to pro se status and financial constraints but has gathered substantial evidence from public records, HUD, and HPHA documents.
- Plaintiff requests the Court's assistance in compelling Defendants to produce relevant financial records, internal communications, and data on voucher issuance and subsidy use.
- Plaintiff reserves the right to conduct additional discovery, including depositions of Defendants and HPHA Board members, pending Court approval.

X. PENDING MOTIONS

- **Defendants' Motion for Summary Judgment** (Docket # [insert docket number]): Plaintiff filed an Opposition (Docket #113, March 12, 2025), arguing genuine issues of material fact exist.
- **Plaintiff's Motions to Amend Complaint** (August 23, 2024, and December 16, 2024): Denied by the Court, but Plaintiff may seek reconsideration to add fraud and bribery claims and Bennett Liu as a defendant, pending Court approval.

XI. SETTLEMENT DISCUSSIONS

- Plaintiff is open to settlement but seeks full reinstatement of her 2-bedroom voucher, approval of her reasonable accommodation to have a live-in aide who can provide disability-related overnight care

when needed, compensatory and punitive damages, and cessation of Defendants' illegal policies.

- Defendants have cancelled all formal settlement discussions scheduled before the court.

XII. TRIAL ESTIMATE AND SPECIAL REQUESTS

- Plaintiff estimates a trial duration of 5-7 days, given the complexity of the fraud and retaliation claims and the number of witnesses and exhibits.

- Plaintiff requests the Court's assistance in securing pro bono counsel due to her pro se status, disability, and limited resources.

- Plaintiff requests accommodations for her disabilities during trial, including breaks for medical needs and clear communication of court proceedings.

- Plaintiff requests that the Court video record the trial for transparency, consistent with her requests for HPHA board meeting recordings.

XIII. RELIEF SOUGHT

Plaintiff seeks the following relief:

1. Declaratory judgment that Defendants' "one low comparable" policy violates HUD regulations.

2. Injunctive relief ordering Defendants to cease illegal policies, reinstate Plaintiff's 2-bedroom voucher and live-in aide accommodation, and comply with HUD regulations.

3. Compensatory damages for emotional distress, medical expenses, and costs of homelessness (amount to be determined at trial).

4. Punitive damages for Defendants' willful and malicious conduct.

5. Attorney's fees and costs, if pro bono counsel is secured.

6. Referral of Defendants' conduct to the U.S. Attorney's Office and HUD Office of Inspector General for criminal investigation under 18 U.S.C. § 666.

XIV. ADDITIONAL MATTERS

- Plaintiff expresses concern for her safety due to an air tag tracker placed on her vehicle and verbal abuse by Hakim Ouansafi at public board meetings. Plaintiff requests the Court's guidance on protective measures.

- Plaintiff intends to appeal any adverse ruling on the Motion for Summary Judgment to the Ninth Circuit Court of Appeals.

- Plaintiff reserves the right to amend this statement as new evidence emerges or as directed by the Court.

DATED: May 15, 2025

Respectfully submitted,

/s/ Laurie Thorson

pro se plaintiff

WRITTEN TESTIMONY #2

by Laurie Thorson

05.29.25 BOARD MEETING

TO: HPHA Board of Directors, and HUD

FROM: Laurie Thorson, recipient of Section 8 Program

I oppose the following items on the agenda for the 05.29.25 board meeting:

re: RESOLUTION NO. 25-03 APPROVING THE HAWAII PUBLIC HOUSING AUTHORITY'S (HPHA) OPERATING BUDGET FOR FISCAL YEAR 2025-2026

re: APPROVE HAWAII PUBLIC HOUSING AUTHORITY'S DRAFT AMENDED ANNUAL PUBLIC HOUSING AGENCY PLAN FOR FISCAL YEAR 2026

I oppose the HUD/HPHA operating budget and annual plan, which if approved, allows the Hawaii Public Housing Authority to continue to steal **(approximately $15,000,000)** this next year from the Section 8 Housing Choice Voucher Program.

Attached at the end is a copy of the letter I sent to the HPHA, requesting a copy of the HUD FORM **HUD-35681-B**, which the HPHA submits to HUD, confirming **"...annual contributions that are received and disbursed..."** *(revenues v.expenditures).* This form proves FRAUD SCHEME #1.

HUD-35681-b reads:

> **"...Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards to permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality..."**

HUD should not give the HPHA another ±$62,000,000, knowing full well that the HPHA is not using ±100% of the subsidy it receives, because the HUD dashboard confirms the HPHA issued only ±75% of the vouchers it received from HUD.

If HUD gives the HPHA the same amount of subsidy it received last year, knowing full well that ±25% of the subsidy will be diverted, then any reasonable person would conclude that HUD is playing a part in assisting the HPHA in diverting ±25% of the subsidy from the Section 8 program.

I am requesting that the HPHA Board of Directors and HUD approve that the HPHA is only to be issued approximately ±75% of the subsidy it received last year, since the HUD dashboard has already confirmed the HPHA only issued ±75% of the vouchers, and the balance of the ±25 subsidy not used was diverted.

re: HPHA PAYMENT STANDARD CHARTS DO NOT INCLUDE THE 120% INCREASE WHICH HUD ALREADY APPROVED

I am requesting that the HPHA issue a new 2025 payment standard chart to reflect the 120% increase in the payment standard, which the HUD and the HPHA Board of Directors already approved.

This would allow the 120% increase in the payment standards to be passed on to the recipients, to assist them in searching for rentals.

HUD and the HPHA Board of Directors already knows that the HPHA implements FRAUD SCHEME #1 by enforcing the illegal policies to use low comparables against the contract rent to reduce the payment standard, which reduces the amount of subsidy used for each and every voucher; which illegal policies allow the HPHA to use only ±75% of the ±100% of the subsidy it receives from HUD.

Even if HUD reduces the amount of subsidy, from 100% to 75%, the HPHA will still not use all the subsidy it receives to issue the vouchers, because of implementing the illegal policies to lower the payment standards (aka: contract rent).

FACTS:

HUD approved the 120% increase.

HPHA payment standard charts does not reflect the 120% increase.

HPHA receives 120% of the HUD FMR/payment standards, but does not pass it on to the recipients. The payment standard charts do not reflect the 120% increase. In fact, the following HPHA payment standard charts prove that the figures are lower than the HUD payment standard figures. Because the HPHA figures do not reflect the 120% increase, this increases the amount of subsidy that the HPHA is allegedly stealing from the Section 8 Program.

- The **higher** the payment standard the HPHA receives **(120% approved), is the amount of total subsidy the HPHA receives for each voucher.**
- The **lower** the HPHA pays out (by not updating the payment standard to reflect the 120% increase, and by applying the illegal policies to use low comps to reduce the payment standard (aka: contract rent), **the less subsidy used = the more subsidy that is allegedly stolen.**

The following payment standards confirm the amount of the HUD's FMR, HPHA's FMR, and I also included the FMR chart for the CITY AND COUNTY OF HONOLULU

(important to note: beginning 2025 the two PHAs now have similar payment standards; but prior to 2025, the HPHA always used lower payment standards to increase the amount of subsidy that was allegedly stolen)

2025 FMR - HUD

URBAN HONOLULU, HI MSA SMALL AREA FY 2025 FAIR MARKET RENTS

All Housing Choice Voucher programs operated in the Urban Honolulu, HI MSA will use Small Area FMRs as defined by ZIP codes.

For FMR information for other programs, please click here.

Honolulu County, HI is part of the Urban Honolulu, HI MSA, which consists of the following counties: Honolulu County, HI. All information here applies to the entirety of the Urban Honolulu, HI MSA.

In metropolitan areas, HUD defines Small Areas using ZIP Codes within the metropolitan area. Using ZIP codes as the basis for FMRs provides tenants with greater ability to move into "Opportunity Neighborhoods" with jobs, public transportation, and good schools. They also provide for multiple payment standards within a metropolitan area, and they are likely to reduce need for extensive market area rent reasonableness studies. Lastly, HUD hopes that setting FMRs for each ZIP code will reduce overpayment in lower-rent areas.

NOTE: ZIP Code areas are defined by the postal service to facilitate the efficient delivery of mail. Because of this, ZIP code areas may cross city, county, and in some limited instances, state lines. Consequently, ZIP codes which cross county lines may lie within more than one metropolitan area, or cover parts of one or more nonmetropolitan counties and part of a metropolitan area.

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96701	$1,800	$1,950	$2,560	$3,590	$4,300
96706	$2,260	$2,460	$3,220	$4,510	$5,410
96707	$2,260	$2,460	$3,220	$4,510	$5,410
96708	$1,890	$2,050	$2,690	$3,770	$4,520
96712	$1,880	$2,040	$2,670	$3,740	$4,480
96717	$1,990	$2,160	$2,830	$3,970	$4,750
96730	$1,500	$1,630	$2,130	$2,980	$3,580
96731	$1,660	$1,810	$2,370	$3,320	$3,980
96734	$2,580	$2,810	$3,680	$5,160	$6,180

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96744	$2,000	$2,180	$2,850	$3,990	$4,790
96759	$2,020	$2,190	$2,870	$4,020	$4,810
96762	$2,140	$2,320	$3,040	$4,260	$5,100
96782	$1,950	$2,120	$2,780	$3,900	$4,670
96786	$2,140	$2,320	$3,040	$4,260	$5,100
96789	$1,940	$2,110	$2,760	$3,870	$4,630
96791	$2,100	$2,280	$2,990	$4,190	$5,020
96792	$1,660	$1,800	$2,360	$3,310	$3,960
96795	$1,400	$1,530	$2,000	$2,800	$3,360
96797	$1,690	$1,840	$2,410	$3,380	$4,050
96801	$1,890	$2,050	$2,690	$3,770	$4,520
96802	$1,890	$2,050	$2,690	$3,770	$4,520
96803	$1,890	$2,050	$2,690	$3,770	$4,520
96804	$1,890	$2,050	$2,690	$3,770	$4,520
96805	$1,890	$2,050	$2,690	$3,770	$4,520
96806	$1,890	$2,050	$2,690	$3,770	$4,520
96807	$1,890	$2,050	$2,690	$3,770	$4,520
96808	$1,890	$2,050	$2,690	$3,770	$4,520
96809	$1,890	$2,050	$2,690	$3,770	$4,520
96810	$1,890	$2,050	$2,690	$3,770	$4,520
96811	$1,890	$2,050	$2,690	$3,770	$4,520
96812	$1,890	$2,050	$2,690	$3,770	$4,520
96813	$1,660	$1,800	$2,360	$3,310	$3,960
96814	$1,950	$2,120	$2,780	$3,900	$4,670
96815	$2,180	$2,370	$3,100	$4,340	$5,210
96816	$1,770	$1,920	$2,520	$3,530	$4,230
96817	$1,560	$1,670	$2,190	$3,070	$3,680
96818	$2,450	$2,660	$3,490	$4,890	$5,860

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96819	$1,620	$1,760	$2,300	$3,220	$3,860
96820	$1,890	$2,050	$2,690	$3,770	$4,520
96821	$2,560	$2,780	$3,640	$5,100	$6,110
96822	$1,800	$1,950	$2,560	$3,590	$4,300
96823	$1,890	$2,050	$2,690	$3,770	$4,520
96824	$1,890	$2,050	$2,690	$3,770	$4,520
96825	$2,830	$3,080	$4,030	$5,650	$6,770
96826	$1,730	$1,890	$2,470	$3,460	$4,150
96828	$1,890	$2,050	$2,690	$3,770	$4,520
96830	$1,890	$2,050	$2,690	$3,770	$4,520
96836	$1,890	$2,050	$2,690	$3,770	$4,520
96837	$1,890	$2,050	$2,690	$3,770	$4,520
96839	$1,890	$2,050	$2,690	$3,770	$4,520
96848	$1,800	$1,950	$2,560	$3,590	$4,300
96850	$1,890	$2,050	$2,690	$3,770	$4,520
96853	$2,450	$2,660	$3,490	$4,890	$5,860
96854	$1,890	$2,050	$2,690	$3,770	$4,520
96857	$2,140	$2,320	$3,040	$4,260	$5,100
96858	$1,620	$1,760	$2,300	$3,220	$3,860
96859	$1,890	$2,050	$2,690	$3,770	$4,520
96860	$2,280	$2,480	$3,250	$4,560	$5,460
96861	$1,890	$2,050	$2,690	$3,770	$4,520
96863	$2,580	$2,810	$3,680	$5,160	$6,180

Permanent link to this page:
http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025_code/2025summary.odn?Year=2025&fmrtype=Final&selection_type=countyBdrs=15003999999

2025 FMR - HPHA

Hawaii Public Housing Authority
CY 2025 Payment Standards

Tier	ZIP Code	Area	0BD	1BD	2BD	3BD	4BD	5BD	6BD	7BD	8BD
1	96825	Hawaii Kai	$2,830	$3,080	$4,030	$5,650	$6,770	$7,786	$8,801	$9,817	$10,832
2	96734	Kailua	$2,530	$2,750	$3,603	$5,050	$6,050	$6,958	$7,865	$8,773	$9,680
	96821	Kuliouou, Kalani Iki									
	96818	Salt Lake, Foster Village									
3	96706	Ewa	$2,210	$2,403	$3,145	$4,405	$5,283	$6,075	$6,867	$7,660	$8,452
	96707	Kapolei, Makakilo									
	96815	Waikiki									
	96762	Laie									
4	96786	Wahiawa	$2,120	$2,300	$3,015	$4,225	$5,060	$5,819	$6,578	$7,337	$8,096
	96791	Waialua									
5	96759	Kunia	$1,975	$2,147	$2,812	$3,942	$4,720	$5,428	$6,136	$6,844	$7,552
	96744	Kaneohe									
	96717	Hauula, Punaluu									
	96782	Pearl City									
	96814	Ala Moana									
	96789	Mililani									
6	96712	Haleiwa	$1,796	$1,950	$2,556	$3,582	$4,292	$4,936	$5,580	$6,223	$6,867
	96701	Aiea, Halawa									
	96822	Manoa									
	96816	Kaimuki, Palolo									
	96826	Moilili									
7	96797	Waipahu	$1,670	$1,817	$2,380	$3,337	$3,997	$4,596	$5,196	$5,795	$6,395
	96731	Kahuku									
	96813	Downtown Honolulu									
8	96792	Waianae, Makaha, Nanakuli	$1,640	$1,780	$2,330	$3,265	$3,910	$4,497	$5,083	$5,670	$6,256
	96819	Moanalua									
9	96817	Kapalama	$1,480	$1,610	$2,107	$2,950	$3,540	$4,071	$4,602	$5,133	$5,664
	96730	Kaaawa									
	96795	Waimanalo									

2025 FMR - CITY AND COUNTY OF HONOLULU

City and County of Honolulu Housing Choice Voucher Program 2025 Payment Standards

Effective January 1, 2025

Group	Zip Code	Area	Number of Bedrooms: Studio	1	2	3	4	5	6	7	8
A25	96730 96795 96817	Kaaawa Waimanalo Kapalama	$1,480	$1,610	$2,107	$2,950	$3,540	$4,071	$4,602	$5,133	$5,664
B25	96792 96819	Waianae/Makaha/Nanakuli Moanalua	$1,640	$1,780	$2,330	$3,265	$3,910	$4,497	$5,083	$5,670	$6,256
C25	96731 96797 96813	Kahuku Waipahu Downtown Honolulu	$1,670	$1,817	$2,380	$3,337	$3,997	$4,596	$5,196	$5,795	$6,395
D25	96822 96826 96701 96816 96712	Manoa Moiliili Aiea/Halawa Kaimuki/Palolo Haleiwa	$1,796	$1,950	$2,556	$3,582	$4,292	$4,936	$5,580	$6,223	$6,867
E25	96744 96717 96759 96782 96789 96814	Kaneohe Hauula/Punaluu Kunia Pearl City Mililani Ala Moana	$1,975	$2,147	$2,812	$3,942	$4,720	$5,428	$6,136	$6,844	$7,552
F25	96786 96791	Wahiawa Waialua	$2,120	$2,300	$3,015	$4,225	$5,060	$5,819	$6,578	$7,337	$8,096
G25	96706 96707 96762 96815	Ewa Kapolei/Makakilo Laie Waikiki	$2,210	$2,403	$3,145	$4,405	$5,283	$6,075	$6,867	$7,660	$8,452
H25	96734 96818 96821	Kailua Salt Lake/Foster Village Kuliouou/Kalani Iki	$2,530	$2,750	$3,603	$5,050	$6,050	$6,958	$7,865	$8,773	$9,680
I25	96825	Hawaii Kai	$2,830	$3,080	$4,030	$5,650	$6,770	$7,786	$8,801	$9,817	$10,832

2024 FMR - HUD

URBAN HONOLULU, HI MSA SMALL AREA FY 2024 FAIR MARKET RENTS

All Housing Choice Voucher programs operated in the Urban Honolulu, HI MSA will use Small Area FMRs as defined by ZIP codes.

For FMR information for other programs, please click here.

Honolulu County, HI is part of the Urban Honolulu, HI MSA, which consists of the following counties: Honolulu County, HI. All information here applies to the entirety of the Urban Honolulu, HI MSA.

In metropolitan areas, HUD defines Small Areas using ZIP Codes within the metropolitan area. Using ZIP codes as the basis for FMRs provides tenants with greater ability to move into "Opportunity Neighborhoods" with jobs, public transportation, and good schools. They also provide for multiple payment standards within a metropolitan area, and they are likely to reduce need for extensive market area rent reasonableness studies. Lastly, HUD hopes that setting FMRs for each ZIP code will reduce overpayment in lower-rent areas.

NOTE: ZIP Code areas are defined by the postal service to facilitate the efficient delivery of mail. Because of this, ZIP code areas may cross city, county, and in some limited instances, state lines. Consequently, ZIP codes which cross county lines may lie within more than one metropolitan area, or cover parts of one or more nonmetropolitan counties and part of a metropolitan area.

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96701	$1,620	$1,770	$2,320	$3,270	$3,940
96706	$2,030	$2,220	$2,900	$4,090	$4,920
96707	$1,730	$1,890	$2,480	$3,490	$4,210
96708	$1,670	$1,830	$2,390	$3,370	$4,060
96712	$1,610	$1,760	$2,300	$3,240	$3,900
96717	$1,680	$1,830	$2,400	$3,380	$4,070
96730	$1,380	$1,490	$1,950	$2,750	$3,310
96731	$1,520	$1,670	$2,180	$3,070	$3,700
96734	$2,340	$2,560	$3,350	$4,720	$5,680

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96744	$1,740	$1,900	$2,490	$3,510	$4,230
96759	$1,780	$1,950	$2,550	$3,590	$4,330
96762	$1,780	$1,950	$2,550	$3,590	$4,330
96782	$1,770	$1,930	$2,530	$3,570	$4,290
96786	$1,870	$2,050	$2,680	$3,780	$4,550
96789	$1,750	$1,910	$2,500	$3,520	$4,240
96791	$1,860	$2,030	$2,660	$3,750	$4,510
96792	$1,160	$1,270	$1,660	$2,340	$2,820
96795	$1,220	$1,330	$1,740	$2,450	$2,950
96797	$1,490	$1,630	$2,130	$3,000	$3,610
96801	$1,670	$1,830	$2,390	$3,370	$4,060
96802	$1,670	$1,830	$2,390	$3,370	$4,060
96803	$1,670	$1,830	$2,390	$3,370	$4,060
96804	$1,670	$1,830	$2,390	$3,370	$4,060
96805	$1,670	$1,830	$2,390	$3,370	$4,060
96806	$1,670	$1,830	$2,390	$3,370	$4,060
96807	$1,670	$1,830	$2,390	$3,370	$4,060
96808	$1,670	$1,830	$2,390	$3,370	$4,060
96809	$1,670	$1,830	$2,390	$3,370	$4,060
96810	$1,670	$1,830	$2,390	$3,370	$4,060
96811	$1,670	$1,830	$2,390	$3,370	$4,060
96812	$1,670	$1,830	$2,390	$3,370	$4,060
96813	$1,450	$1,580	$2,070	$2,920	$3,510
96814	$1,740	$1,900	$2,490	$3,510	$4,230
96815	$1,970	$2,150	$2,820	$3,970	$4,790
96816	$1,590	$1,740	$2,280	$3,210	$3,870
96817	$1,330	$1,460	$1,910	$2,690	$3,240
96818	$2,190	$2,390	$3,130	$4,410	$5,310

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96819	$1,390	$1,520	$1,990	$2,800	$3,380
96820	$1,670	$1,830	$2,390	$3,370	$4,060
96821	$2,330	$2,550	$3,340	$4,710	$5,670
96822	$1,580	$1,710	$2,240	$3,160	$3,800
96823	$1,670	$1,830	$2,390	$3,370	$4,060
96824	$1,670	$1,830	$2,390	$3,370	$4,060
96825	$2,500	$2,730	$3,580	$5,040	$6,080
96826	$1,550	$1,700	$2,220	$3,130	$3,770
96828	$1,670	$1,830	$2,390	$3,370	$4,060
96830	$1,670	$1,830	$2,390	$3,370	$4,060
96836	$1,670	$1,830	$2,390	$3,370	$4,060
96837	$1,670	$1,830	$2,390	$3,370	$4,060
96839	$1,670	$1,830	$2,390	$3,370	$4,060
96848	$1,670	$1,830	$2,390	$3,370	$4,060
96850	$1,670	$1,830	$2,390	$3,370	$4,060
96853	$2,030	$2,210	$2,900	$4,080	$4,910
96854	$1,670	$1,830	$2,390	$3,370	$4,060
96857	$1,870	$2,050	$2,680	$3,780	$4,550
96858	$1,670	$1,830	$2,390	$3,370	$4,060
96859	$1,670	$1,830	$2,390	$3,370	$4,060
96860	$2,190	$2,390	$3,130	$4,410	$5,310
96861	$1,670	$1,830	$2,390	$3,370	$4,060
96863	$1,950	$2,130	$2,790	$3,930	$4,740

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http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn?Area=2024&inputname=FloatSelection_type=county&fips=1500199999

2024

HPHA v. CITY AND COUNTY OF HONOLULU

FMRs - HPHA figures are lower than the CITY's figures, for the same zip codes. This increases the amount of subsidy HPHA steals.

HAWAII PUBLIC HOUSING AUTHORITY
Payment Stadards Based on SAFMR
Effective January 1, 2024

TIER	ZIP CODES	BEDROOM SIZE								
		0	1	2	3	4	5	6	7	8
Tier 1	96825	$2,360	$2,580	$3,380	$4,760	$5,740	$6,600	$7,460	$8,325	$9,175
Tier 2	96734 96821	$2,250	$2,475	$3,225	$4,550	$5,475	$6,300	$7,125	$7,950	$8,750
Tier 3	96818 96860	$2,110	$2,300	$3,025	$4,250	$5,150	$5,900	$6,675	$7,450	$8,200
Tier 4	96706 96853	$1,950	$2,130	$2,800	$3,950	$4,750	$5,475	$6,200	$6,900	$7,600
Tier 5	96815 96863	$1,875	$2,060	$2,700	$3,800	$4,550	$5,250	$5,925	$6,600	$7,300
Tier 6	96786 96857 96791	$1,800	$1,965	$2,550	$3,600	$4,350	$5,000	$5,650	$6,300	$7,075
Tier 7	96759 96762 96782 96789 96814 96707 96744	$1,700	$1,875	$2,450	$3,450	$4,150	$4,775	$5,400	$6,000	$6,625
Tier 8	96709 96717 96801 96802 96803 96804 96805 96806 96807 96808 96809 96810 96811 96812 96820 96823 96824 96828 96830 96836 96837 96839 96848 96850 96854 96858 96859 96861	$1,645	$1,800	$2,370	$3,330	$4,010	$4,625	$5,230	$5,850	$6,450
Tier 9	96701 96712 96816	$1,600	$1,750	$2,300	$3,250	$3,900	$4,500	$5,100	$5,675	$6,300
Tier 10	96822 96826 96731 96797	$1,540	$1,694	$2,231	$3,113	$3,753	$4,313	$4,876	$5,435	$6,000
Tier 11	96813 96819	$1,441	$1,584	$2,068	$2,915	$3,509	$4,035	$4,561	$5,080	$5,610
Tier 12	96730 96817	$1,386	$1,507	$1,980	$2,794	$3,355	$3,858	$4,361	$4,860	$5,360
Tier 13	96792 96795	$1,199	$1,309	$1,716	$2,420	$2,915	$3,352	$3,789	$4,225	$4,660

City and County of Honolulu Housing Choice Voucher Program 2024 Payment Standards

Effective January 1, 2024

Group	Zip Code	Area	Number of Bedrooms								
			Studio	1	2	3	4	5	6	7	8
A24	96792 96795	Waianae/Makaha/Nanakuli Waimanalo	$1,199	$1,309	$1,716	$2,420	$2,915	$3,352	$3,789	$4,227	$4,664
B24	96730 96817 96819	Kaaawa Kapalama Moanalua	$1,386	$1,507	$1,980	$2,794	$3,355	$3,858	$4,361	$4,865	$5,368
C24	96731 96797 96813	Kahuku Waipahu Downtown Honolulu	$1,496	$1,639	$2,145	$3,025	$3,641	$4,187	$4,733	$5,279	$5,825
D24	96822 96826 96701 96717 96816 96712	Manoa Mollilli Aiea/Halawa Hauula/Punaluu Kaimuki/Palolo Haleiwa	$1,617	$1,760	$2,310	$3,256	$3,916	$4,503	$5,090	$5,678	$6,265
E24	96744 96762 96707 96759 96782 96789 96814	Kaneohe Laie Kapolei/Makakilo Kunia Pearl City Mililani Ala Moana	$1,793	$1,969	$2,574	$3,630	$4,367	$5,022	$5,677	$6,332	$6,987
F24	96786 96791	Wahiawa Waialua	$1,925	$2,101	$2,750	$3,872	$4,664	$5,363	$6,063	$6,762	$7,462
G24	96706 96815	Ewa Waikiki	$2,046	$2,233	$2,926	$4,125	$4,961	$5,705	$6,449	$7,194	$7,937
H24	96734 96818 96821	Kailua Salt Lake/Foster Village Kuliouou/Kalani Iki	$2,266	$2,475	$3,245	$4,576	$5,511	$6,338	$7,164	$7,991	$8,817
I24	96825	Hawaii Kai	$2,596	$2,838	$3,718	$5,236	$6,314	$7,261	$8,208	$9,155	$10,102

10/27/2023

2023 HUD FMR

Urban Honolulu, HI MSA Small Area FY 2023 Fair Market Rents

All Housing Choice Voucher programs operated in the Urban Honolulu, HI MSA will use Small Area FMRs as defined by ZIP codes.

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Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96701	$1,630	$1,790	$2,340	$3,330	$3,990
96706	$1,930	$2,120	$2,780	$3,950	$4,740
96707	$1,650	$1,810	$2,370	$3,370	$4,040
96708	$1,570	$1,720	$2,250	$3,200	$3,830
96712	$1,430	$1,570	$2,050	$2,910	$3,490
96717	$1,520	$1,660	$2,180	$3,100	$3,710
96730	$1,300	$1,430	$1,870	$2,660	$3,190
96731	$1,470	$1,610	$2,110	$3,000	$3,590
96734	$2,230	$2,450	$3,210	$4,560	$5,470

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96744	$1,630	$1,790	$2,350	$3,340	$4,000
96759	$1,700	$1,860	$2,440	$3,470	$4,160
96762	$1,600	$1,760	$2,300	$3,270	$3,920
96782	$1,690	$1,860	$2,430	$3,450	$4,140
96786	$1,790	$1,960	$2,570	$3,650	$4,380
96789	$1,680	$1,850	$2,420	$3,440	$4,120
96791	$1,750	$1,920	$2,510	$3,570	$4,280
96792	$1,110	$1,220	$1,600	$2,270	$2,730
96795	$1,120	$1,230	$1,610	$2,290	$2,740
96797	$1,440	$1,580	$2,070	$2,940	$3,530
96801	$1,570	$1,720	$2,250	$3,200	$3,830
96802	$1,570	$1,720	$2,250	$3,200	$3,830
96803	$1,570	$1,720	$2,250	$3,200	$3,830
96804	$1,570	$1,720	$2,250	$3,200	$3,830
96805	$1,570	$1,720	$2,250	$3,200	$3,830
96806	$1,570	$1,720	$2,250	$3,200	$3,830
96807	$1,570	$1,720	$2,250	$3,200	$3,830
96808	$1,570	$1,720	$2,250	$3,200	$3,830
96809	$1,570	$1,720	$2,250	$3,200	$3,830
96810	$1,570	$1,720	$2,250	$3,200	$3,830
96811	$1,570	$1,720	$2,250	$3,200	$3,830
96812	$1,570	$1,720	$2,250	$3,200	$3,830
96813	$1,420	$1,560	$2,050	$2,900	$3,510
96814	$1,680	$1,850	$2,420	$3,440	$4,120
96815	$1,900	$2,080	$2,730	$3,880	$4,650
96816	$1,510	$1,660	$2,170	$3,080	$3,700
96817	$1,240	$1,360	$1,780	$2,530	$3,030
96818	$2,110	$2,310	$3,030	$4,310	$5,160

Urban Honolulu, HI MSA Small Area FMRs By Unit Bedrooms

ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
96819	$1,350	$1,480	$1,940	$2,760	$3,300
96820	$1,570	$1,720	$2,250	$3,200	$3,830
96821	$2,250	$2,470	$3,230	$4,590	$5,500
96822	$1,470	$1,610	$2,110	$3,000	$3,590
96823	$1,570	$1,720	$2,250	$3,200	$3,830
96824	$1,570	$1,720	$2,250	$3,200	$3,830
96825	$2,340	$2,570	$3,370	$4,790	$5,740
96826	$1,480	$1,630	$2,130	$3,030	$3,630
96828	$1,570	$1,720	$2,250	$3,200	$3,830
96830	$1,570	$1,720	$2,250	$3,200	$3,830
96836	$1,570	$1,720	$2,250	$3,200	$3,830
96837	$1,570	$1,720	$2,250	$3,200	$3,830
96839	$1,570	$1,720	$2,250	$3,200	$3,830
96848	$1,570	$1,720	$2,250	$3,200	$3,830
96850	$1,570	$1,720	$2,250	$3,200	$3,830
96853	$1,740	$1,910	$2,510	$3,560	$4,290
96854	$1,570	$1,720	$2,250	$3,200	$3,830
96857	$1,580	$1,730	$2,270	$3,230	$3,880
96858	$1,570	$1,720	$2,250	$3,200	$3,830
96859	$1,570	$1,720	$2,250	$3,200	$3,830
96860	$1,880	$2,060	$2,700	$3,840	$4,620
96861	$1,570	$1,720	$2,250	$3,200	$3,830
96863	$1,640	$1,800	$2,360	$3,350	$4,040

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http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn?Area=2023&inflag=1&selection_type=county&fips=1500399999

2023 HPHA FMR

HAWAII PUBLIC HOUSING AUTHORITY
Payment Standards Based on SAFMR
Effective January 1, 2023

TIER	ZIP CODES	BEDROOM SIZE								
		0	1	2	3	4	5	6	7	8
Tier 1	96825	$2,360	$2,570	$3,230	$4,790	$5,740	$6,600	$7,460	$8,300	$9,000
Tier 2	96821 96734	$2,350	$2,470	$3,230	$4,590	$5,500	$6,325	$7,150	$7,900	$8,800
Tier 3	96818	$2,155	$2,365	$3,100	$4,415	$5,315	$6,115	$6,900	$7,700	$8,500
Tier 4	96706	$2,120	$2,330	$3,050	$4,340	$5,210	$5,990	$6,700	$7,550	$8,300
Tier 5	96815	$2,080	$2,280	$3,000	$4,250	$5,100	$5,850	$6,620	$7,400	$8,150
Tier 6	96860	$2,060	$2,260	$2,970	$4,220	$5,050	$5,800	$6,600	$7,360	$8,130
Tier 7	96759 96786 96791 96853	$1,750	$1,950	$2,530	$3,620	$4,380	$5,000	$5,670	$6,350	$7,100
Tier 8	96701 96707 96744 96762 96782 96789 96814 96863	$1,650	$1,930	$2,520	$3,590	$4,310	$4,950	$5,600	$6,250	$6,850
Tier 9	96709 96717 96801 96802 96803 96804 96805 96806 96807 96808 96809 96810 96811 96812 96816 96820 96823 96824 96828 96830 96836 96837 96839 96848 96850 96854 96857 96858 96859 96861	$1,580	$1,720	$2,250	$3,250	$3,890	$4,500	$5,050	$5,650	$6,200
Tier 10	96712 96731 96797 96813 96822 96826	$1,560	$1,720	$2,250	$3,100	$3,850	$4,400	$5,050	$5,550	$6,100
Tier 11	96730 96819	$1,430	$1,570	$2,050	$2,920	$3,500	$4,030	$4,560	$5,080	$5,600
Tier 12	96817	$1,360	$1,485	$1,950	$2,780	$3,330	$3,830	$4,330	$4,830	$5,330
Tier 13	96792 96795	$1,220	$1,330	$1,750	$2,490	$3,000	$3,450	$3,900	$4,350	$4,800

re: ADOPT THE 2026 UTILITY ALLOWANCE RATES FOR THE HAWAII PUBLIC HOUSING AUTHORITY (HPHA) SECTION 8 HOUSING CHOICE VOUCHER SECTION 8 PROGRAM TO COVER THE PERIOD FROM JULY 1, 2025 TO JUNE 30, 2026

Attached are the UA charts for the HPHA and the CITY AND COUNTY OF HONOLULU

Compare the figures between the UA charts for the HPHA and the UA charts for the CITY AND COUNTY OF HONOLULU. Even though both PHAs are using the same utility companies, for the same zip *codes (as detailed in the payment standard charts)*, the HPHA intentionally reduces the UA figures in order to increase the amount of subsidy that is stolen from each voucher.

You are welcome to contact me if you need me to explain the ramifications of HPHA reducing the UA figures, which has an adverse impact on the recipients and landlords who participate in the Section 8 program.

Prior to 2025, the payment standards were different as well. The HPHA payment standard figures were drastically reduced in comparison to the payment standards for the CITY AND COUNTY OF HONOLULU. But because I made such a deal about the drastic differences, the HPHA has adjusted their payment standard figures closer to the payment standards of the CITY AND COUNTY OF HONOLULU.

However, it's still a problem that the HPHA does not adjust their payment standard figures to include the 120% increase that was approved and which they receive from HUD. HPHA refuses to pass on the 120% increase in the payment standard to the recipients and the landlords of the Section 8 program. This is illegal, because it only increases the amount of subsidy the HPHA can steal from the Section 8 program.

Utility Allowance Schedule
See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
exp. 04/30/2026

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA	Unit Type	Date (mm/dd/yyyy)
Hawaii Public Housing Authority	Townhouse/Duplex	07/01/2024

Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas						
	Electric						
	Fuel Oil						
	Other						
Cooking	Natural Gas	12	15	21	28	34	41
	Bottled Gas						
	Electric	18	21	32	42	51	61
	Other						
Other Electric		81	96	133	171	210	248
Air Conditioning							
Water Heating	Natural Gas	31	36	52	69	85	101
	Bottled Gas						
	Electric	45	54	70	85	100	115
	Electric – Solar	16	19	25	30	35	41
	Fuel Oil						
Water		50	56	91	144	197	270
Sewer		97	101	125	160	196	231
Trash Collection							
Other	Natural Gas Monthly Fee	10	10	10	10	10	10
Other	Electric Monthly Fee	15	15	15	15	15	15
Range/Microwave		20	20	20	20	20	20
Refrigerator		21	21	21	21	21	21
Other – specify							

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	

Previous versions are obsolete. 1 **Form HUD-52667** (04/2023)

Utility Allowance Schedule

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

OMB Approval No. 2577-0169
exp. 04/30/2026

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA: **2025: Duplex · Townhouse**

Unit Type: **Duplex · Townhouse**

Date (mm/dd/yyyy): **01/01/2025**

Utility or Service		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric						
	d. Heat Pump						
	e. Oil						
Cooking	a. Natural Gas	$12	$14	$21	$27	$33	$40
	b. Bottle Gas						
	c. Electric	$27	$31	$47	$62	$76	$91
Other Electricity		$130	$152	$212	$273	$334	$395
Air Conditioning							
Water Heating	a. Natural Gas	$30	$35	$51	$67	$83	$99
	b. Bottle Gas						
	c. Electric	$72	$86	$111	$135	$159	$183
	d. Heat Pump						
	e. Oil						
Water		$47	$51	$81	$126	$171	$216
Sewer		$103	$106	$125	$153	$182	$210
Trash Collection							
Other – specify							
Range/Microwave		$40	$40	$40	$40	$40	$40
Refrigerator		$38	$38	$38	$38	$38	$38

Actual Family Allowances - May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility or Service	per month cost
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	$

Utility Allowance Schedule
See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
exp. 04/30/2026

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA	Unit Type	Date (mm/dd/yyyy)
Hawaii Public Housing Authority	Single Family Home	07/01/2024

Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas						
	Electric						
	Fuel Oil						
	Other						
Cooking	Natural Gas	12	15	21	28	34	41
	Bottled Gas						
	Electric	18	21	32	42	51	61
	Other						
Other Electric		94	111	155	200	244	289
Air Conditioning							
Water Heating	Natural Gas	31	36	52	69	85	101
	Bottled Gas						
	Electric	46	54	70	85	100	115
	Electric – Solar	16	19	25	30	35	41
	Fuel Oil						
Water		50	56	91	144	197	270
Sewer		97	101	125	160	196	231
Trash Collection							
Other	Natural Gas Monthly Fee	10	10	10	10	10	10
Other	Electric Monthly Fee	15	15	15	15	15	15
Range/Microwave		20	20	20	20	20	20
Refrigerator		21	21	21	21	21	21
Other – specify							

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	

Previous versions are obsolete. 1 **Form HUD-52667** (04/2023)

Utility Allowance Schedule

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

OMB Approval No. 2577-0169
exp. 04/30/2026

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA: **2025: Single Family**

Unit Type: **Single Family Detached**

Date (mm/dd/yyyy): **1/01/2025**

Utility or Service		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric						
	d. Heat Pump						
	e. Oil						
Cooking	a. Natural Gas	$12	$14	$21	$27	$33	$40
	b. Bottle Gas						
	c. Electric	$27	$32	$47	$62	$76	$91
Other Electricity		$151	$177	$247	$318	$389	$460
Air Conditioning							
Water Heating	a. Natural Gas	$30	$35	$51	$67	$83	$99
	b. Bottle Gas						
	c. Electric	$73	$86	$111	$135	$159	$183
	d. Heat Pump						
	e. Oil						
Water		$47	$51	$81	$126	$171	$216
Sewer		$103	$108	$125	$153	$182	$210
Trash Collection							
Other -- specify							
Range/Microwave		$40	$40	$40	$40	$40	$40
Refrigerator		$38	$38	$38	$38	$38	$38

Actual Family Allowances - May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility or Service	per month cost
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	$

May 20, 2025
(VIA EMAIL ONLY – HPHA@HAWAII.GOV)

Hawaii Public Housing Authority
Attention: Records Custodian
1002 North School Street
Honolulu, HI 96817

SUBJECT: UIPA REQUEST FOR HUD FORM HUD-52681-B RECORDS

Dear Records Custodian:

Under Hawaii's Uniform Information Practices Act (HRS §92F), as a public person, I request copies of all HUD **FORM HUD-52681-B** (Rent Reasonableness Certification) records maintained by the Hawaii Public Housing Authority (HPHA) for the Section 8 Housing Choice Voucher Program, from January 1, 2015 to May 20, 2025. These records are relevant to my federal lawsuit (U.S. District Court Case No 23-CV-00412-MWJS-WRP), alleging fraud through improper rent reasonableness determinations, as detailed on my website.

I request:

1. All HUD-52681-B forms, including comparable unit data, contract rents, and payment standards.
2. Redacted forms, if necessary, to comply with HRS §92F-13(1) privacy protections, ensuring access to non-personal data.
3. Any HPHA internal policies or correspondence related to rent reasonableness compliance.

These records are public under HRS §92F-11, as they pertain to the administration of federal funds and public housing programs. Disclosure serves the public interest by promoting accountability. I request expedited processing due to court deadlines (upcoming pre-trial conference meetings). I agree to pay reasonable copying fees up to $50 and request notification if costs exceed this amount.

If records are withheld, provide a written explanation citing specific UIPA exemptions. Deliver records electronically to Lthorson7@gmail.com and a hardcopy via First Class Mail to the address noted below.

Please do not hesitate to contact me by telephone for clarification, or if you have any questions or concerns. Thank you for your prompt response within ten (10) business days (as required per HRS §92F-23).

Sincerely,
/s/ Laurie Thorson
P. O. Box 1409
Kailua, HI 96734
Lthorson7@gmail.com
(808) 222-5885
https://GovermentCorruptionInHawaii.wordpress.com

Voucher for Payment of Annual Contributions and Operating Statement

Housing Assistance Payments Program
Supplemental Reporting Form

US Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0282
(Exp. 03/31/2025)

Public reporting burden for this collection of information is estimated to average 1.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection. Authority for this collection of information is the Housing and Community Development Act of 1987. Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards to permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

HA Number:	HA Name:		HA FYE:
Submission Type:	Original Submission	Revised Submission	Special Submission

Housing Choice Voucher Program – Utilization and Administrative Fee and Expense Reporting

Vouchers under lease on the First Day of the Month:	
UML:	
Rental Assistance Demonstration 1– Public Housing Conversion	
Rental Assistance Demonstration 2- Mod Rehab, Rent Supp, RAP Conversion	
Rental Assistance Demonstration 3 –PRAC Conversion	
Litigation	
Homeownership	
New This Month	
Moving To Work	
One Year Mainstream – MTW	
Family Unification – Non MTW	
Family Unification – Pre2008 - MTW	
Family Unification – 2008/Forward - MTW	
Non-Elderly Disabled – Non-MTW	
Non-Elderly Disabled – 2008/Forward - MTW	
Portable Vouchers Paid	
Hope VI	
Tenant Protection	
Enhanced Vouchers	
Veterans Affair Supported Housing (VASH) Voucher	
DHAP to HCV Vouchers Leased	
Foster Youth to Independence	
Mobility Demonstration	
Housing Stability Vouchers	
Emergency Transfer Vouchers for VAWA	
All Other Vouchers	
Total Vouchers	
HAP Expenses:	
Rental Assistance Demonstration 1– Public Housing Conversion	
Rental Assistance Demonstration 2- Mod Rehab, Rent Supp, RAP Conversion	
Rental Assistance Demonstration 3 – PRAC Conversion	
Litigation	
Homeownership	
New This Month	
Moving To Work	
One Year Mainstream – MTW	
Family Unification – Non MTW	

HAP Expenses (cont.):	
Family Unification – 2008/Forward - MTW	
Non-Elderly Disabled – Non-MTW	
Non-Elderly Disabled – 2008 Forward - MTW	
Portable Vouchers Paid	
Hope VI	
Tenant Protection	
Enhanced Vouchers	
Veterans Affair Supported Housing (VASH) Voucher	
DHAP to HCV Vouchers Leased	
All Other Vouchers	
MTW – Family Unification 2008/Forward HAP expenses after the First of the Month	
MTW – Family Unification per-2008 HAP After the First of the Month	
MTW – Non-Elderly Disabled 2008/Forward HAP Expenses after the First of the Month	
MTW – VASH HAP Expenses after the First of the Month	
MTW – One Year Mainstream HAP After the First of the Month	
HCV – FSS Escrow Deposits	
HCV – All Voucher HAP Expenses After the First of Month	
Foster Youth to Independence	
Mobility Demonstration	
Housing Stability Vouchers	
Emergency Transfer Vouchers for VAWA	
MTW – Foster Youth to Independence HAP Expenses After the First of the Month	
MTW – Mobility Demonstration HAP Expenses After the First of the Month	
MTW – Housing Stability Vouchers HAP Expenses After the First of the Month	
MTW – Emergency Transfer Vouchers for VAWA HAP Expenses After the First of the Month	
Total Vouchers	
Other Voucher Reporting Requirements:	
UML:	
HCV Number of Vouchers Under Lease (HAP Contract) on the last day of the month	
HA Owned Units Leased – included in the units leased above	
HCV New Vouchers Issued but not under HAP contract as of the last day of month	
Portable Vouchers Administered (Port-In)	
Mainstream	
Number of PBVs under AHAP and not under HAP	
Number of PBVs under HAP and Leased	
Number of PBVs under HAP and not Leased	
Number of PBVs under HAP and not Leased with vacancy payment and associated vacancy HAP expense	

Mainstream – Number of New Vouchers Issued but not Under HAP Contract as of the last day of the month	
Housing Stability Vouchers – Number of New Vouchers Issued but not Under HAP Contract as of the last day of the month	
HAP Expenses:	
Portable Vouchers Administered (Port-In)	
Mainstream	
Number of PBVs under HAP and not Leased with vacancy payment and associated vacancy HAP expense	
Project Based Vouchers – Total HAP Expenses	
Mainstream – HAP Expenses After the First of the Month	
Mainstream – FSS Escrow Deposits	
Adjustment Funding- Per Unit Cost	
Adjustment Funding- Shortfall	
Adjustment Funding- Per Unit Cost Increase MS Program	
Adjustment Funding- Shortfall MS Program	

Memorandum Reporting:	
UML:	
Number of Hard to House Families Leased	
HAP Expenses:	
HCV – Fraud Recovery Total Collected this Month	
Interest or other income earned this month from the investment of HAP funds and Net Restricted Assets	
HCV – FSS Escrow Forfeitures	
Portable HAP costs Billed and Unpaid – 90 Days or older	
Mainstream – FSS Escrow Forfeitures this Month	
Mainstream – Fraud Recovery Total Collected this Month	
Administrative Expenses:	
HAP Expenses:	
Non-MTW Administrative Expenses	
Audit	
Mainstream- Administrative Expenses	
Mobility Demonstration Services Expenditures	
Financial	
HAP Expenses:	
HCV – Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
HCV – Restricted Net Position Funds (RNP) as of the Last Day of the Month	
HCV – Cash/Investment as of the Last Day of the Month	
Mainstream - Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
Mainstream – Restricted Net Position Funds (RNP) as of the Last Day of the Month	
Mainstream – Cash/Investment as of the Last Day of the Month	
MTW:	
HAP Expenses:	
MTW – Public Housing Operating Subsidy Eligible Expenses	
MTW – Capital Fund Eligible Expenses	
MTW – Local, Non-Traditional (LNT) Program	
MTW – HCV Administrative Fee Expenses	
MTW – HCV Administrative Expenses Using HAP	

Other - Unspent Funds Fund Source 1	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 1	
Type of Account – 1	
Activity – 1	
Funds Committed – 1	
Type of Commitment – 1	
Date of Commitment – 1 (MM/DD/YYYY)	
Funds Obligated – 1	
Type of Obligation – 1	
Date of Obligation – 1 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 1	
Projected Date of Full Expenditure – 1 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 2	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 2	
Type of Account – 2	
Activity – 2	
Funds Committed – 2	
Type of Commitment – 2	
Date of Commitment – 2 (MM/DD/YYYY)	
Funds Obligated – 2	
Type of Obligation – 2	
Date of Obligation – 2 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 2	
Projected Date of Full Expenditure – 2 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 3	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 3	
Type of Account – 3	
Activity – 3	
Funds Committed – 3	
Type of Commitment – 3	
Date of Commitment – 3 (MM/DD/YYYY)	
Funds Obligated – 3	
Type of Obligation – 3	
Date of Obligation – 3 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 3	
Projected Date of Full Expenditure – 3 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 4	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 4	
Type of Account – 4	
Activity – 4	
Funds Committed – 4	
Type of Commitment – 4	
Date of Commitment – 4 (MM/DD/YYYY)	
Funds Obligated – 4	
Type of Obligation – 4	
Date of Obligation – 4 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 4	
Projected Date of Full Expenditure – 4 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 5	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 5	
Type of Account – 5	
Activity – 5	
Funds Committed – 5	
Type of Commitment – 5	
Date of Commitment – 5 (MM/DD/YYYY)	
Funds Obligated – 5	
Type of Obligation – 5	
Date of Obligation – 5 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 5	
Projected Date of Full Expenditure – 5 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 6	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 6	
Type of Account – 6	
Activity – 6	
Funds Committed – 6	
Type of Commitment – 6	
Date of Commitment – 6 (MM/DD/YYYY)	
Funds Obligated – 6	
Type of Obligation – 6	
Date of Obligation – 6 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 6	
Projected Date of Full Expenditure – 6 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 7	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 7	
Type of Account – 7	
Activity – 7	
Funds Committed – 7	
Type of Commitment – 7	
Date of Commitment – 7 (MM/DD/YYYY)	
Funds Obligated – 7	
Type of Obligation – 7	
Date of Obligation – 7 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 7	
Projected Date of Full Expenditure – 7 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 8	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 8	
Type of Account – 8	
Activity – 8	
Funds Committed – 8	
Type of Commitment – 8	
Date of Commitment – 8 (MM/DD/YYYY)	
Funds Obligated – 8	
Type of Obligation – 8	
Date of Obligation – 8 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 8	
Projected Date of Full Expenditure – 8 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 9	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 9	
Type of Account – 9	
Activity – 9	
Funds Committed – 9	
Type of Commitment – 9	
Date of Commitment – 9 (MM/DD/YYYY)	
Funds Obligated – 9	
Type of Obligation – 9	
Date of Obligation – 9 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 9	
Projected Date of Full Expenditure – 9 (MM/DD/YYYY)	
Other - Unspent Funds Fund Source 10	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 10	
Type of Account – 10	
Activity – 10	
Funds Committed – 10	
Type of Commitment – 10	
Date of Commitment – 10 (MM/DD/YYYY)	
Funds Obligated – 10	
Type of Obligation – 10	
Date of Obligation – 10 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 10	
Projected Date of Full Expenditure – 10 (MM/DD/YYYY)	

Other - Unspent Funds Fund Source 11	
Misc.:	
Unspent Fund Source (HCV, CAP, OP or MTW) – 11	
Type of Account – 11	
Activity – 11	
Funds Committed – 11	
Type of Commitment – 11	
Date of Commitment – 11 (MM/DD/YYYY)	
Funds Obligated – 11	
Type of Obligation – 11	
Date of Obligation – 11 (MM/DD/YYYY)	
Funds Expended from Commitment/Obligation – 11	
Projected Date of Full Expenditure – 11 (MM/DD/YYYY)	
Expenses:	
HAP Expenses:	
Expense Amount 1	
Expense Amount 2	
Expense Amount 3	
Expense Amount 4	
Expense Amount 5	
Misc.:	
Expense Amount 1 Comment	
Expense Amount 2 Comment	
Expense Amount 3 Comment	
Expense Amount 4 Comment	
Expense Amount 5 Comment	

MTW Other Expense Category	
HAP Expenses:	
MTW – Other PHA to identify the type of expense incurred Amount – 6	
MTW – Other PHA to identify the type of expense incurred Amount – 7	
MTW – Other PHA to identify the type of expense incurred Amount – 8	
Misc.:	
MTW – Other PHA to identify the type of expense incurred Amount – 6 Comment	
MTW – Other PHA to identify the type of expense incurred Amount – 7 Comment	
MTW – Other PHA to identify the type of expense incurred Amount – 8 Comment	
Comments:	
Misc.:	
Comments	
Disaster Voucher Program-1 (DVP):	
Misc.	
Disaster Comments - Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Disaster Voucher Program-2 (DVP):	
Misc.:	
Disaster Comments- Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	
Disaster Voucher Program-3 (DVP):	
Misc.:	
Disaster Comments Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Disaster Voucher Program-4 (DVP):	
Misc.:	
Disaster Comments Mandatory when Other Fees are recorded	
UML:	
Disaster Name	
Disaster Families Assisted	
HAP Expenses:	
Disaster Families Assisted	
Disaster Security Deposit	
Disaster Security Deposit Returned	
Disaster Utility Deposit	
Disaster Utility Deposit Returned	
Disaster Administrative Expenditures	
Disaster Broker Fee	
Disaster Placement Fee	
Disaster Service Connection Fee	
Disaster Case Management Fee	
Disaster Administrative Fee	
Disaster Other Fees	

Emergency Housing Voucher Program-1 (EHV):	
UML:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - Number of New Vouchers Issued but not U nder HAP Contract as of the last day of the month	
HAP Expenses:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - HAP Expenses After the First of the Month	
Emergency Housing Vouchers - Admin Fees - Preliminary Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Placement/Issuance Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Ongoing Administrative Expenses	
Emergency Housing Vouchers - Service Fee - Housing Search Assistance Expenses	
Emergency Housing Vouchers - Service Fee - Security/Utility Deposit/ Rental Application/Holding Fee Expenses	
Emergency Housing Vouchers - Service Fee - Owner Incentive Expenses	
Emergency Housing Vouchers - Service Fee - Other Eligible Expenses	
Emergency Housing Vouchers - FSS Escrow Deposits	
Emergency Housing Vouchers - FSS Escrow Forfeitures this Month	
Emergency Housing Vouchers - Fraud Recovery Total Collected this Month	
Emergency Housing Vouchers - Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Restricted Net Position Funds (RNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Cash/Investment as of the Last Day of the Month	

Emergency Housing Voucher Program-2 (EHV):	
UML:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - Number of New Vouchers Issued but not U nder HAP Contract as of the last day of the month	
HAP Expenses:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - HAP Expenses After the First of the Month	
Emergency Housing Vouchers - Admin Fees - Preliminary Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Placement/Issuance Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Ongoing Administrative Expenses	
Emergency Housing Vouchers - Service Fee - Housing Search Assistance Expenses	
Emergency Housing Vouchers - Service Fee - Security/Utility Deposit/ Rental Application/Holding Fee Expenses	
Emergency Housing Vouchers - Service Fee - Owner Incentive Expenses	
Emergency Housing Vouchers - Service Fee - Other Eligible Expenses	
Emergency Housing Vouchers - FSS Escrow Deposits	
Emergency Housing Vouchers - FSS Escrow Forfeitures this Month	
Emergency Housing Vouchers - Fraud Recovery Total Collected this Month	
Emergency Housing Vouchers - Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Restricted Net Position Funds (RNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Cash/Investment as of the Last Day of the Month	

Emergency Housing Voucher Program-3 (EHV):	
UML:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - Number of New Vouchers Issued but not U nder HAP Contract as of the last day of the month	
HAP Expenses:	
Emergency Housing Vouchers	
Emergency Housing Vouchers - HAP Expenses After the First of the Month	
Emergency Housing Vouchers - Admin Fees - Preliminary Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Placement/Issuance Fee Expenses	
Emergency Housing Vouchers - Admin Fees - Ongoing Administrative Expenses	
Emergency Housing Vouchers - Service Fee - Housing Search Assistance Expenses	
Emergency Housing Vouchers - Service Fee - Security/Utility Deposit/ Rental Application/Holding Fee Expenses	
Emergency Housing Vouchers - Service Fee - Owner Incentive Expenses	
Emergency Housing Vouchers - Service Fee - Other Eligible Expenses	
Emergency Housing Vouchers - FSS Escrow Deposits	
Emergency Housing Vouchers - FSS Escrow Forfeitures this Month	
Emergency Housing Vouchers - Fraud Recovery Total Collected this Month	
Emergency Housing Vouchers - Unrestricted Net Position Funds (UNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Restricted Net Position Funds (RNP) as of the Last Day of the Month	
Emergency Housing Vouchers - Cash/Investment as of the Last Day of the Month	

Comments:		
Name of PHA Point of Contact:	POC Phone Number:	Ext:
Date Submitted:	Official HA Email Address:	

Housing Choice Voucher Program Overview

Hawaii Public Housing Authority (HI001/HI901)
May 2025 Board meeting (virtual via Zoom)

Jesse Wu, Director (Office of Public Housing)
jesse.wu@hud.gov or 808-457-4668

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Topics

- Housing Choice Voucher Overview
- HCV Program Management and Funding
- Project Based Voucher Assistance
- HCV program utilization metrics
- Additional resources

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Housing Choice Voucher Overview

HCV Overview Videos

- **What is the HCV program?**
  - U.S. Housing Act of 1937
  - Operated by local public housing agencies (PHA)
  - Families lease safe, decent and privately-owned housing
- **Who is eligible?**
  - **Eligibility:** income up to 50% Area Median Income (AMI).

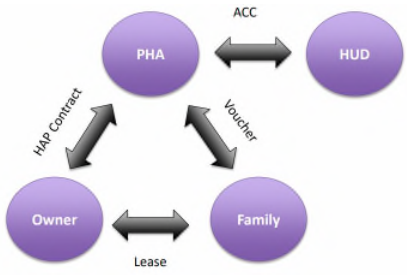
https://www.hudexchange.info/programs/public-housing/hcv-overview-video-series/

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Housing Choice Voucher Overview

- **How does the HCV program work?**
  - Selecting Participants
  - Leasing Vouchers
  - Determining Tenant Rent
  - HQS Inspections
  - Paying Landlords
  - Rent Reasonableness



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Housing Choice Voucher Overview

- **Rent/Housing Subsidy:**
  - Housing assistance payment (HAP) made to landlord. Family pays the difference between the actual rent and the amount subsidized by the program.
- **Voucher Utilization:**
  - Number of vouchers leased versus the amount of HAP expended.
  - **SEMAP Indicator 13 Lease Up**: Greater of the unit or budget authority as follows:
    - 20 points: 98% expenditure of units leased **or** budget authority
    - 15 points: 95-97% expenditure
    - 0 points: Less than 95%.
- **HAP Subsidy:**
  - Maximum amount of housing assistance allowable, lower of:
    - Payment Standard minus the Total Tenant Payment (TTP), or
    - Gross Rent minus the TTP.

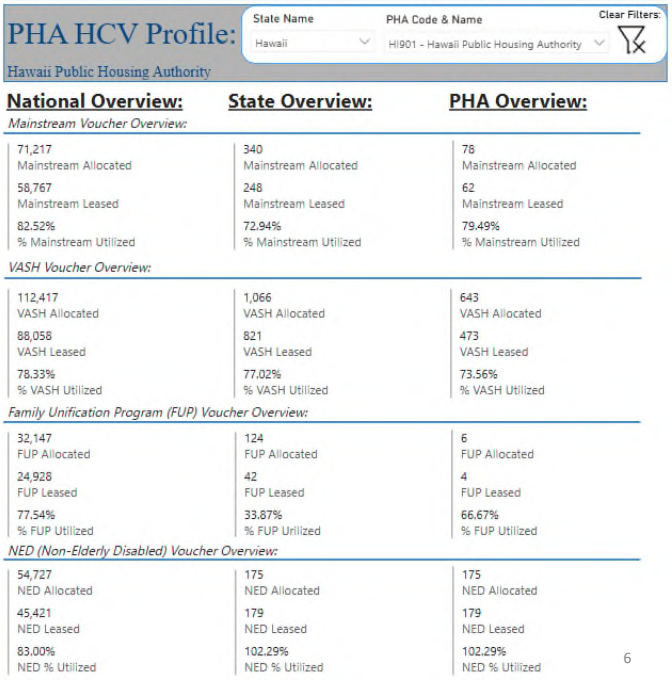
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Housing Choice Voucher Overview

Special Voucher allocations:

- Mainstream
- VASH
- Family Unification
- Non-Elderly Disabled



PHA HCV Profile: Hawaii Public Housing Authority

State Name: Hawaii | PHA Code & Name: HI901 - Hawaii Public Housing Authority | Clear Filters

National Overview:	State Overview:	PHA Overview:
Mainstream Voucher Overview:		
71,217 Mainstream Allocated	340 Mainstream Allocated	78 Mainstream Allocated
58,767 Mainstream Leased	248 Mainstream Leased	62 Mainstream Leased
82.52% % Mainstream Utilized	72.94% % Mainstream Utilized	79.49% % Mainstream Utilized
VASH Voucher Overview:		
112,417 VASH Allocated	1,066 VASH Allocated	643 VASH Allocated
88,058 VASH Leased	821 VASH Leased	473 VASH Leased
78.33% % VASH Utilized	77.02% % VASH Utilized	73.56% % VASH Utilized
Family Unification Program (FUP) Voucher Overview:		
32,147 FUP Allocated	124 FUP Allocated	6 FUP Allocated
24,928 FUP Leased	42 FUP Leased	4 FUP Leased
77.54% % FUP Utilized	33.87% % FUP Utilized	66.67% % FUP Utilized
NED (Non-Elderly Disabled) Voucher Overview:		
54,727 NED Allocated	175 NED Allocated	175 NED Allocated
45,421 NED Leased	179 NED Leased	179 NED Leased
83.00% NED % Utilized	102.29% NED % Utilized	102.29% NED % Utilized

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Housing Choice Voucher Overview

HUD SAFMR website

- **Small Area Fair Market Rent**
  - Small Area Fair Market Rents (SAFMRs) are an important tool PHAs can use to increase choice for voucher holders and efficiency in the administration of the Housing Choice Voucher (HCV) program.
  - In 2016, HUD published the Small Area Fair Market Rents (SAFMR) Final Rule allowing for the determination of HCV payment standards using Fair Market Rents (FMRs) calculated at the ZIP code level, rather than a metropolitan area-wide FMR.
  - SAFMRs can be helpful in providing greater access to low-poverty and/or high-opportunity neighborhoods.

https://www.hud.gov/helping-americans/housing-choice-vouchers-safmr

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Program Management and Funding

- **HCV Funding**
  - Renewal funding is based on the PHA's spending:
    - Prior calendar year actual voucher subsidy cost,
    - Capped at the number of authorized vouchers,
    - Adjusted for inflation, and,
    - Congressional renewal funding (pro-ration) factor
  - Timing:
    - PHA Spending: CY 2024 and reported January 2025
    - FY25 Budget approved in March 2025
    - Budget Renewal notice issued in May 2025

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Program Management and Funding

(Hypothetical PHA)

	Year 1			Year 2			Year 3		
Vouchers	100			100			100		
Voucher cost	$ 1,000			$ 1,100	10%		$ 1,155	5%	
Attrition	1.0%			1.0%			1.0%		
Budget Authority	$ 1,200,000			$ 1,136,151	100%		$ 1,063,015	95%	
SEMAP:	**15 points**			**20 points**			**20 points**		
Month	**Spending**	**Vouchers**		**Spending**	**Vouchers**		**Spending**	**Vouchers**	
Jan-25	$ 100,000	100		Jan-26	$ 98,487	90	Jan-27	$ 101,640	88 $ 88,585
Feb-25	$ 99,000	99		Feb-26	$ 97,502	89	Feb-27	$ 100,624	87
Mar-25	$ 98,010	98		Mar-26	$ 96,527	88	Mar-27	$ 99,617	86
Apr-25	$ 97,030	97		Apr-26	$ 95,562	87	Apr-27	$ 98,621	85
May-25	$ 96,060	96		May-26	$ 94,606	86	May-27	$ 97,635	85
Jun-25	$ 95,099	95		Jun-26	$ 93,660	85	Jun-27	$ 96,659	84
Jul-25	$ 94,148	94		Jul-26	$ 92,724	84	Jul-27	$ 95,692	83
Aug-25	$ 93,207	93		Aug-26	$ 91,797	83	Aug-27	$ 94,735	82
Sep-25	$ 92,274	92		Sep-26	$ 90,879	83	Sep-27	$ 93,788	81
Oct-25	$ 91,352	91		Oct-26	$ 89,970	82	Oct-27	$ 92,850	80
Nov-25	$ 90,438	90		Nov-26	$ 89,070	81	Nov-27	$ 91,921	80
Dec-25	$ 89,534	90		Dec-26	$ 88,179	80	Dec-27	$ 91,002	79
	$ 1,136,151	**1,136**			**$ 1,118,964**	**1,017**		**$ 1,154,784**	**1,000**
Utilization:									
Budget	$1,136,151 / $1,200,000 =	94.7%			98.5%			108.6%	
Vouchers	1,136/1,200 =	94.7%			84.8%			83.3%	
HAP Reserve (beginning)	$ -			$ 63,849			$ 81,036		
HAP unspent	$ 63,849			$ 17,188			$ (91,769)		
HAP Reserve (year end)	**$ 63,849**			**$ 81,036**			**$ (10,732)**		
HUD Shortfall funding	$ -			$ -			$ 10,732		

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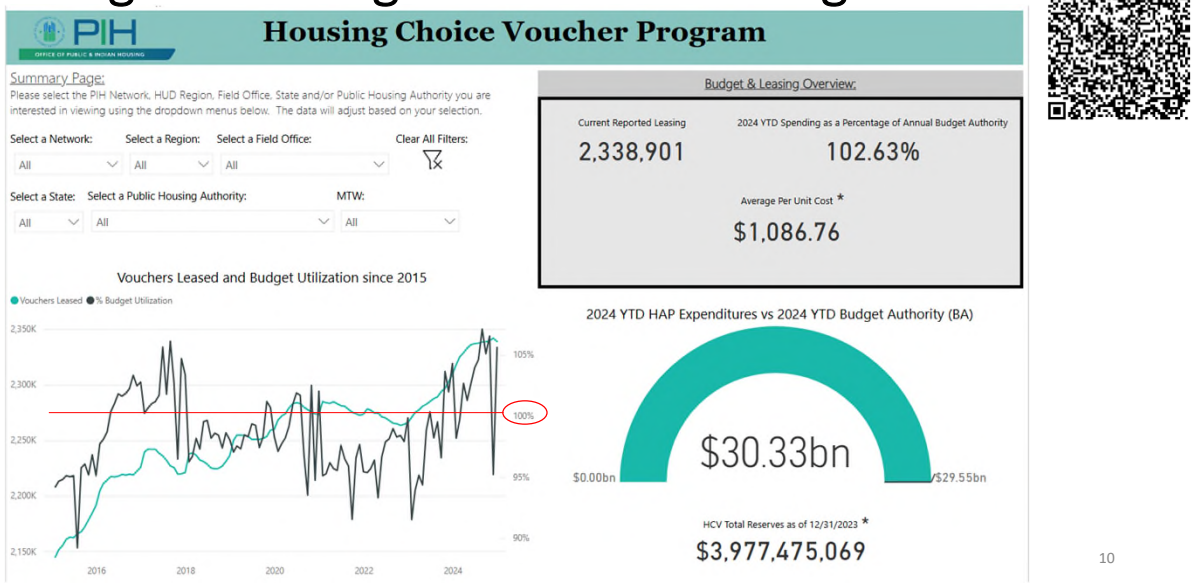
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https://app.powerbigov.us/view?r=eyJrIjoiM2Y2OTQ2MTAtODVkNC00YmM2LThhOWEtZWY4MGU5YWFmZDFmIiwidCI6IjYxNTUyNGM1LTIyZTktNGJjZC1hODkzLTExODBhNTNmYzdiMiJ9

National

Program Management and Funding

HCV Dashboard

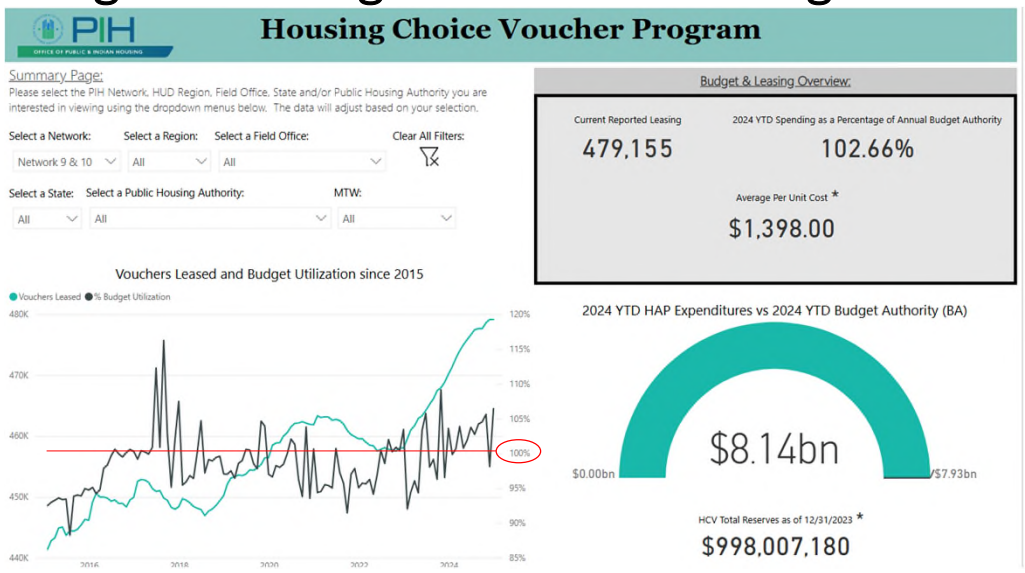


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West Coast

Program Management and Funding

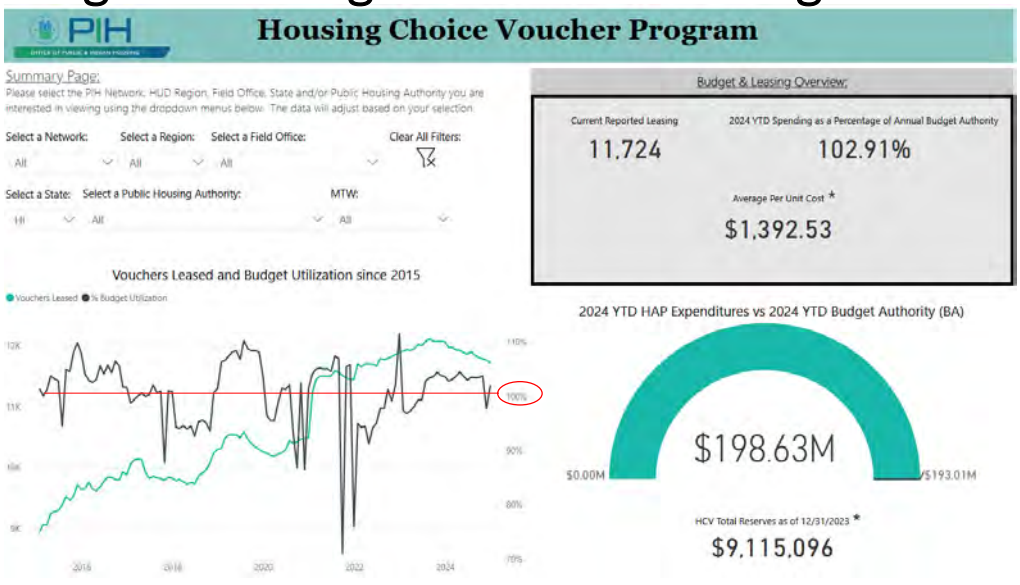


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West Coast

Program Management and Funding

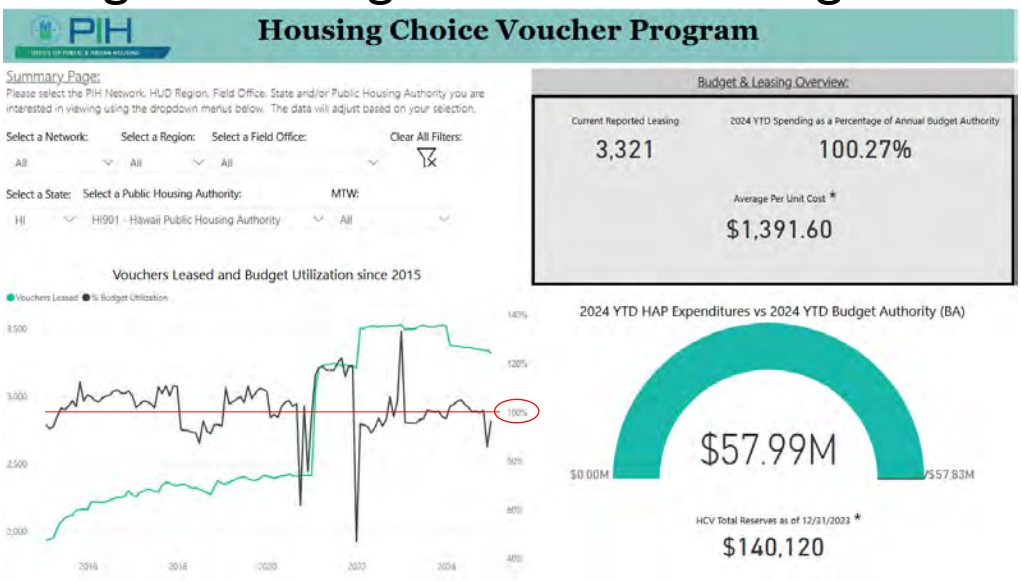


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HPHA

Program Management and Funding

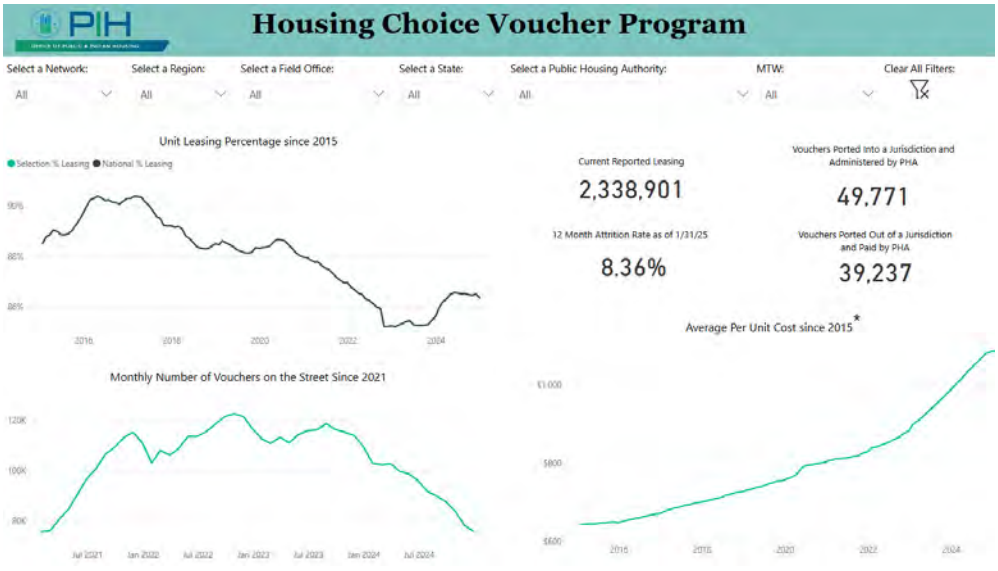


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National

Program Management and Funding

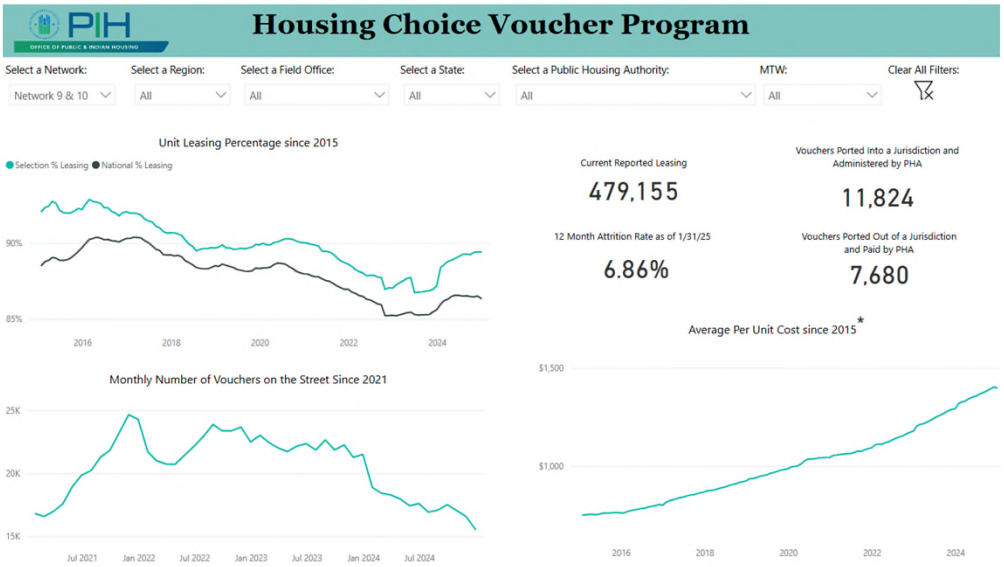


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West Coast

Program Management and Funding

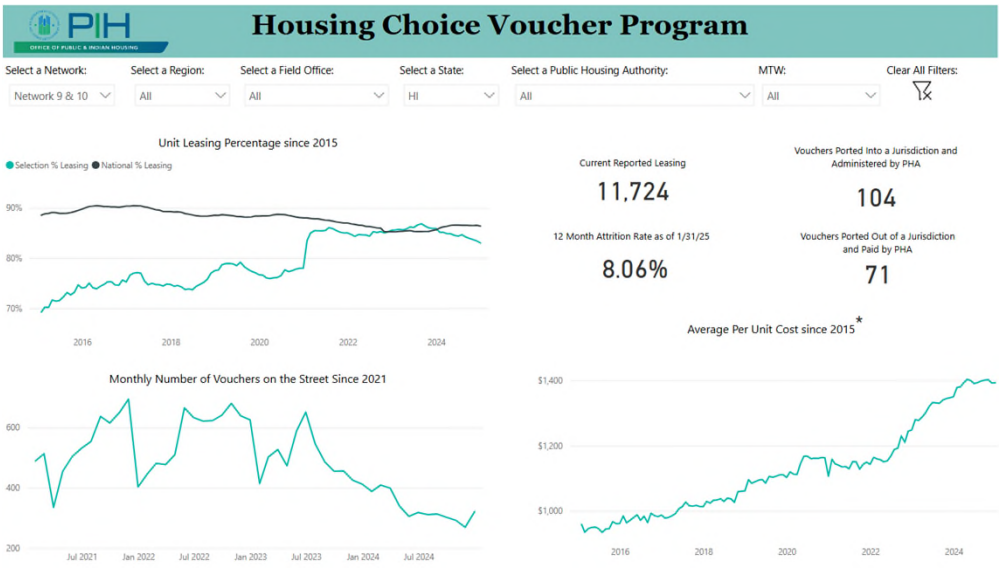


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Hawaii

Program Management and Funding

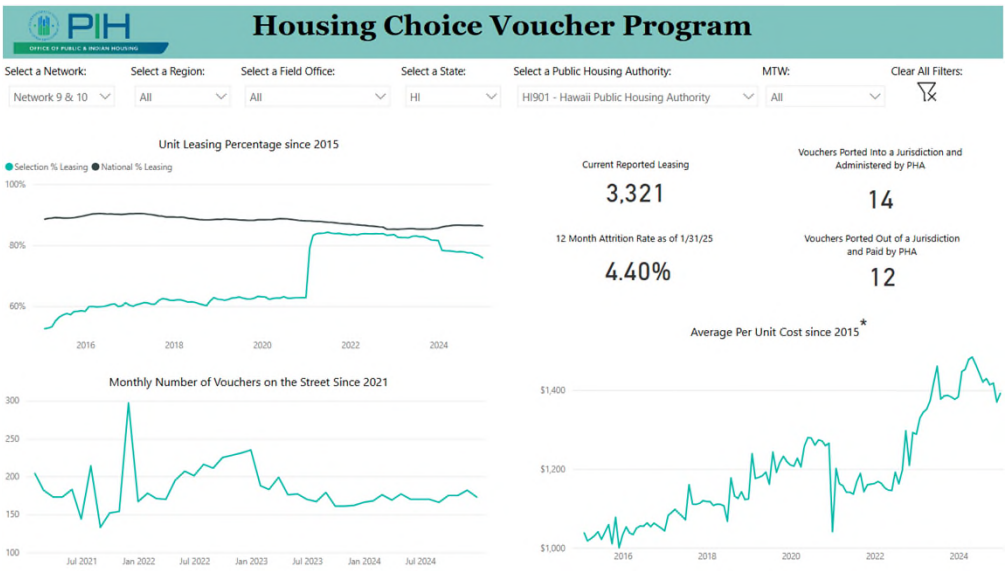


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HPHA

Program Management and Funding



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Project Based Voucher Assistance

- **Program Components**
  - PBV program is a part of a PHA's HCV program, it is not funded separately.
  - It allows a PHA to attach HCV funding to specific units for a long-term contract
  - The PHA may project - base up to 20 percent of its ACC units.
  - The PHA can add an additional 10 percent for specific circumstances.
- **Key elements**
  - Contract terms can be up to twenty (20) years plus renewal extensions
  - Project cap is the greater of:
    - 25 percent of the building, or
    - 25 units per project
  - Family is eligible for a tenant - based voucher after one year

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Project Based Voucher Assistance

Project-Based Vouchers

- **Program benefits**
  - To address specific local community housing needs
  - To preserve and/or increase the supply of affordable housing
  - PBVs can ensure unit availability and accessibility
  - Can support voucher utilization and streamline PHA operations
  - PBVs can maximize efficiency to ensure effective use taxpayer dollars

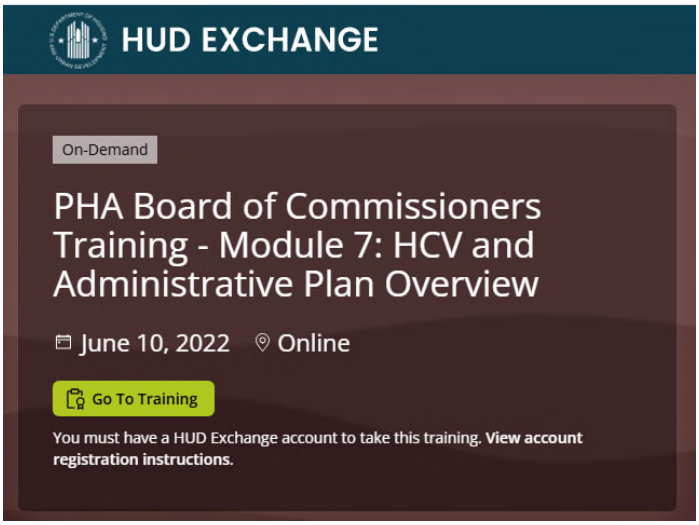
https://www.hud.gov/helping-americans/housing-choice-vouchers-project

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More information:

HCV Training Overview



https://www.hudexchange.info/trainings/courses/pha-board-of-commissioners-training-module-7-hcv-and-administrative-plan-overview/

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Conclusions

- Any questions?



Programs of HUD

https://www.hud.gov/hudprograms

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Approved by the Executive Director
June 19, 2025

FOR ACTION

MOTION: To: **(1)** Approve the Hawaii Public Housing Authority's (HPHA) Capital Fund Program 5-Year Action Plan for Fiscal Years 2024–2028; **(2)** Authorize the Executive Director to Amend the Plan and Authorize the Executive Director to Take the Required Actions to Submit the Approved Plan to the U.S. Department of Housing and Urban Development (HUD); and **(3)** Authorize the Executive Director to Substitute Work Items Between Any of the Years Within the Approved Capital Fund 5-Year Action Plan in the Best Interests of the HPHA

I. FACTS

A. The Capital Fund Program (CFP) provides financial assistance in the form of grants to public housing agencies (PHAs) in order for them to carry out capital and management activities.

B. The CFP was created by the Quality Housing and Work Responsibility Act of 1998 through an amendment to the United States Housing Act of 1937 which merged the previously separate modernization and development programs. The Housing and Economic Recovery Act of 2008 made subsequent changes to the capital and operating fund planning process.

C. The recent regulatory consolidation of 24 Code of Federal Regulations (CFR), Part 905 incorporated applicable sections of Parts 941 and 968. 24 CFR, Part 905 now sets forth updated regulations concerning the capital fund formula, eligible capital fund activities, capital fund obligation and expenditure requirements, and the Capital Fund Financing Program.

D. The HPHA issued a public notice and made the Plan available for a 45-day comment period on April 11, 2025. A consultation meeting was held with the Resident Advisory Board to discuss the Plan on May 13, 2025. Finally, a public hearing was held in-person and online on May 27, 2025.

E. To be authorized to spend FY 2024 CFP grant funding, the HPHA must electronically submit the Capital Fund Program 5-Year Action Plan through HUD's Energy and Performance Information Center for review and subsequent approval by the local Honolulu HUD Office.

II. DISCUSSION

A. The draft CFP 5-Year Action Plan describes the HPHA's capital fund activities and needs over a five-year period. HUD requires PHAs to include a Physical Needs Assessment and Energy Audit, Public Housing Assessment System score, and an update on progress made since the last HUD-approved Plan. The draft CFP 5-Year Action Plan also include budgets detailing the specific work to be performed during each year.

B. The draft CFP 5-Year Action Plan is attached as Attachment A for the Board's information. HPHA staff considered all recommendations of the Resident Advisory Board (RAB), and all testimony received prior to and at the public hearing. After a thorough review, no changes were made to the draft CFP 5-Year Action Plan.

C. Discussions will continue with the RAB regarding the details and implementation of the Capital Fund activities described in the Action Plan following their approval by the Board of Directors and HUD.

D. Should the CFP 5-Year Action Plan require a significant amendment or modification subsequent to their approval, the HPHA will resubmit the amended Plan to the Board and HUD for review. A significant amendment or modification of the CFP 5-Year Action Plan may include, but is not limited to, a demolition, disposition, homeownership, RAD conversion, Capital Fund financing, development, or mixed-finance proposal.

E. HPHA CFP projects are chosen with the top priority in following the ADA Title II Transition Plan compliance. After that, health and safety projects are chosen that include, but are not limited to Lead Based Paint removal, fire alarm upgrades, infrastructure upgrades such as electrical, gas, plumbing or sewer, and security. Finally, modernization of projects are chosen to prolong the useful life of the public housing inventory.

F. As a Moving to Work (MTW) designated public housing authority, the HPHA has the flexibility to apply fungibility between different programs (Public Housing, Housing Choice Voucher, Capital Fund Program) to support any MTW activity in the approved PHA Plan, even if it would not have been an eligible cost under the original funding source as long as they achieve the HPHA's MTW goals.

G. If CFP funds are not used, the HPHA has the funding flexibility to use those unspent funds to go towards programs that assist a high percentage (75%) of very low-income households, maintaining a reasonable rent policy, continuing to serve the same number and comparable mix of households, and demolition and disposition activities.

H. Pursuant to 24 CFR 905.108, as it relates to the Capital Fund Program, fungibility allows the PHA to substitute work items between any of the years within the latest approved CFP 5-Year Action Plan, without prior HUD approval. This allows the HPHA to avoid lapsing of funds and provides for flexibilities when projects encounter unforeseen conditions in the field.

III. RECOMMENDATION

That the Board of Directors: **(1)** Approve the Hawaii Public Housing Authority's (HPHA) Capital Fund Program 5-Year Action Plan for Fiscal Years 2024–2028; **(2)** Authorize the Executive Director to Amend the Plan and Authorize the Executive Director to Take the Required Actions to Submit the Approved Plan to the U.S. Department of Housing and Urban Development (HUD); and **(3)** Authorize the Executive Director to Substitute Work Items Between Any of the Years Within the Approved Capital Fund 5-Year Action Plan in the Best Interests of the HPHA

Attachment A:	Proposed Capital Fund Program 5-Year Action Plan for Fiscal Years 2024–2028
Attachment B:	HPHA Board Resolution for the Proposed Capital Fund Program 5-Year Action Plan for Fiscal Years 2024–2028
Attachment C:	Resident Advisory Board Comments
Attachment D:	Public Testimony

Prepared by: Benjamin Park, Chief Planner _____
Becky Choi, State Housing Development Administrator _____

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

_____
Robert J. Hall
Chairperson

Attachment A

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
2577-0274
02/28/2022

Capital Fund Program - Five-Year Action Plan

Status: Draft **Approval Date:** **Approved By:**

Part I: Summary

PHA Name : Hawaii Public Housing Authority

PHA Number: HI001

Locality (City/County & State)

☒ **Original 5-Year Plan** ☐ **Revised 5-Year Plan (Revision No:)**

A.	Development Number and Name	Work Statement for Year 1 2024	Work Statement for Year 2 2025	Work Statement for Year 3 2026	Work Statement for Year 4 2027	Work Statement for Year 5 2028
	AUTHORITY-WIDE	$6,628,135.15	$5,346,780.00	$5,346,780.00	$4,846,780.00	$4,846,780.00
	KALIHI VALLEY HOMES (HI001000031)	$1,500,000.00	$9,000,000.00	$6,000,000.00		
	KEKAHA HA`AHEO (HI001000038)	$7,256,443.85				
	PUNCHBOWL HOMES * (HI001000035)		$1,000,000.00			$6,500,000.00
	WAHIAWA TERRACE (HI001000049)			$4,000,000.00	$5,000,000.00	
	PUUWAI MOMI (HI001000030)				$5,500,000.00	
	KALAKAUA HOMES (HI001000034)					$4,000,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 1 2024

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			$6,628,135.15
ID0000222	Administration(Administration (1410)-Salaries)	Administration		$1,484,432.90
ID0000223	Contingency(Contract Administration (1480)-Contingency)	Contingency		$997,557.50
ID0000224	Moving to Work Demo(MTW (1492))	Moving to Work Demo		$3,846,144.75
ID0000228	Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	Salaries and benefits for Project Engineers and Inspectors to manage the capital fund grant.		$300,000.00
	KALIHI VALLEY HOMES (HI001000031)			$1,500,000.00
ID0000225	Kalihi Valley Homes, Perimeter Fence Replacement and Site Improvements (Const)(Dwelling Unit-Site Work (1480)-Fencing,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Mail Facilities,Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving,Non-Dwelling Site Work (1480)-Curb and Gutter,Non-Dwelling Site Work (1480)-Dumpster and Enclosures,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Landscape,Non-Dwelling Site Work (1480)-Lighting,Non-Dwelling Site Work (1480)-Site Utilities,Non-Dwelling Site Work (1480)-Storm Drainage)	Perimeter Fence Replacement and Site Improvements (Const) - Includes but is not limited to new perimeter fence, water and sewer line replacements, paving		$1,500,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 1 2024

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	KEKAHA HA`AHEO (HI001000038)			$7,256,443.85
ID0000226	Eleele Homes, Interior Renovation, Exterior Repairs, ADA, Site & Utility Improvements (Const)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Carbon Monoxide,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Pest Infestation,Housing Related Hazards (1480)-Clearance Examinations-Radon,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Carbon Monoxide,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Radon,Housing Related Hazards (1480)-Inspections-Lead-Based Paint,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Building Slab,Dwelling Unit-Exterior (1480)-Carports -Surface Garage,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Foundations,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Mail Facilities,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Water Lines/Mains,Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving,Non-Dwelling Site Work (1480)-Curb and Gutter,Non-Dwelling Site Work (1480)-Dumpster and Enclosures,Non-Dwelling Site Work (1480)-Fence Painting,Non-Dwelling Site	Interior and exterior renovations, infrastructure, site, and accessibility improvements. It includes, but it's not limited to, electrical and mechanical upgrades, new bathrooms, kitchens, and paint, replacement of windows and doors, 3 ADA and 1 VHI units renovation and site accessibility compliance. All 24 units.		$7,256,443.85

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 1 2024

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Site Work (1480)-Landscape,Non-Dwelling Site Work (1480)-Lighting,Non-Dwelling Site Work (1480)-Site Utilities,Non-Dwelling Site Work (1480)-Storm Drainage)			
	Subtotal of Estimated Cost			$15,384,579.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 2 2025

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			$5,346,780.00
ID0000229	Administration(Administration (1410)-Salaries)	Administration		$1,484,432.90
ID0000230	Contingency(Contract Administration (1480)-Contingency)	Contingency		$593,481.30
ID0000231	Moving to Work Demo(MTW (1492))	Moving to Work Demo		$2,968,865.80
ID0000233	Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	Salaries and benefits for Project Engineers and Inspectors to manage the capital fund grant.		$300,000.00
	KALIHI VALLEY HOMES (HI001000031)			$9,000,000.00
ID0000232	Kalihi Valley Homes, Site and Dwelling Improvement Ph 5 (Const)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Radon,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-	Site and Dwelling Improvements full interior and exterior modernization including but not limited to LBP and Asbestos Abatement, Roofing, Electrical, Mechanical, Kitchens, Bathrooms, Flooring, Painting, Cabinets, Fixtures, Appliances, Sidewalks, Paving, and Utilities at Buildings 28, 32, 33, 36, 37, 41 and 42 for a total of 63 units.		$9,000,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 2 2025

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Radon,Housing Related Hazards (1480)-Inspections-Lead-Based Paint,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Stairwells - Fire Escapes,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Water			
	PUNCHBOWL HOMES * (HI001000035)			$1,000,000.00
ID0000234	Spencer House, Plumbing and Interior Upgrage (Design)(Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Radon,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Radon,Housing Related Hazards (1480)-Inspections-Lead-Based Paint,Contract Administration (1480)-Other Fees and Costs,Housing Related Hazards (1480)-Clearance Examinations-Asbestos)	Design Service for Spencer House: Plumbing Upgrade including but not limited to the repair of plumbing stacks for all units, interior painting and replace cabinets.		$500,000.00
ID0000254	Makua Ali`i, Plumbing Utilities Upgrade (Design)(Contract Administration (1480)-Other Fees and Costs)	Plumbing Utilities Upgrade (Design) - includes but is not limited to the repair of plumbing stacks for all units and admin office		$500,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 2 2025

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Subtotal of Estimated Cost			$15,346,780.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 3 2026

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	KALIHI VALLEY HOMES (HI001000031)			$6,000,000.00
ID0000235	Kalihi Valley Homes, Site and Dwelling Improvements Ph 5 (Construction)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Pest Infestation,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Carbon Monoxide,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Pest Infestation,Housing Related Hazards (1480)-Hazard Controls-Radon,Housing Related Hazards (1480)-Inspections-Lead-Based Paint,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Stairwells - Fire Escapes,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Site and Dwelling Improvements full interior and exterior modernization including but not limited to LBP and Asbestos Abatement, Roofing, Electrical, Mechanical, Kitchens, Bathrooms, Flooring, Painting, Cabinets, Fixtures, Appliances, Sidewalks, Paving, and Utilities at Buildings 28, 32, 33, 36, 37, 41 and 42 for a total of 63 units.		$6,000,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 3 2026

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			$5,346,780.00
ID0000237	Moving to Work Demo(MTW (1492))	Moving to Work Demo		$2,968,865.80
ID0000238	Administration(Administration (1410)-Salaries)	Administration		$1,484,432.90
ID0000239	Contingency(Contract Administration (1480)-Contingency)	Contingency		$593,481.30
ID0000240	Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	Salaries and benefits for Project Engineers and Inspectors to manage the capital fund grant.		$300,000.00
	WAHIAWA TERRACE (HI001000049)			$4,000,000.00
ID0000241	Kupuna Home O Waialua, Site and Building (Const)(Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Water Lines/Mains,Housing Related Hazards (1480)-Hazard Controls-Fire Hazard(s),Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing	Kupuna Home O Waialua, Site and Building (Const) - includes but not limited to roof replacement, interior and exterior painting, flooring, counters, cabinets, fixtures, appliances, interior and exterior lighting, paving, etc.		$4,000,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 3 2026

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Inspections-Lead-Based Paint,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures)			
	Subtotal of Estimated Cost			$15,346,780.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 4 2027

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	PUUWAI MOMI (HI001000030)			$5,500,000.00
ID0000243	Salt Lake Apartments, ADA, Site and Building Improvements (Const)(Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Non-Dwelling Construction - Mechanical (1480)-Elevator,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving,Non-Dwelling Site Work (1480)-Site Utilities,Non-Dwelling Site Work (1480)-Curb and Gutter)	ADA, Site and Building Improvements (Const) includes but is not limited to ADA/UFAS corrections: access from the street, van accessible stall; replace elevator rain louvers, trench drain, slope of walkway at elevator, spall repair on elevator shaft; replace jalousie window at front doors; sewer system upgrade		$5,500,000.00
	WAHIAWA TERRACE (HI001000049)			$5,000,000.00
ID0000244	Kupuna Home O Waialua, Site and Building (Const)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Carbon Monoxide,Housing Related Hazards (1480)-Hazard Controls-Radon,Contract Administration (1480)-Other Fees and Costs,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Mail Facilities,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work	Kupuna Home O Waialua, Site and Building (Const) - includes but not limited to roof replacement, interior and exterior painting, flooring, counters, cabinets, fixtures, appliances, interior and exterior lighting, paving, etc.		$5,000,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 4 2027

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Water Lines/Mains)			
	AUTHORITY-WIDE (NAWASD)			$4,846,780.00
ID0000245	Administration(Administration (1410)-Salaries)	Administration		$1,484,432.90
ID0000246	Moving to Work Demo(MTW (1492))	Moving to Work Demo		$2,968,865.80
ID0000247	Contingency(Contract Administration (1480)-Contingency)	Contingency		$93,481.30
ID0000255	PHA Wide, CMB Support Services Technical Salaries (Federal) (Const)(Administration (1410)-Salaries)	PHA Wide, CMB Support Services Technical Salaries (Federal) (Const)		$300,000.00
	Subtotal of Estimated Cost			$15,346,780.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 5 2028

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	KALAKAUA HOMES (HI001000034)			$4,000,000.00
ID0000256	Makua Ali`i, Plumbing Utilities Upgrade (Const)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Radon,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Carbon Monoxide,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Carbon Monoxide,Housing Related Hazards (1480)-Hazard Controls-Lead-Based Paint,Housing Related Hazards (1480)-Hazard Controls-Radon,Housing Related Hazards (1480)-Inspections-Lead-Based Paint,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Makua Ali`i, Plumbing Utilities Upgrade (Const) - includes but is not limited to the repair of plumbing stacks for all units and admin office		$4,000,000.00
	PUNCHBOWL HOMES * (HI001000035)			$6,500,000.00
ID0000257	Pumehana, Accessibility, Fire Suppression, Building and Site Improvements (Const)(Housing Related Hazards (1480)-Clearance Examinations-Asbestos,Housing Related Hazards (1480)-Clearance Examinations-Carbon Monoxide,Housing Related Hazards (1480)-Clearance Examinations-Lead-Based Paint,Housing Related Hazards (1480)-Clearance Examinations-Pest Infestation,Housing Related Hazards (1480)-Clearance Examinations-Radon,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Asbestos,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Lead-Based Paint,Housing Related Hazards (1480)-Evaluation/Risk Assessment-Radon,Housing Related Hazards (1480)-Hazard Controls-Asbestos,Housing Related Hazards (1480)-Hazard Controls-Fire Hazard(s),Housing Related Hazards (1480)-Hazard Controls-Radon,Contract Administration (1480)-Relocation,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Mail Facilities,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-	Accessibility, Fire Suppression, Building and Site Improvements (Const) - full modernization includes but is not limited to installing fire sprinklers, plumbing upgrade, generator, interior and exterior painting, kitchen and bathroom upgrades, flooring, fixtures, lighting, appliances, etc.		$6,500,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)

Work Statement for Year 5 2028

Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Landscape,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Stairwells and Fire			
	AUTHORITY-WIDE (NAWASD)			$4,846,780.00
ID0000258	Administration(Administration (1410)-Sundry,Administration (1410)-Salaries)	Administration		$1,484,432.90
ID0000259	Moving to Work Demo(MTW (1492))	Moving to Work Demo		$2,968,865.80
ID0000260	Contingency(Contract Administration (1480)-Contingency)	Contingency		$93,481.30
ID0000261	PHA Wide, CMB Support Services Technical Salaries (Federal) (Const)(Administration (1410)-Salaries)	CMB Support Services Technical Salaries (Federal) (Const)		$300,000.00
	Subtotal of Estimated Cost			$15,346,780.00

Part III: Supporting Pages - Management Needs Work Statements (s)

Work Statement for Year 1 2024

Development Number/Name **General Description of Major Work Categories**	**Estimated Cost**
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	$1,484,432.90
Contingency(Contract Administration (1480)-Contingency)	$997,557.50
Moving to Work Demo(MTW (1492))	$3,846,144.75
Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	$300,000.00
Subtotal of Estimated Cost	$6,628,135.15

Part III: Supporting Pages - Management Needs Work Statements (s)

Work Statement for Year 2 2025

Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	$1,484,432.90
Contingency(Contract Administration (1480)-Contingency)	$593,481.30
Moving to Work Demo(MTW (1492))	$2,968,865.80
Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	$300,000.00
Subtotal of Estimated Cost	$5,346,780.00

Part III: Supporting Pages - Management Needs Work Statements (s)

Work Statement for Year 3 2026

Development Number/Name **General Description of Major Work Categories**	**Estimated Cost**
Housing Authority Wide	
Moving to Work Demo(MTW (1492))	$2,968,865.80
Administration(Administration (1410)-Salaries)	$1,484,432.90
Contingency(Contract Administration (1480)-Contingency)	$593,481.30
Staff Salaries for CMB(Contract Administration (1480)-Other Fees and Costs)	$300,000.00
Subtotal of Estimated Cost	$5,346,780.00

Part III: Supporting Pages - Management Needs Work Statements (s)

Work Statement for Year 4 2027

Development Number/Name **General Description of Major Work Categories**	**Estimated Cost**
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	$1,484,432.90
Moving to Work Demo(MTW (1492))	$2,968,865.80
Contingency(Contract Administration (1480)-Contingency)	$93,481.30
PHA Wide, CMB Support Services Technical Salaries (Federal) (Const)(Administration (1410)-Salaries)	$300,000.00
Subtotal of Estimated Cost	$4,846,780.00

Part III: Supporting Pages - Management Needs Work Statements (s)

Work Statement for Year 5 2028

Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Administration(Administration (1410)-Sundry,Administration (1410)-Salaries)	$1,484,432.90
Moving to Work Demo(MTW (1492))	$2,968,865.80
Contingency(Contract Administration (1480)-Contingency)	$93,481.30
PHA Wide, CMB Support Services Technical Salaries (Federal) (Const)(Administration (1410)-Salaries)	$300,000.00
Subtotal of Estimated Cost	$4,846,780.00

Management Needs Assessment

Capital Fund Program (CFP)

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

OMB Approval No. 2577-0157
(exp. 1/31/2027)

PHA Name
Hawaii Public Housing Authority

☑ Original
☐ Revision Number _____

General Description of Management Needs	Urgency of Need (1- 5)	Preliminary Estimated PHA-Wide Cost
Improve HPHA's core information systems with upgrades to hardware and the network.	1	100,000.00
Training for staff to ensure all regulatory requirements for compliance and new rules from HUD, OSHA, and other regulatory agencies.	2	65,000.00
LEP Access: Translation of Vital Documents into (up to 15) various languages	2	45,000.00
Total Preliminary Estimated PHA-Wide Cost		$ 165,000.00
Date Assessment Prepared		March 25, 2025

Source(s) of Information

Reviewed/Approved:

Public reporting burden for this collection of information is estimated to average 13 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of in formation. HUD may not conduct or sponsor, and a person is not required to respond to, a collection of inform ation unless that collection displays a valid OMB control number. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, Office of Policy Development and Research, REE, Department of Housing and Urban Development, 451 7th St SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0157.

This collection of information requires that each eligible applicant submit comprehensive plan information to HUD every six years in order to receive its annual formula grant. This information will be used by HUD to determine whether the comprehensive plan/annual submission meets statutory and regulatory requirements for the annual formula grant. Responses to the collection are required by Section 14(e)(1)(B) of the U.S. Housing Act of 1937, as amended. The information requested does not lend itself to confidentiality.

Instructions for Preparation of Form HUD-52833, Management Needs Assessment

Report Submission: Prepare one form HUD-52833 for the entire PHA and submit to HUD as part of the submission of the original Comprehensive Plan in the first year of participation in the Capital Fund Program (CFP) and every sixth year when a complete revision of the management needs assessment is required. On an as-needed basis, submit a revised form whenever management needs have significantly changed since the last needs assessment and the PHA wishes to include those needs in the Five-Year Action Plan.

Heading Instructions:

PHA Name. Enter the PHA Name.

Original or Revision Number. Self-explanatory. Every sixth year a new original is prepared.

Column Instructions:

General Description of Management Needs. Enter a general description of all unfunded and no cost improvements needed to upgrade the management and operation of the PHA and of each viable development so that decent, safe and sanitary living conditions will be provided. Enter only management improvements that are eligible for CFP funding, including any management needs anticipated over the next five years.

Do not enter any management improvements already funded by CFP or other sources which the PHA plans to complete. However, enter management improvements currently funded under CFP where the P HA plans to reprogram CFP funds for other work under the CFP.

Identify all current needs related to the mandatory areas set forth in the CFP Guidebook 7485.3, as revised. To the extent that any of these needs are addressed in an existing document, cross-reference that document. For PHAs, an existing document includes a Memorandum of Agreement (MOA) developed in accordance with the provisions of the Public Housing Management Assessment Program (PHMAP) or an Improvement Plan (IP). For example, "improve rent collection, see MOA." If a particular work category is targeted to a specific development, enter the development number in parentheses.

In addition, at the PHA's option, include other management and operations needs identified through a self-assessment or identified under the PHMAP for PHAs, but not set forth in an MOA or IP.

Describe the needs in broad categories, such as rent collection, preventive maintenance, security, etc. Enter all broad categories of needs without regard to the availability and/or source of funds.

If there are no current needs and the P HA does not anticipate any management needs within the next five years, enter a statement to that effect in this section. Such a statement does not preclude the HA from amending the needs assessment at any time within the five-year period if unforeseen needs arise or from identifying new needs which have occurred when the needs assessment is revised every sixth year.

Urgency of Need. For each broad category of need identified under the General Description of Management Needs, enter a number that corresponds to the relative urgency of the need, with "1" reflecting the most urgent need and "5" reflecting the least urgent need.

Preliminary Estimated PHA-Wide Cost. Enter the preliminary estimated P HA-wide cost for each broad category of need described in the General Description of Management Needs.

Total Preliminary Estimated PHA-Wide Cost. Enter the total preliminary estimated cost for the broad categories listed in the General Description on Management Needs.

Date Assessment Prepared. Self-explanatory.

Source(s) of Information. Identify the source(s) of information used to develop the General Description of Management Needs. Retain such information in HA files (1) as supporting documentation for the needs assessment, (2) for post-review by HUD, or (3) for submission to HUD upon request.

RESOLUTION NO. 25-04

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE HAWAII PUBLIC HOUSING AUTHORITY'S CAPITAL FUND PROGRAM – FIVE (5) YEAR ACTION PLAN FOR FISCAL YEARS 2024-2028

WHEREAS, the Hawaii Public Housing Authority (HPHA) has prepared its Capital Fund Program (CFP) 5-Year Action Plan for Fiscal Years 2024-2028 which describe the planned capital improvements needed to ensure the long-term viability of its federal public housing properties; and

WHEREAS, the Capital Fund Final Rule decoupled the CFP Plan from the Annual Public Housing Agency (PHA) Plan and therefore, the HPHA's CFP Action Plan must be separately transmitted to the United States Department of Housing and Urban Development (HUD) upon authorization by the HPHA's Board of Directors; and

WHEREAS, the HPHA's CFP Action Plan contemplates HUD's annual capital grant amounts, subject to congressional approval, with all proposed work items outlined in the HUD-prescribed format; and

WHEREAS, the HPHA, as permitted by federal regulations, has allocated limited portions of its CFP grant for administration, operations, and management improvements, with the remaining funds dedicated to capital work items; and

WHEREAS, the HPHA issued a public notice and made the HPHA CFP 5-Year Action Plan available for a 45-day comment period on April 11, 2025; held a consultation meeting with the Resident Advisory Board to discuss each Plan on May 13, 2025; conducted a public hearing to gather public input on August May 27, 2025; and all comments received were considered before finalizing the HPHA CFP 5-Year Action Plan;

NOW, THEREFORE, BE IT RESOLVED, by the HPHA Board of Directors that it: 1) Adopts the HPHA's CFP 5-Year Action Plan for Fiscal Years 2024-2028; and 2) Authorizes the Executive Director to submit the CFP 5-Year Action Plan with the requisite documents to HUD.

The UNDERSIGNED hereby certifies that the foregoing Resolution No. 25-04 was duly adopted by the Directors of the Hawaii Public Housing Authority on June 19, 2025.

Adopted by the Board of Directors
On the date set forth above

_____
Robert J. Hall
Chairperson

RAB Comments and HPHA Response
CFP 5-Year Action Plan for FYs 2024-2028

RAB Comments: Several RAB members provided comments about future modernization projects using fixtures and materials that are readily available so that they are easy to fix/replace when they break down. This includes but is not limited to low-flow toilets, screen doors, and fixtures.

HPHA Response: The HPHA Construction Management Branch was made aware of the RAB's concerns at the RAB meeting and agreed with the RAB's comments. Having readily available materials will not only impact the economic aspects in the process of modernization but also streamline the construction process, saving time and potentially labor costs. The HPHA will also continue to provide updates to the RAB as the Capital Fund activities included in each Plan move forward.

RAB Comments: The RAB approved the draft CFP 5-Year Action Plan for FY 2024-2028 as presented. The RAB also requested that any significant amendments or modifications to either Plan going forward also be presented to the RAB for its review and approval.

HPHA Response: The HPHA appreciates the RAB's support of the draft CFP 5-Year Action Plan for FY 2024-2028 and will duly consider and incorporate any suggestions it may have. The HPHA will also continue to provide updates to the RAB as the Capital Fund activities included in each Plan move forward.

Summary of Public Testimony
CFP 5-Year Action Plan for FYs 2024-2028

The Hawaii Public Housing Authority (HPHA) held a public hearing on the CFP 5-Year Action Plan for Fiscal Years 2024-2028 on May 27, 2025. The hybrid meeting was conducted in person on Oahu and virtually via Zoom. During the 45-day public review period, no written comments were received. On the day of the public hearing, no oral testimony was received.

Approved by Executive Director
June 19, 2025

FOR ACTION

MOTION: To: **(1)** Concur with the Hawaii Public Housing Authority's ("HPHA") Section 18 Submission Documents Submitted to the United States Department of Housing and Urban Development ("HUD") on May 30, 2025, for Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment Phase 1 ("Kuhio Park Low Rises Phase 1") located at 1449 Linapuni Street, Honolulu, Hawaii 96819 (TMK Nos. 1-3-039-008 and 1-3-039-006); **(2)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Such Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Development Instruments, on such Terms and Conditions as are Consistent set Forth Herein and Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA.; and **(3)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rises Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA

I. FACTS

A. The Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment is on approximately 9.78 acres of land and contains a total of one hundred seventy-four (174) federally subsidized low-income public housing units constructed in 1953 and in 1965. Kuhio Park Terrace Low-Rises consists of forty (40) four-bedroom residential units, contained in one- and two-story buildings. Kuhio Homes consists of one hundred thirty-four (134) units contained in twenty-one (21) one- and two-story townhouse buildings, ranging from one-bedroom to five-bedrooms.

B. The Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment will provide approximately six hundred fifty (650) new affordable rental dwelling units. The average area median income (AMI) for all households will not exceed sixty percent (60%), as determined by HUD, for a period of sixty-five (65) years.

C. The Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment site will be divided through a Condominium Property Regime process that will reflect ground lease areas associated with each phase of the redevelopment. A Disposition and Development Agreement ("DDA") and

Ground Lease for Kuhio Park Low Rises Phase 1 has been drafted by Reno & Cavanaugh, HPHA's specialized, outside legal counsel.

D. The Kuhio Park Low Rises Phase 1 will take place on 3.592-acres of the Property and provide three hundred four (304) new dwelling units, including two (2) manager units, within four (4) buildings that will be rented to residents earning sixty (60%) of the AMI and below with the following bedroom distribution:

	Building 1	Building 2	Building 3	Building 4	Total
Studio	0	0	23	23	46
1 BR	16	16	25	25	82
2 BR	32	26	23	23	104
3 BR	31	12	0	0	43
4 BR	24	5	0	0	29
Total	103	59	71	71	304

E. On August 12, 2024, HUD's Special Applications Center ("SAC") approved the HPHA Demolition and Disposition Application for the Kuhio Park Low Rises Phase 1 pursuant to Section 18 of the United States Housing Act of 1937, as amended in 1998.

F. Tenant Protection Vouchers for current residents living in the public housing units that are to be disposed of during Kuhio Park Low Rises Phase 1 have been secured by HPHA. Approximately sixty-five (65) Project Based Vouchers for Kuhio Park Low Rises Phase 1 are being provided by HPHA for the replacement of units that will be disposed of during this redevelopment phase.

G. On March 20, 2025, the development project was transferred to HCDC Kuhio Park 1 LLC, a Hawaii limited liability company.

II. DISCUSSION

A. The redevelopment envisioned aims to replace the existing severely distressed Kuhio Park Low Rises and Kuhio Homes Redevelopment with new, modernized housing, while increasing the range and amount of affordable housing available within the local community. This undertaking is consistent with the HPHA's fundamental mission of redeveloping underutilized state land assets to facilitate delivery of urgently needed replacement and new affordable rental units to help address the existing affordable housing crisis across the State of Hawaii.

B. Under the DDA, the Developer is responsible for obtaining public and private financing for the Project. The Developer has obtained financing and

to start construction of Phase I of the Project. A team from HPHA, the Department of the Attorney General, and HPHA's consultants and outside general counsel ("HPHA Team") has negotiated the Phase I documents submitted to HUD for closing approval. These documents include the following:

1. Ground Lease – This document conveys a leasehold interest in the Phase 1 property to the owner entity created by HCDC. It requires the lessee to construct three hundred four (304) rental units to be rented to households with incomes at or below 60% of the area median income, although 2 of those units will be manager's units not subject to the income restrictions. HPHA is providing Project Based Voucher assistance to sixty-five (65) units. (See Attachment A.)

2. Memorandum of Ground Lease – This document summarizes the essential terms of the ground lease and is recorded in the Bureau of Conveyances to put the public on notice of the existence of the ground lease because the ground lease will not be recorded. (See Attachment B.)

3. Condominium Property Regime (CPR) Declaration and By-Laws – The HPHA and the Developer determined that creating a condominium property regime would be the most efficient means to identify the property subject to the ground lease instead of filing a subdivision plat. Accordingly, the HPHA is the declarant of the condominium regime and the declaration describes the property subject to the State's condominium act. The bylaws establish the operational framework for the condominium association. (See Attachment C.)

4. HUD Section 18 Use Restriction / Agreement – While HPHA will be charging an annual rent for the ground lease, the rent payment is subject to cash flow, which means that it will be deferred if the project is not generating sufficient cash to make an annual payment. HUD considers this arrangement to be a less-than-fair market-value disposition because HPHA is not receiving a cash payment for the leasehold interest at closing. HUD has approved the disposition for less-than-fair market value because the lessee and the HPHA have agreed that the property will be used for affordable housing purposes. The Use Agreement requires that at least 60 of the units in Phase 1 must be rented to low-income families for 30 years. (See Attachment D.)

5. Disposition Agreement – This document is required by the HUD Region 9 and requires the HPHA to record the Use Agreement

described above and comply with HUD regulations concerning disposition proceeds. (See Attachment E.)

6. Copy of Existing HUD Declaration of Trust – The property is currently subject to the HUD public housing declaration of trust (DOT) and HUD requires that HPHA submit a copy of the DOT to make the review of the release described below easier.

7. Release from Public Housing Declaration of Trust – As part of the closing process, the property that will be disposed of under the ground lease will need to be released from the public housing DOT, which is what this document does. (See Attachment F.)

8. Survey – The survey provides basic information about the project property (such as square footage, and zoning designation), reveals encumbrances that might affect the property which interested parties need to review and address, and confirms that the legal description tracks the actual property as depicted on the survey.

9. Draft Owner's Title Pro Forma – This is the lessee's title insurance policy and HUD reviews it to confirm that the HUD use agreement is properly described and that all other restrictions or financing documents are subordinated to the HUD Use agreement.

10. Recording Order and Recording Instructions – The Recording Order establishes the order of recordation of the recordable project documents as agreed by all parties. The Recording Instructions provide instructions and bind the title escrow agent to record the project documents following the Recording Order. HUD reviews this to confirm that the HUD use agreement is properly described and that all other restrictions or financing documents are subordinated to the HUD Use agreement.

C. It is recommended that the Board delegate authority to the Executive Director to make the necessary changes to the above-described documents as may be required, subject to review and approval of HPHA's deputy attorneys general, specialized general counsel, and consultant team.

III. RECOMMENDATION

That the Board of Directors: **(1)** Concur with the Hawaii Public Housing Authority's ("HPHA") Section 18 Submission Documents Submitted to the United States Department of Housing and Urban Development ("HUD") on May 30, 2025, for Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment

Phase 1 ("Kuhio Park Low Rises Phase 1") located at 1449 Linapuni Street, Honolulu, Hawaii 96819 (TMK Nos. 1-3-039-008 and 1-3-039-006); **(2)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Such Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Development Instruments, on such Terms and Conditions as are Consistent set Forth Herein and Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA.; and **(3)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rises Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA

Attachment A:	Ground Lease
Attachment B:	Memorandum of Ground Lease
Attachment C:	Condominium Property Regime (CPR) Declaration and By-Laws
Attachment D:	HUD Use Restriction Agreement
Attachment E:	Disposition Agreement
Attachment F:	Partial Release from Public Housing Declaration of Trust

Prepared by: Brian M. Davidson, Housing Development Specialist

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

_____
Robert J. Hall
Chairperson

Attachment A

HPHA GROUND LEASE AGREEMENT

KUHIO PARK LOW RISES AND HOMES

HONOLULU, HAWAI‘I

LANDLORD:

Hawaii Public Housing Authority

1002 N. School St.
Honolulu, Hawai‘i 96817

TENANT:

KPLR Phase 1, LP

c/o Highridge Costa Development Company, LLC
330 West Victoria Street
Gardena, California 90248

as of [DATE]

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HPHA GROUND LEASE
BETWEEN THE HAWAII PUBLIC HOUSING AUTHORITY AND KPLR PHASE 1, LP

BASIC LEASE INFORMATION

DATE:	AS OF [DATE]
LANDLORD:	HAWAII PUBLIC HOUSING AUTHORITY
TENANT:	KPLR PHASE 1, LP, A HAWAII LIMITED PARTNERSHIP
PREMISES:	CERTAIN PREMISES SITUATED IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAI'I, AS MORE PARTICULARLY DESCRIBED IN EXHIBIT "A"
ANNUAL BASE RENT:	$[293,560.00]
COMMENCEMENT DATE:	[DATE]
TERM:	THE PERIOD BEGINNING OF THE COMMENCEMENT DATE AND ENDING ON 70 YEARS, AS MAY BE EXTENDED
LANDLORD'S ADDRESS FOR NOTICES:	1002 NORTH SCHOOL STREET P.O. BOX 17907 HONOLULU, HAWAI'I 96817 ATTN: EXECUTIVE DIRECTOR
TENANT'S ADDRESS FOR NOTICES:	C/O HIGHRIDGE COSTA DEVELOPMENT COMPANY, LLC 330 WEST VICTORIA STREET GARDENA, CA 90248 ATTN: MOHANNAD H. MOHANNA, PRESIDENT SEE SECTION 19.10 FOR FULL LIST OF NOTICE PARTIES.

The Basic Lease Information is part of the Lease; however, if any of the Basic Lease Information contradicts any provision of the Lease, the provisions of the Lease will prevail.

HPHA GROUND LEASE AGREEMENT

THIS HPHA GROUND LEASE AGREEMENT (this "**Lease**") effective as of_____, 2025 is by and between the HAWAII PUBLIC HOUSING AUTHORITY, a public body corporate and politic organized and existing pursuant to Chapter 356D of the Hawaii Revised Statutes, with a chief executive office located at 1002 N. School Street, Honolulu, Hawai'i 96817 ("**Landlord**"), and KPLR Phase 1, LP, a Hawai'i limited partnership, with an office located at c/o Highridge Costa Development Company, LLC, 330 West Victoria, Gardena, California 90248 ("**Tenant**").

ARTICLE 1- RECITALS

A. Landlord is the fee simple owner of the land located in the City and County of Honolulu, State of Hawai'i, situated on a portion of TMK Parcels (1) 1-3-039:006 and (1) 1-3-039:008, Condominium Unit Numbers 1-4, as more particularly described in Exhibit A and A-1, attached hereto and incorporated herein by this reference (the "**Demised Premises**").

B. Landlord selected The Michaels Development Company I, L.P., a New Jersey limited partnership ("**Michaels**"), an experienced developer of distressed public and affordable housing projects, to undertake the redevelopment of the Kuhio Park Terrace Low Rises and Kuhio Homes public housing development (the "**Redevelopment**") and Landlord and Michaels entered into that certain Master Development Agreement, effective on or about May 2011 (the "**Original Development Agreement**"), which the Original Development Agreement was amended and restated by that certain Amended and Restated Master Development Agreement – Revitalization and Redevelopment of Kuhio Park Terrace and Kuhio Park Homes dated as of July 8, 2020, as may be further amended ("**Redevelopment Agreement**").

C. Under the Redevelopment Agreement, the Redevelopment will include up to ten (10) phases and involve (i) redevelopment of one hundred seventy-four (174) units of federally subsidized low-income public housing situated on approximately 2.998 acres and (ii) 6.4 acres zone P-2 (TMK# (1)3-039-007-000) currently improved with a recently developed community center and a baseball field, more particularly described in Exhibit A-3 of the Redevelopment Agreement, to consist of a minimum of four hundred sixty-nine (469) residential units and related site improvements and amenities.

D. Michaels entered into an Agreement Regarding Transfer and Assignment of Master Development Agreement with HCDC Kuhio Park 1 LLC, a Hawaii limited liability company ("**HCDC Kuhio**") on March 31, 2025 that assigned the Redevelopment Agreement to HCDC Kuhio (the "**Transfer Agreement**"). Landlord, through its Board of Directors, approved the Transfer Agreement and authorized the Landlord to enter into the Transfer Agreement that transfers the Redevelopment Agreement to HCDC Kuhio.

E. As of May 2, 2025, the Landlord and the Tenant, an entity affiliated with HCDC Kuhio. entered into that certain Disposition and Development Agreement for the Redevelopment of Kuhio Park Terrace Low-Rise – Phase I, which contemplates that the Landlord and the Tenant would enter into this Lease to provide for the development and operation of *Kuhio Park Low Rises Phase 1* ("**Phase 1**") that will consist of three hundred four (304) residential units (the "**Units**") across an anticipated four (4) buildings each of which will be a condominium unit. Of the Units,

three hundred two (302) will be low-income housing tax credit ("**LIHTC**") units administered in accordance with Section 42 of the Internal Revenue Code, as amended (the "**Code**"), and two (2) will be managerial units. A total of sixty-five (65) of the Units will be Section 8 Project-Based Voucher units (the "**PBV Units**") subsidized Section 8 Project-Based Voucher Housing Assistance Payments Contract (the "**HAP Contract**"). At the closing of the Project's construction financing, the Authority will enter into an Agreement to Enter Into a Housing Assistance Payments Contract (the "**AHAP**") with the Tenant. The PBV Units shall be operated in accordance with all federal statutory, regulatory (24 CFR part 983), and programmatic requirements applicable to the PBV Units, executive order requirements, and the Authority's Section 8 Administrative Plan, each as may be amended from time to time (the "**PBV Requirements**"). The HAP Contract will have a term of not less than twenty (20) years.

F. The Landlord applied to the United States Department of Housing and Urban Development ("**HUD**") for permission to dispose of existing buildings at Kuhio Park Terrace Low-Rises and Kuhio Homes inclusive of the Demised Premises, which HUD approved by letter dated August 12, 2024 ("**Disposition Approval Letter**") and was amended to reflect the change of the acquiring entity from an entity associated with Michaels to the Tenant, which is affiliated with HCDC Kuhio on [insert date] ("**Disposition Approval Letter Amendment**"). HUD considers this Lease to be a disposition at less than Fair Market Value under 24 CFR 970.19 because the Landlord is not receiving payment in full for the leasehold interest upon execution of this Lease and the rent, as described in more detail in Section __ of this Lease, is subject to cash flow. Accordingly, HUD has approved the Landlord entering into this Lease upon the condition that the Landlord record that certain Use Agreement – Kuhio Park Terrace Low-Rise Phase 1 dated as of substantially even date herewith ("**Section 18 Use Agreement**") requiring sixty (60) units in the Project to remain available to households at or below eighty percent (80%) of area median income for at least thirty (30) years.

G. Tenant wishes to ground lease from Landlord, pursuant to this Lease, the Demised Premises, on which Tenant will construct Phase 1.

NOW, THEREFORE, in consideration of these presents, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby enter into this Lease on the terms and conditions set forth herein.

ARTICLE 2- DEFINITIONS

Capitalized terms used in this Lease and not otherwise defined shall have the meanings referred to below.

"**Act**" - Means the United States Housing Act of 1937, as amended from time to time, and any subsequent legislation.

"**Additional Rent**" - See Section 18.1

"**Affiliate**" – shall mean with respect to any entity ("**first Entity**") (i) any other entity directly or indirectly Controlling, Controlled by, or under common Control with such first Entity, (ii) any officer, director, general partner, manager, member or trustee of such first Entity, or (iii) any officer, director, general partner, manager, member or trustee of any entity described in clauses (i) or (ii) of this sentence.

"**Agreement**" - shall mean this Lease.

"**AHAP**" See Article 1.

"**Base Rent**" - See Section 7.1.

"**Bureau**" - shall mean the Bureau of Conveyances for the State of Hawai'i. See Section 19.2.

"**Certificate of Insurance**" – See Section 9.1.

"**City**" - See Section 4.2

"**City Affordable Housing Declaration**" – shall mean that certain Declaration of Restrictive Covenants for Affordable Housing for the benefit of the City as of substantially even date herewith.

"**Commencement Date**" - See Basic Lease Information

"**Compliance Period**" – shall mean the compliance period as defined in Internal Revenue Code Section 42(i)(l)).

"**Control**" – shall mean the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of an entity, whether through ownership of voting securities, membership interests or partnership interests, by contract or otherwise, or the power to elect at least fifty percent (50%) of, as applicable, the directors, managers, managing partners or persons exercising similar authority with respect to the subject entity. The terms "Control," "Controlling," "Controlled by" or "under common Control with" shall have meanings correlative thereto.

"**Completion Date**" – Means _____, 202_, as may be extended with the Landlord's and Tenant's approval (such approval not to be unreasonably withheld, delayed, or conditioned) as a result of negotiated or required change orders requiring additional time to construct the Premises.

"**Condominium Documents**" – Means the Declaration of Condominium Property Regime dated [_____], and recorded in the Land Court as Document No. [_____], By-Laws of the Association of Unit Owners of Kuhio Park Low Rise dated [_____], and recorded in the Land Court as Document No. [_____], and Condominium Map No. [_____]and in the Bureau of Conveyances of the State of Hawaii, as Document No. [_____], as the same may be amended.

"**Controlling Interest**" - See Section 12.4

"**Conversion Date**" - shall mean the date upon which the Tenant converts from construction to permanent financing.

"**Debt Service Coverage Ratio**" – See Section 18.6(a).

"**Demised Premises**" – See Article 1.

"**Disposition and Development Agreement**" – See Article 1.

"**Entitlement Approvals**" – See Section 10.1.

"**Environmental Laws**" – See Exhibit C.

"**Environmental Report**" - See Section 5.1(g) and Exhibit E.

"**Event of Default**" - See Section 18.2.

"**Event of Default**" – See Section 18.2.

"**First Leasehold Mortgagee**" – shall mean Bank of Hawaii, a Hawaii corporation, as agent, together with its successors and assigns.

"**Fiscal Year**" – Means each fiscal year of Tenant.

"**Force Majeure Event**" – See Section 18.5.

"**Governmental Authorities**" - See Section 4.2.

"**HAP Contract**" - See Article 1.

"**Hazardous Materials**" – See Exhibit C.

"**HUD**" - See Article 1.

"**Improvements**" - Means all buildings, structures, and other permanent improvements now or hereafter erected on, over, or under the Demised Premises, including all walkway and road improvements, parking areas and facilities, landscaping improvements of whatever nature, utility and sewage lines (to the extent of Tenant's interest therein) and the appurtenances to all of the foregoing made in substantial accordance with the approved Plans and Specifications, as may be amended from time to time.

"**Investor Limited Partner(s)**" - Means the Tax Credit Investor, in their capacity as the investor limited partners of Tenant, and its successors and assigns.

"**Land Court**" – Means the Office of the Assistant Registrar of the Land Court of the State of Hawai‘i.

"**Landlord**" - See Preamble.

"**Lease**" - See Preamble.

"**Leasehold Mortgage**" - See Section 13.1

"**Leasehold Mortgagee**" - See Section 13.1

"**LIHTC**" – Has the meaning set forth in Recital E.

"**Limited Partnership Agreement**" – Means that certain Amended and Restated Limited Partnership Agreement of the Tenant of substantially even date herewith.

"**Management Agent**" - shall mean the management agent selected by Tenant and approved by Landlord, and its successors and assigns, which shall select the Property Manager to manage the Premises. The initial Management Agent shall be, and Landlord hereby approves, HCHP Property Management, LP, a California limited partnership.

"**Operating Budget**" – See Section 8.2.

"**Operating Expenses**" – Means all costs and expenses attributable to or incurred in connection with the operation, maintenance, and repair of the Demised Premises and Improvements.

"**PBV Requirements**" - See Article 1.

"**PBV Units**" - See Article 1.

"**Permitted Encumbrances** – Means all mortgages, easements, and other encumbrances permitted to exist with regard to the title to the Property, as set forth on Exhibit F, attached hereto and incorporated herein by this reference, or as otherwise jointly agreed to by Landlord and Tenant.

"**Plans and Specifications**" - Means all those plans and specifications for the Improvements to be constructed on the Demised Premises and all associated work, as approved by the Landlord, as may be amended from time to time.

"**Premises**" – Means the Demised Premises and the Improvements.

"**Property Manager**" - shall mean the property manager selected by the Management Agent and approved by Landlord, and its successors and assigns. The initial Property Manager shall be, and Landlord hereby approves, Michaels Management-Affordable, LLC, a New Jersey limited liability company.

"**Purchase Option and Right of First Refusal Agreement**" – shall mean the document negotiated between Landlord and Tenant, which sets forth the terms of the purchase option.

"**Redevelopment Agreement**" - See Article 1.

"**Regulatory Default**" — See Article 18.4(a).

"**Rent**" - Means, collectively, Base Rent and Additional Rent.

"**Sale**" – shall mean the sale of the leasehold interest in the Demised Premises and the Project.

"**Tax Credit Investor**" – shall mean RBC Community Investments, LLC, an Illinois limited liability company, and its permitted successors and/or assigns (the "**Limited Partner**"), RBC Community Investments Manager II, Inc., a Delaware corporation and its permitted successors and/or assigns (the "**Special Limited Partner**") and Berkadia Kuhio Park Low-Rise MTE LLC, and its permitted successors and/or assigns (the "**State Limited Partner**")].

"**Tax Credit Requirements**" - Means any applicable matters required by Section 42, the Hawaii Housing Finance and Development Corporation ("**HHFDC**") or any agreement with a condition of receipt of tax credits, whether or not such requirement is explicitly stated in Section 42, regulations thereunder, or HHFDC requirements.

"**Tax Credit Units**" - See Section 4.1.

"**Tenant**"- See Preamble.

"**Term**" - See Section 6.1.

"**Transfer**" - See Section 12.1.

"**Transferee**" – shall mean an entity, other than a Leasehold Mortgagee or any Affiliate of the Tenant, that becomes the Tenant hereunder following an assignment or sale of Tenant's interest in the Demised Premises and Improvements pursuant to foreclosure, deed-in-lieu of foreclosure, or which becomes the Tenant under a new lease pursuant to Section 13.12 herein.

"**Units**" - See Article 1.

ARTICLE 3- DEMISE OF LEASEHOLD INTEREST

Section 3.1 Lease to Tenant. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Demised Premises, upon the terms and conditions stated herein. The Demised Premises are leased:

(a) subject only to:

(i) any state of facts an accurate survey of the Premises would show;

(ii) any state of facts a personal inspection would show (provided, however, that Landlord is unaware of any latent defects to the Demised Premises not disclosed to Tenant);

(iii) the Permitted Encumbrances;

(iv) present and future zoning laws, ordinances, resolutions and regulations of any governmental authority and all present and future ordinances, statutes, laws, regulations and orders of all boards, bureaus, departments, agencies, commissions and bodies of any municipal, county, state or federal sovereign, or any applicable exemptions therefrom;

(v) the effect of all present and future municipal, state or federal laws, orders and regulations relating to the Tenant, sub-lessees or occupants of the Demised Premises;

(vi) rules and regulations contained in the Condominium Documents; and

(vii) rights of former residents of Kuhio Park Terrace Low Rise and Kuhio Homes to occupy the Demised Premises pursuant to the Relocation Plan and Management Plan.

(b) Together with the right to pass and repass over all existing and future ways and public areas located on, in or appurtenant to the Demised Premises and/or shown on the ALTA/ACSM Land Title Survey Subdivision Map set forth in Exhibit A, and the right to use such other portions of the Demised Premises and all utilities and service conduits and facilities thereon to facilitate the construction of the Improvements pursuant to the Plans and Specifications.

Section 3.2 Services by Landlord. Except as otherwise provided herein, it is expressly agreed that Landlord is not and shall not be required under this Lease to render any services of any kind to Tenant. Nothing herein shall modify the terms of any separate agreement between Tenant and Landlord.

Section 3.3 Quiet Enjoyment. Tenant, upon paying the Rent and other charges herein provided for and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Demised Premises during the term of this Lease without hindrance or molestation by anyone claiming by or through Landlord, subject, however, to the exceptions, reservations, and conditions of this Lease, including Permitted Exceptions.

ARTICLE 4- IMPROVEMENTS

Section 4.1 Improvements to be Constructed. Tenant shall construct the Improvements or cause the Improvements to be constructed on the Demised Premises, at its sole expense no later than the Completion Date, subject to a Force Majeure Event. Upon completion, the Improvements shall, subject to a Force Majeure Event, include a total of three hundred four (304) housing units (which includes two manager's units not subject to income restrictions) that shall be available for rental for the period required by the Tax Credit Requirements to households with incomes at or below sixty percent (60%) of the area median income (the "**Tax Credit Units**") at initial

occupancy. Of the Tax Credit Units, sixty-five (65) shall be PBV Units operated in accordance with the PBV Requirements as described by Section 8(o)(13) of the Act, as amended, and its implementing regulations and guidance as may be modified by HUD pursuant to and for the term of the HAP Contract applicable to the PBV Units and any extensions of that contract. Tenant shall take no action to effectuate any material amendments, modifications, or any other material alterations to the Plans and Specifications without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

Section 4.2 Compliance with Laws. The Improvements shall be constructed in good and workmanlike manner and conformance with all applicable laws, ordinances, codes, orders, rules, and regulations of all governmental authorities, agencies or departments having jurisdiction over the Improvements (collectively, "**Governmental Authorities**"), including, insofar as applicable, Landlord, the United States Government, including but not limited to HUD, the City and County of Honolulu (the "**City**"), and the State of Hawai'i.

Section 4.3 Approvals, Permits, and Licenses. Tenant shall apply for, assume all costs of, and prosecute, with reasonable diligence, all necessary approvals, permits, and licenses required for the construction, development, use, utility easements, operation, and occupancy of the Improvements, all in substantial accordance with the Plans and Specifications. Landlord agrees to cooperate with and publicly support Tenant's efforts to obtain such permits and licenses that are in substantial accordance with the Plans and Specifications. If required, Landlord shall consent and allow Tenant to apply for and prosecute, with reasonable diligence, all necessary approvals, permits, and licenses required for the construction, development, use, operation, and occupation of the Improvements, in the name of Landlord, at Tenant's sole cost and expense. Tenant shall ensure that the Improvements are built in substantial conformance with the Plans and Specifications, excepting any change required for compliance with building codes or other government health and safety requirements. Tenant must obtain Landlord's consent for any individual change order exceeding $50,000.00 and aggregate change orders exceeding $250,000.00. Additionally, Tenant shall cause its general contractor to procure and deliver to Landlord copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligation, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction of Phase I, and one hundred percent (100%) payment bond. Said bonds must be issued by an insurance company that is licensed to do business in the State of Hawai'i and has a rating equivalent to AAA or AA+ by an insurance company listed in the current year's Federal Register or as otherwise approved by Landlord. The labor and materials (payment) bond must name Landlord as a dual-obligee or assignee.

Section 4.4 Ownership of Improvements. Landlord and Tenant acknowledge and agree that during the entire Term, Tenant shall be the owner of the Improvements, and as such, Tenant shall be entitled to all depreciation deductions and LIHTCs and other benefits for income tax purposes relating to the Improvements and the Demised Premises. At the expiration of the Term by the passage of time or otherwise, indefeasible fee simple title in and to the Improvements shall automatically vest in Landlord.

Section 4.5 Public Improvements. Landlord hereby represents and confirms that the Demised Premises are currently serviced by Linapuni Street which is a public street owned by the City.

ARTICLE 5- REPRESENTATIONS AND WARRANTIES

Section 5.1 Landlord's Representations and Warranties. Landlord hereby represents and warrants to Tenant that

(a) Landlord owns fee simple good and marketable title to the Demised Premises, free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements, and other matters affecting title, except for the Permitted Encumbrances.

(b) Landlord has full right, power, and authority to make, execute, deliver, and perform its obligations under this Lease. Landlord has obtained all required and necessary consents and approvals to enter into this Lease with Tenant. The entry by Landlord into this Lease with Tenant and the performance of all of the terms, provisions, and conditions contained herein does not and will not violate or cause a breach or default under any agreement or obligation to which Landlord is a party or by which it is bound.

(c) There are no unpaid special assessments of which Landlord has received notice, or of which Landlord is otherwise aware for sewer, sidewalk, water, paving, gas, electrical or utility improvements or other capital expenditures, matured or unmatured, affecting the Demised Premises.

(d) Except for the right of the residents displaced as a result of Phase 1 or the Redevelopment as a whole as described in the Redevelopment Agreement, the Disposition and Development Agreement, and for the Purchase Option and Right of First Refusal Agreement executed on substantially even date herewith, Landlord is not obligated under any contract, lease, or agreement, oral or written, with respect to the ownership, use, operation, management, maintenance, lease, sale or financing of the Demised Premises, other than ongoing obligations pursuant to the Redevelopment Agreement, Multi-Phase Predevelopment Loan and/or the Phase Related Predevelopment Loan Agreement Kuhio Park Terrace Low Rise Phase 1.

(e) Except as disclosed to Tenant in writing, to the best of Landlord's knowledge, there is no action, suit, litigation, or proceeding pending or, to Landlord's knowledge, threatened against Landlord and/or the Demised Premises which could prevent or impair Landlord's entry into this Lease and/or performance of its obligations hereunder.

(f) The person signing this Lease on behalf of Landlord is duly and validly authorized to do so.

(g) Except as may be referenced in those environmental reports attached at Exhibit E hereto (the "**Environmental Report**"), to the best of Landlord's information, knowledge, and belief, there are no Hazardous Materials or underground storage tanks located in, on, or under the Premises. Except as may be referenced in the Environmental Report, to the best of Landlord's

information, knowledge, and belief, no notice from any governmental authority or any person has ever been issued to Landlord, its agents, or employees, claiming any violation of any Environmental Law with respect to the Premises.

(h) Landlord has received no notice and has no knowledge, nor has Landlord been otherwise advised, of any pending or threatened Condemnation (as herein defined) relating to all or any part of the Premises.

(i) There are no fee mortgages on the Premises, nor will Landlord place fee mortgages on the Premises, during the term of this Lease without the written consent of the Leasehold Mortgagees (as hereinafter defined).

Section 5.2 Tenant's Representations and Warranties. Tenant hereby warrants and represents to Landlord that:

(a) Tenant is a duly organized, lawfully existing limited partnership and is in good standing under the laws of the State of Hawai'i.

(b) Tenant has the full right, power, and authority to make, execute, deliver, and perform its obligations under this Lease.

(c) Tenant's execution and delivery of this Lease has been authorized by all requisite action on the part of Tenant and its general partner, and the execution and delivery of this Lease by Tenant and the performance of its obligations hereunder will not violate or contravene any agreement or obligation to which Tenant is a party or by which it is bound.

(d) There is no action, suit, litigation, or proceeding pending or, to Tenant's knowledge, threatened against Tenant or any Tenant Affiliate which could prevent or impair Tenant's entry into this Lease and/or the full and complete performance of its obligations hereunder.

(e) The person signing this Lease on behalf of Tenant is duly and validly authorized to do so.

ARTICLE 6- TERM

Section 6.1 Term of Lease. The term of this Lease shall be, unless sooner terminated in accordance with the provisions hereof, for a period commencing upon the Commencement Date and ending on [_____], 2095 (the "**Term**"), provided, however, that the Term may be extended for an additional five (5) years at the option of the Tenant, or Leasehold Mortgagee on behalf of the Tenant, by giving written notice to the Landlord at least six (6) months before the expiration of the Term.

ARTICLE 7- PAYMENTS BY TENANT

Section 7.1 Base Rent. The parties agree to account for this Lease as an operating lease for tax accounting purposes. During the Term, annual base rent ("**Base Rent**") shall be $[293,560.00] per annum, increasing annually at the rate of two percent (2%), beginning the year following the Conversion Date and continuing for the remainder of the Term, only to the extent of fifty-eight and seventy-five hundredths (58.75%) percent of the then available cash flow after payments of certain priority items as set forth, and in the manner and priority as set forth in, Section __ of the Tenant's Limited Partnership Agreement attached at Exhibit A-2 hereto (which, at all times, will provide that such cash flow available to pay Base Rent is determined after all senior indebtedness, including, but not limited to the debt due to First Leasehold Mortgagee). To the extent that available cash flow is insufficient to pay annual payments of the Base Rent, such unpaid amount shall accrue and be due and payable with the subsequent installment of the Base Rent. Any Base Rent for which there is insufficient cash flow available in any given year ("**Accrued Base Rent**") shall be deferred to the following year and be paid from subsequent years' cash flow (in the same priority) until paid in full and such amounts shall bear interest at the long-term Applicable Federal Rate (as such term is defined in Section 1274(d) of the Code) in effect as of the Commencement Date ("**Applicable Interest Rate**"). All Accrued Base Rent shall be due and payable by the Tenant (a) upon a Sale in accordance with Exhibit A-3 attached hereto (provided, however, such payment shall not extinguish Tenant's successor's obligation to pay all outstanding Accrued Base Rent pursuant to subsection and (b) of this section) and (b) on the last day of the Term (as may be extended pursuant to Section 6.1 above), on which date Accrued Base Rent shall be due and payable in full. The parties acknowledge and agree that the Base Rent provided herein constitutes fair market rent for the right to use the Demised Premises (for the avoidance of doubt, excluding those related to the Mortgagee or any foreclosure and/or sale out of foreclosure to a third party), and agree to account for payment thereof as an expense for tax and accounting purposes. Base Rent and Accrued Base Rent are subordinate to the amounts due under the Leasehold Mortgages and the obligation to pay Base Rent and Accrued Base Rent is extinguished as provided in Section 13.5 hereof.

Section 7.2 Reserved.

Section 7.3 Payments by Tenant. Unless otherwise expressly set forth in this Lease, during the Term, all costs, expenses, liabilities, charges, or other deductions whatsoever with respect to the Demised Premises and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use, or occupation of the Demised Premises or the Improvements or both, or with respect to any interest of Landlord in the Demised Premises or this Lease, shall be the responsibility of and paid by Tenant.

ARTICLE 8- TAXES: OPERATING EXPENSES

Section 8.1 Taxes. During the Term, Tenant shall pay any real property taxes which are assessed against the Premises by any taxing authority and any payments required by any cooperation agreement providing for payments in lieu of taxes which now exist or at any time in the future may be entered into by Tenant with the City. Landlord has paid and shall pay all other local, state, or federal taxes assessed against Landlord, if any; local, state, or federal capital levy of Landlord, if any; or sales, excise, franchise, gift, estate, succession, inheritance taxes, of Landlord, if any.

Section 8.2 Operating Budget. Tenant shall provide Landlord, not later than sixty (60) days before the beginning of each Fiscal Year, a proposed operating budget for the Demised Premises (the "**Operating Budget**") for review and written approval. The proposed Operating Budget shall set forth (a) the projected operating income and Operating Expenses for the Demised Premises, (b) the proposed capital replacements and expenses, and (c) the proposed withdrawals from various reserves, including but not limited to, the capital replacement reserve (as defined in Tenant's Limited Partnership Agreement), to meet capital and operating requirements. Landlord will respond to the proposed Operating Budget within forty-five (45) days. If the Landlord fails to respond within forty-five (45) days, Tenant shall issue the Landlord a notice providing it with five (5) days to respond ("**5-Day Notice**"). If the Landlord fails to respond by close of business on the fifth (5^{th}) day of the 5-Day Notice, the Tenant may operate for that Fiscal Year under an Operating Budget that does not exceed 103% of the Operating Budget for the prior Fiscal Year. Landlord and Tenant agree to cooperate to resolve any differences regarding the proposed Operating Budget. To the extent that the parties have not agreed to an Operating Budget within the schedule required by this Lease and the Tenant has proposed an Operating Budget pursuant to this Lease, the Tenant may follow the Operating Budget as approved by the Landlord for the previous year. If the Tenant fails to propose an Operating Budget in accordance with this Lease, the Tenant may operate the Project at 97% of the Operating Budget for the prior Fiscal Year. Once the Operating Budget is approved by the Landlord, Landlord shall have the right to propose reasonable amendments to the Operating Budget. In addition, Tenant shall be required to annually submit to Landlord a copy of audited financial statements for Phase I within one hundred twenty (120) days following the end of each Fiscal Year during the Term; provided however, that for any Fiscal Year in which a building included in the Premises is placed in service under Section 42 of the Code, Tenant shall be required to submit such financial statements to the Landlord within one hundred eighty (180) days following the end of such Fiscal Year. Landlord shall have the right to inspect all books and records related to the development, operation, and management of Phase I. To the extent that the Tenant's Limited Partnership Agreement requires the prior written consent of the Tax Credit Investor, the Tenant shall be solely responsible for obtaining such consent within the schedule required by this Lease and the Tenant's Limited Partnership Agreement.

Section 8.3 Adjustments. Residential tenant rents and other revenues, taxes, and Operating Expenses, payable with respect to the Premises for the month in which the Commencement Date occurs shall be prorated as of the Commencement Date. Residential tenant rents and other charges which at the Commencement Date are past due shall not be prorated and Tenant shall retain those amounts, as and when collected by Tenant. The right to receive and collect all residential tenant rents and profits, delinquent or otherwise, shall be transferred to Tenant as of the Commencement Date. Tenant shall provide Landlord with a status report as to the collection of delinquent residential tenant rents each month for three months after the Commencement Date.

All other income and Operating Expenses of the Premises, including, without limitation, public utility charges, maintenance, management, and other service charges, and all other normal operating charges shall be prorated as of the Commencement Date based upon the best available information. The obligation of the parties to adjust, post-Commencement Date, Operating Expenses as of the closing date, to the extent unknown or not provided for at the execution of this Lease, shall be paid by the party responsible therefor within thirty (30) days after written demand has been made. Such demand shall include a copy of the invoice(s) for which payment or reimbursement is sought.

ARTICLE 9- INSURANCE

Section 9.1 Tenant's Insurance.

(a) Tenant agrees, at its sole expense, to procure and maintain at all times during the term of this Lease the types of insurance specified in Exhibit B hereto, and on the terms specified below, to protect Landlord from the liability arising from the negligence of the Tenant, its officers, subcontractors, joint venture, members, partners, agents or employees. The insurance carriers used by Tenant must be authorized to conduct business in the State of Hawai'i and shall have a BEST Rating of not less than an "A-" except where noted. The insurance provided shall cover all operations under this Lease, whether performed by Tenant, its agents, or its subcontractors. In the event of the failure or insolvency of any insurer of Tenant which results in the failure of such insurer to pay for a claim that would otherwise be covered under Tenant's policy of insurance with the same, Tenant shall indemnify and hold Landlord harmless from and against any claims, suits, liability and damages which might result therefrom, including but not limited to reasonable attorneys' fees and the costs of defending the same.

(b) Certificates of Insurance. Before the issuing of the Notice to Proceed by the Landlord, Tenant and its Sub-Contractors shall furnish Landlord with satisfactory evidence (subject to the approval of Landlord) that Tenant and its Sub-Contractors have the insurance coverage set forth in Exhibit B, and which shall name Landlord and the State of Hawai'i as additional named insureds. Tenant will immediately provide written notice to the Landlord should any of the insurance policies evidenced on its Certificate of Insurance form be canceled, limited in scope, or not renewed upon expiration.

(c) All insurance policies shall contain the following clauses:

(i) "The State of Hawai'i, the HPHA, its elected and appointed officials, officers, and employees are added as additional insured with respect to operations performed for the State of Hawai'i and HPHA."

(ii) "It is agreed that any insurance maintained by the State of Hawai'i will apply in excess of, and not contribute with, insurance provided by this policy."

Tenant shall advise all insurers of the contract provisions regarding insurance and other requirements of this Lease. The failure of Tenant to notify insurers of the contract provisions shall not relieve Tenant from its insurance obligations under this Lease. Nonfulfillment of the insurance provisions shall constitute a breach of this Lease and the Landlord retains the right to stop work until satisfactory evidence of insurance is provided.

(d) Renewal Certificates of Insurance, requested endorsements, or such similar evidence is to be received by the Landlord before the expiration of insurance

coverage. At the Landlord's option, following non-compliance and reasonable opportunity to cure (but no less than fifteen (15) days) the Landlord may purchase insurance on behalf of Tenant and will charge back all costs to Tenant. The receipt of any certificate does not constitute agreement by the Landlord that the insurance requirements in the Lease have been fully met or that the insurance policies indicated on the certificate comply with the requirements of the Lease. The Tenant shall provide thirty (30) days written notice to be given to Landlord if coverage is to be substantially changed, canceled, or non-renewed.

(e) If any of the required insurance is underwritten on a claims-made basis, the retroactive date shall be before or coincident with the date of this Lease and the Certificate of Insurance shall state the coverage is "claims made" and also the Retroactive Date. Tenant shall maintain coverage for the duration of this Lease. Any extended reporting period premium (tail coverage) shall be paid by Tenant.

(f) Not less than annually, Tenant shall provide to Landlord certificate(s) of insurance naming Landlord as an additional insured, and a certified copy of the insurance policies obtained pursuant hereto. It is further agreed that Tenant shall provide Landlord thirty (30) days prior written notice if any of the following conditions occur: aggregate erosion in advance of the Retroactive Date, cancellation, and/or non-renewal.

(g) Tenant shall require all subcontractors to carry the insurance required herein or Tenant may provide the coverage for any or all of its subcontractors, and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined in this Section 9.1. Evidence of such coverage must be submitted to Landlord not later than fifteen (15) days before the date on which such subcontractor is to begin work on the Demised Premises.

(h) Tenant expressly understands and agrees that any insurance or self-insurance programs maintained by Landlord shall be only for the benefit of Landlord and shall apply in excess of and will not contribute with insurance provided by Tenant under this Lease.

Section 9.2 Waiver of Insured Claims. Each of Landlord and Tenant hereby waives the right of recovery against the other for loss or injury against which the waiving party is protected by insurance, but only to the extent of such insurance.

ARTICLE 10- USE OF DEMISED PREMISES: COVENANTS RUNNING WITH THE LAND

Section 10.1 Permitted Use. Tenant will cause the Demised Premises to be used only in the manner permitted by the following, each and to the extent applicable to the Demised Premises: (i) any documents including modifications, renewals, or replacements required by the Tax Credit Requirements including the Extended Low-Income Housing Commitment recorded or to be

recorded in the land records of the City, to which reference may be had; (ii) any documents including modifications, renewals or replacements required by the HAP Contract applicable to the Project Based Section 8 program pursuant to the U.S. Housing Act of 1937, as amended, including the PBV Requirements; (iii) any Condominium Documents, including modifications, renewals or replacements thereof, recorded or to be recorded in the Land Court and the Bureau; (iv) any approvals under Haw. Rev. Stat. 201H-38 and associated regulatory agreements ("**Entitlement Approvals**"); (v) the Section 18 Use Agreement; and (vi) any documents including modifications, renewals, or replacements required by the City's Affordable Housing Fund, including the City Affordable Housing Declaration. Such covenants contained herein are intended to create covenants running with the land and shall also be binding upon Tenant's successors and assigns, including any entity which succeeds to Tenant's interest in the Demised Premises by foreclosure or an instrument in lieu of foreclosure, so long as such covenant remains in effect.

Section 10.2 Compliance with Laws. Tenant shall not use or occupy, or suffer or permit any portion of the Premises to be used or occupied, in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirements. Tenant shall comply with applicable laws and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body having jurisdiction over the Premises.

Section 10.3 Management Agent and Property Manager. Landlord has approved (a) the Management Agent and Property Manager, (b) that certain management agreement between the Tenant and the Management Agent dated _____ ("**Management Agreement**"), and (c) that certain management agreement between the Management Agent and Property Manager dated ____ ("**Property Management Agreement**" and together with the Management Agreement the "**Property Management Documents**"). The Tenant shall require the Management Agent and the Property Manager to manage the Project in compliance with the requirements of this Lease. Any material amendment to the Property Management Documents or substitution or replacement of the Management Agent or Property Manager is subject to the approval of the Landlord, which shall not be unreasonably withheld.

ARTICLE 11- ENVIRONMENTAL COVENANTS AND INDEMNITIES

Section 11.1 Tenant's Environmental Covenants. Without limiting any of Tenant's other covenants, agreements, and obligations set forth in this Lease, Tenant hereby specifically covenants and agrees to fulfill the obligations set forth below with respect to environmental matters:

(a) Tenant shall comply with all Environmental Laws (as defined in Exhibit C) applicable to Tenant's use of the Premises. All required governmental permits and licenses issued to Tenant and associated with the Premises and the Improvements shall remain in effect or shall be renewed promptly, and Tenant shall comply therewith. All Hazardous Materials present, handled, generated, or used by Tenant on the Premises which are removed from the Premises by Tenant shall be transported and disposed of lawfully.

(b) Tenant shall provide Landlord with copies of all forms, notices, and other information received by or on behalf of Tenant concerning any releases, spills, or other incidents relating to Hazardous Materials or any violations of

Environmental Laws at or relating to the Premises when and as supplied to any government agency.

(c) Tenant shall not itself, and Tenant shall not permit any other person, including third parties with whom Tenant contracts in regard to this Lease, to bring onto the Premises any Hazardous Materials (other than quantities or such substances, including gasoline, diesel fuel, cleaning products and the like, as are customary and necessary to prosecute construction of the Improvements, any repair, maintenance or replacement thereof, and customarily used by residential tenants when living in and maintaining their units). Tenant shall be liable for the consequences of, and responsible for proper removal and lawful disposal, at its sole cost and expense, any Hazardous Materials brought onto the Premises by Tenant, its agents, contractors, subcontractors, servants, employees, or invitees, resulting from a default under this Section and shall be responsible for all costs and expenses associated with the remediation of any such Hazardous Materials on the Premises.

(d) If Tenant or any subcontractor encounters any Hazardous Materials on the Premises, Tenant shall immediately notify Landlord in writing and comply with all laws, ordinances, regulations, and orders of all governmental, regulatory, and other public and quasi-public agencies, authorities, and entities having jurisdiction over the same with respect thereto.

Section 11.2 Landlord's Environmental Covenants. Without limitation of any of Landlord's other covenants, agreements, and obligations under this Lease, Landlord hereby specifically covenants and agrees to fulfill the responsibilities set forth below with respect to environmental matters:

(a) From and after the Commencement Date, Landlord shall not be liable for any Hazardous Materials on the Premises unless the Landlord or its agents, contractors, or employees caused such Hazardous Materials to be on the Premises after the Commencement Date, or the Landlord had actual knowledge of such Hazardous Materials and failed to disclose the same to Tenant and Michaels in writing before the Commencement Date, or such Hazardous Materials are brought onto the Premises by the Landlord or any of its agents, contractors or employees after the Commencement Date.

(b) Landlord shall comply with all Environmental Laws applicable to Landlord relative to the Premises. All required governmental permits and licenses issued to Landlord and associated with the Premises shall remain in effect or shall be renewed promptly, and Landlord shall comply therewith.

(c) Landlord shall provide Tenant with copies of all forms, notices, and other information received by or on behalf of Landlord concerning any releases, spills, or other incidents relating to Hazardous Materials or any violations of Environmental Laws at or relating to the Premises when and as supplied to any governmental agency.

(d) Without limiting any responsibilities of the Landlord and Tenant under this Lease, to the extent there are any unforeseen remediation costs with respect to the Premises, Landlord will work in good faith with the Tenant to identify third-party funding sources to pay for such unforeseen remediation costs.

Section 11.3 Tenant's Environmental Indemnity Tenant covenants and agrees to and shall indemnify, defend and hold Landlord free and harmless from and against any losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses (including reasonable attorneys' fees and expenses) which may at any time be imposed upon, reasonably incurred by or asserted or awarded against Landlord in connection with or arising from:

(a) any Hazardous Materials which are first placed on, in, or under all or any portion of the Premises by Tenant its agents, contractors, subcontractors, servants, employees, or invitees during the period defined herein as the Term; or

(b) any violation of any Environmental Laws by Tenant, or its employees, agents, contractors, or subcontractors at or relating to the Premises.

(c) Tenant shall indemnify and hold harmless Landlord, its officers, employees, agents, contractors, and directors from all claims, actions, demands, costs, expenses, and attorneys' fees arising out of, attributable to or otherwise occasioned, in whole or in part, by an act or omission of Tenant or its agents, contractors, subcontractors, servants, employees, or invitees, which shall constitute a breach of the Tenant's obligations under this Lease. If any party performing work for the Tenant on the Premises shall assert any claim against the Landlord on account of any damage alleged to have been caused because of the negligent acts or intentional misconduct of the Tenant, its agents, servants, employees, invitees or contractors (including, without limitation, its construction contractor), Tenant shall defend at its own expense any suit based upon such claim, and if any judgment or claim against Landlord shall be allowed, Tenant shall immediately pay or satisfy such judgment or claim and pay all costs and expenses in connection therewith. The obligations, indemnities, and liabilities of Tenant under this Section 11.3 shall not extend to any liability caused by the negligence of Landlord, or its officers, employees, directors, contractors, representatives, invitees, or agents, nor to any Hazardous Materials with respect to which the Landlord had actual knowledge but did not disclose in writing to Tenant nor to any pre-existing conditions existing prior to the Effective Date and discovered after the Effective Date and not previously disclosed to the Tenant. Tenant's liability hereunder shall not be limited to any provisions or limits of insurance set forth in this Lease. Tenant shall not be liable for any claims that result from the action or inaction of Landlord or its officers, employees, directors, contractors, representatives, invitees, or agents with respect to their obligations under this Lease or any other agreement between the parties.

Section 11.4 Intentionally Omitted.

Section 11.5 Survival. The agreements, representations, and warranties of Landlord and Tenant respectively in this Article 11 shall survive the expiration or early termination of this Lease.

ARTICLE 12- ASSIGNMENTS AND TRANSFERS

Section 12.1 Consent Required. Except as expressly provided herein, Tenant shall not, without the prior written consent of Landlord, assign, transfer or otherwise convey this Lease or any interest herein or in the Premises or the Improvements (a "**Transfer**"), except insofar as permitted by, and subject to the terms and conditions of, applicable laws and regulations. Any attempted assignment by Tenant without such consents, except for a transfer to Landlord, shall be null and void without further action required by Landlord. Subleases of the residential units or commercial space in the Improvements to residential or commercial tenants, respectively, is permitted.

Section 12.2 Subsequent Assignment. In cases where Landlord's consent is required, Landlord's consent to one Transfer shall not be construed as a waiver of the requirement of its consent to any subsequent assignment.

Section 12.3 Request for Consent. If Tenant requests Landlord's consent to a specific Transfer, Tenant shall provide to Landlord such information as may reasonably be required by Landlord.

Section 12.4 Transfer by Tenant. It shall be deemed to be a Transfer requiring the approvals set forth in Section 12.1 above upon any attempt by Tenant to (a) demolish all or any material portion of the Improvements, or (b) make or permit any voluntary or involuntary, total or partial, sale, lease, assignment, conveyance, mortgage, pledge, hypothecation, encumbrance, or other transfer of any portion or all of the Demised Premises without the prior written consent of Landlord, which Landlord consent shall not be unreasonably conditioned, withheld or delayed. Notwithstanding anything in this Lease to the contrary, by its execution of this Lease, Landlord shall be deemed to have consented to (i) a lease of any unit in the Premises, (ii) the execution, delivery, and recordation of the Leasehold Mortgages (as hereinafter defined), and the lien created thereby, (iii) the transfer of Tenant's leasehold interest in the Demised Premises and fee ownership interest in the Improvements by foreclosure or deed or assignment in lieu thereof (or any leasehold equivalent thereof) pursuant to a mortgage of the Premises that has been approved by Landlord (including the Leasehold Mortgages), and (iv) normal uses associated with the construction and operation of the Premises, including, without limitation, granting utility easements, access easements, and/or similar type easements.

No transfer, conveyance, or assignment shall be made, without the prior written approval of the Landlord, of (i) any interest of a general partner, or controlling stockholder (any such interest being referred to as a "**Controlling Interest**") in Tenant, or (ii) a Controlling Interest in any entity which has a Controlling Interest in Tenant, Tenant may sell its interest in this Agreement to a general partner pursuant to the Option to Purchase Agreement between the Tenant and the Tenant's general partner (the "GP Purchase Option Agreement") or otherwise and Tenant may effect transfers that are expressly authorized by the Tenant's Partnership Agreement, including without limitation, the removal of the general partner of Tenant for cause and the replacement thereof with a

substitute general partner selected by the Tax Credit Investor or an Affiliate thereof. The execution and delivery of the GP Purchase Option Agreement shall not constitute a default under this Lease. Transfers of the Tax Credit Investor's interest in Tenant or of interests in the Tax Credit Investor shall not be restricted this Lease. For purposes of this Lease, "Non-Controlling Interest" means limited partnership interests in the Tenant and/or interests in the Tax Creditor Investor).

Notwithstanding the foregoing, Landlord consent is not required for the transfer of (a) any interest in Tenant to an Affiliate of the General Partner, or (b) any Non-Controlling Interest in the Tenant (regardless of whether payment in full of all equity contributions has been made to Tenant) provided that the Tenant: (i) provides the Landlord with prior written notice of such transfer ("**Notice of Transfer – Non-Controlling Interest**") and (ii) certifies to the Landlord that the new partner, member or stockholder, as appropriate, remains obligated to fund its equity contribution in accordance with the terms of the Landlord-approved organizational documents of the Tenant. In addition, if the equity contributions have not been made to the Tenant in full, the Notice of Transfer – Non-Controlling Interest shall confirm that the transfer does not alter the obligation to contribute equity in accordance with the Limited Partnership Agreement.

Landlord will not unreasonably withhold, delay, or condition a request by Tenant for consent to an internal reorganization of the corporate, company, or partnership structure of Tenant or any members of Tenant, including the exercise by a partner of its right to remove the general partner and to designate a substitute general partner of tenant, member of Tenant under the terms of Tenant's Limited Partnership Agreement.

Notwithstanding the foregoing, the Landlord agrees that no prior approval is required for (i) the exercise by the Tax Credit Investor or its Affiliates of their rights to remove the general partner and to designate the Tax Credit Investor as the substitute general partner of Tenant under the terms of the Tenant's Limited Partnership Agreement, provided that the Landlord is given prior written notice of the default under the Limited Partnership Agreement and of the exercise of the removal and appointment right therein (the "**Notice**").

The Landlord's consent is not required for the pledge by the general partner of the Tenant to the Tax Credit Investor and/or a Leasehold Mortgagee (as hereinafter defined), and their successors and assigns, of the general partner's interest in the Tenant, as security for the performance of all of the general partner's obligations under the Limited Partnership Agreement and the approved mortgage loan (as and if applicable).

ARTICLE 13- LEASEHOLD FINANCING AND TAX CREDIT INVESTOR

Section 13.1 Right to Mortgage. On or about the date herewith, Tenant has granted one or more mortgages of its interest in the Lease to lenders (each, together with its successors and assigns, provided that it is not an Affiliate of Tenant, a "**Leasehold Mortgagee**") and, in connection therewith, has collaterally assigned this Lease to such lenders. Future mortgages of the Premises shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. In no event shall Landlord ever be required to execute any such mortgage or any note secured thereby or any other obligation securing any such note, or to subordinate Landlord's fee interest in the Demised Premises or any portion thereof to the lien of any such mortgage. The Leasehold Mortgagee(s) as of the date hereof are listed on Exhibit

D attached hereto and incorporated herein by this reference and each such Leasehold Mortgagee is entitled to the benefit of all protections grated to Leasehold Mortgagees under this Lease. Landlord hereby consents to the Assignments of Leases and Rents to such Leasehold Mortgagees.

Notwithstanding any provision of this Lease to the contrary, after the Commencement Date, Tenant may, subject to the written consent of Landlord (such consent not to be unreasonably withheld, delayed, or conditioned), refinance any loan which is superior and/or subordinate to the Leasehold Mortgages (as hereinafter defined), so long as (i) the principal balance of the superior and/or subordinate loan being refinanced ("**New Loan**") does not exceed the outstanding balance of the original superior and/or subordinate loan, as the case may be, at the time of such refinancing plus the reasonable cost of such refinancing, (ii) the maker of the New Loan is an institutional or governmental lender and (iii) the New Loan is on the then-existing market terms and conditions for loans of its type, and such terms and conditions are reasonably acceptable to Landlord, such acceptance not to be unreasonably withheld, delayed or conditioned. The parties agree that additional and/or substitute mortgages of the Premises shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. In no event shall Landlord ever be required to execute any such mortgage or any note secured thereby or any other obligation securing any such note, or to subordinate Landlord's fee interest in the Demised Premises or any portion thereof to the lien of any such mortgage.

Section 13.2 Consent Required for Termination and Amendments.

(a) No cancellation, termination, surrender, or modification of this Lease by agreement between Landlord and Tenant, shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee, which consent shall not be unreasonably withheld, conditioned, or delayed.

(b) The right of the Tenant to treat this Lease as terminated upon the Landlord's bankruptcy under Section 365(h)(A)(i) of Chapter 11 of the U.S. Bankruptcy Code or any successor statute may not be exercised by the Tenant without the expressed prior written consent of the Leasehold Mortgagee.

Section 13.3 Default Notice. Landlord, upon providing Tenant with any notice of default under this Lease shall at the same time provide a copy of such notice to every Leasehold Mortgagee of whom it has knowledge pursuant to notice from Tenant or pursuant to Exhibit D. From and after the date on which such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall, have the same cure period as Tenant plus an additional sixty (60) days, and shall have the option (but not the obligation) to remedy any default or cause the same to be remedied, as is given Tenant. Landlord shall accept such payment or performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes any and each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold Mortgagee for such purpose (nevertheless, the parties agree that such entry does not constitute possession of the Premises by a Leasehold Mortgagee). Further, as to any non-monetary default, Leasehold Mortgagee shall have one hundred eighty (180) days after receipt of such written notice from Landlord, and a reasonable time after the expiration of said one hundred eighty (180) days if it shall have commenced foreclosure or another appropriate proceeding in the nature thereof within said one hundred eighty

(180) day period and is diligently prosecuting the same, within which to endeavor to cure such default; and notwithstanding any other provision of this Lease, all rights of Landlord to terminate this Lease upon the default by Tenant are and shall continue to be at all times while Tenant is indebted to Leasehold Mortgagee, subject to and conditioned upon Landlord's first having given Leasehold Mortgagee written notice of such default and Leasehold Mortgagee's failure to cure such default within the time and upon the conditions stated above after receiving such written notice of default.

The Tax Credit Investor shall be deemed a third party beneficiary of the provisions of this Section 13.3 for the sole and exclusive purpose of entitling the Tax Credit Investor to exercise its rights to notice and cure, as expressly stated in this Section 13.3. The foregoing right of the Tax Credit Investor to be a third party beneficiary under this Lease shall be the only right of the Tax Credit Investor (express or implied) to be a third party beneficiary hereunder.

Section 13.4 Notice to Leasehold Mortgagee. Notwithstanding anything to the contrary contained herein, if any default or failure to provide required insurance shall occur which entitles Landlord to terminate this Lease, Landlord shall have no right to terminate this Lease except in accordance with the provisions of Section 18.3 hereof and Section 13.3.

Section 13.5 Assumption of Tenant's Obligations. For purposes of this Article 13, the making of a leasehold mortgage (a "**Leasehold Mortgage**" or "**Leasehold Mortgages**") to a Leasehold Mortgagee shall not be deemed to constitute a Transfer of this Lease or Tenant's interest created hereby, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of Tenant's interests under this Lease so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder, but a Leasehold Mortgagee may become the holder of Tenant's leasehold estate and fee ownership of the Improvements and succeed to Tenant's interest in this Lease by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any mortgage or the assignee or transferee of Tenant's interest in this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder prior to such Leasehold Mortgagee's actual possession of the Premises, but only for so long as such purchaser or assignee is the owner of Tenant's interest in this Lease and Tenant's fee ownership interest in the Improvements.

Notwithstanding anything to the contrary herein, no Leasehold Mortgagee or other Transferee that becomes the Tenant hereunder following a foreclosure, deed-in-lieu of foreclosure, or which becomes the Tenant under a new lease pursuant to Section 13.12 herein, shall have any obligation to pay Accrued Base Rent (or any related interest thereto) hereunder due as of the date that Leasehold Mortgagee or other Transferee that becomes the Tenant hereunder following a foreclosure, deed-in-lieu of foreclosure, or which becomes the Tenant under a new lease ("**Rent Accumulated by Prior Tenant**"). Any obligation to pay Rent Accumulated by Prior Tenant shall be extinguished upon such foreclosure, deed in lieu of foreclosure or execution of a new lease pursuant to Section 13.12 herein. For the avoidance of doubt, if a Leasehold Mortgagee or other Transferee becomes the Tenant hereunder following a foreclosure, deed-in-lieu of foreclosure, or which becomes the Tenant under a new lease

pursuant to Section 13.12 herein (a) such non-payment of Rent Accumulated by Prior Tenant shall not be an Event of Default hereunder and the lease this Lease shall continue as if such payments were made and (b) in no event will the Leasehold Mortgagee or its Transferee be required to cure the non-payment of any Rent Accumulated by Prior Tenant and (c) the obligation to pay Rent Accumulated by Prior Tenant shall not be reinstated at any point following a foreclosure, deed-in-lieu of foreclosure or execution of a new lease pursuant to Section 13.12 hereof; provided, however, the Leasehold Mortgagee or its Transferee shall not be relieved of the obligation to pay any Base Rent, Accrued Base Rent, and Additional Rent due after the Leasehold Mortgagee (or any related interest thereto) or its Transferee becomes the Tenant as described in this Section 13.5 except that in the case that the Leasehold Mortgagee becomes the Tenant hereunder following a foreclosure, deed-in-lieu of foreclosure or becomes the Tenant under a new lease pursuant to Section 13.12 herein, the Landlord agrees to forgo collection of the Base Rent and Accrued Rent for up to twelve months (beginning on the date the Leasehold Mortgagee becomes the Tenant) if there is not sufficient cash flow to pay Base Rent and Accrued Rent.

Section 13.6 Non-curable Defaults. Nothing in this Article 13 shall require any Leasehold Mortgagee or its designee as a condition to the exercise of rights provided under this Article 13 to cure any default of Tenant not reasonably susceptible of being cured by such Leasehold Mortgagee or its designee. The foregoing shall not be deemed to excuse a Leasehold Mortgagee from performing covenants relating to the condition of the Premises or other similar matters requiring access to and/or control of the Premises from and after such time as such Leasehold Mortgagee acquires Tenant's interest in this Lease and the actual possession of the Premises and Improvements by foreclosure or otherwise.

Section 13.7 No Merger. So long as any Leasehold Mortgage exists, unless all Leasehold Mortgagee(s) shall otherwise expressly consent in writing, the fee title to the Demised Premises and the leasehold estate of Tenant therein shall not merge by operation of law but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by any single owner, other than by termination of this Lease by Landlord in compliance with the provisions of this Article 13.

Section 13.8 Landlord's Fee to Remain Unsubordinated. Landlord and Tenant expressly acknowledge and agree that Landlord shall have no obligation under this Lease or otherwise to subordinate the fee title of Landlord in the Demised Premises or any rights of Landlord in this Lease to the leasehold estate of Tenant created by this Lease or to join any such mortgage or encumbrance or otherwise in any manner that would subordinate the fee title of Landlord in and to the Demised Premises or the interest of Landlord under this Lease. Notwithstanding anything herein to the contrary, Landlord agrees not to mortgage or otherwise encumber its fee interest in the Premises.

Section 13.9 Sale, Mortgage, or Conveyance of the Demised Premises. Upon any sale, mortgage, or conveyance of the fee interest in the Demised Premises by Landlord during the Term hereof, any such sale or conveyance of all or any part of the fee interest in the Demised Premises shall be subject to this Lease, and all of the provisions hereof.

Section 13.10 Notice to Tax Credit Investor. So long as any Tax Credit Investor is a limited partner of Tenant, Landlord agrees, simultaneously with the giving of each notice

hereunder, to give a duplicate copy thereof to such Tax Credit Investor; provided that a failure on the part of Landlord to give such notice to such Tax Credit Investor at its address set forth in Section 19.10 hereof, shall not affect the validity and effectiveness of the notice to the Tenant. Each Tax Credit Investor will have the same cure period as Tenant, plus thirty (30) days after the giving of the notice aforesaid to such Tax Credit Investor for remedying the default or causing the same to be remedied as is given Tenant after notice to such Tax Credit Investor plus an additional 30 days, and Landlord agrees to accept such performance on the part of such Tax Credit Investor as though the same had been done or performed by Tenant.

Section 13.11 Tax Credit Investor's Opportunity to Replace Tenant's General Partner. Landlord agrees that it will take no action to effect a termination of this Lease because of any Event of Default without first giving to each Tax Credit Investor named in Section 19.10 hereof or who has provided Landlord with written notice of such Tax Credit Investor's name and address, reasonable time, not to exceed sixty (60) days to replace Tenant's general partner and cause the new general partner to cure such default, provided, that (a) as a condition of such forbearance, the Landlord receives notice of the substitution of a new general partner of the Tenant within thirty (30) days following notice to the Tax Credit Investor, (b) the Tenant, following such substitution of general partner, shall thereupon proceed with due diligence to cure such Event of Default, and (c) if the Event of Default relates to the completion of construction of the Demised Premises or any part thereof or occupancy thereof, then the extended cure period shall be limited to the period, if any, before the date by which the Improvements or parts thereof must be placed in service in order to preserve LIHTCs for the Premises.

Section 13.12 Leasehold Mortgagee's Right to New Lease. In the event of the termination of this Lease before this Lease's expiration date (except pursuant to Article 17 hereof) whether due to rejection by Tenant or tenant's trustee in a bankruptcy proceeding or otherwise or the occurrence of an uncurable Event of Default, Landlord agrees, provided the Event of Default has been cured by the entitled party pursuant to Sections 13.3 or 13.10 above, or Section 13.6 applies, that it will enter into a new lease of the Demised Premises with the curing Leasehold Mortgagee or Tax Credit Investor, as applicable, for a period equal to the remainder of the Term, effective as of the date of such termination, at the Base Rent and Additional Rent and upon the covenants, agreements, terms, provisions and limitations herein contained; provided, however, such Leasehold Mortgagee or Tax Credit Investor (a) makes written request upon Landlord for such new lease within sixty (60) days from the date of notice of such termination, and (b) pays or causes to be paid to Landlord at the time of the execution and delivery of such new lease any sums which at the time of the execution and delivery thereof be due under this Lease but for such termination, and pays or causes to be paid any expenses including actual and reasonable attorneys' fees, court costs and costs and disbursements incurred by Landlord in connection with the execution and delivery of such new lease; *provided*, however, as provided in Section 13.5, the Accumulated Base Rent (and interest related thereto) shall not be due or payable as described therein. If Landlord receives more than one written request for a new lease in accordance with the provisions of this Section 13.12, then such new lease shall be entered under the request of the first lien leasehold mortgagee, and the rights hereunder of any leasehold mortgagee whose permitted mortgage is subordinate to the first lienholder's permitted mortgage shall be subordinated in order of their respective recorded priority.

Any new lease made under this Section 13.12 shall be and remain an encumbrance on the fee title to the Demised Premises having the same priority thereon as this Lease and shall without

implied limitation be and remain before any mortgage or any lien, charge, or encumbrance of the fee of the Demised Premises created by Landlord.

Section 13.13 No Personal Liability. No Leasehold Mortgagee, any successor or assignee thereof, or any purchaser at any sale of Tenant's interest under this Lease in any foreclosure proceeding shall ever have any liability under this Lease before it acquires record title to the Tenant's interest in the Lease and only so long as it holds record title.

Section 13.14 Priority of Leasehold Mortgages. If at any time there is more than one Leasehold Mortgage in existence, the following provisions shall govern (a) the most senior Leasehold Mortgagee may at its option exercise all rights of a Leasehold Mortgagee to the exclusion of any junior Leasehold Mortgagees should there be a conflict between Leasehold Mortgagees as to the exercise of such rights; (b) if the most senior Leasehold Mortgagee declines to exercise the rights granted hereunder or otherwise allows, any other Leasehold Mortgagee may exercise the rights, in order of priority. Any dispute among the Leasehold Mortgagees regarding priority shall be determined by a title insurance company licensed in the state where the Premises are located. Neither the title insurance company nor Landlord shall have any liability to Tenant or to any Leasehold Mortgagee for any such determination.

All rights granted to the Tax Credit Investor hereunder shall be terminated upon the foreclosure or deed in lieu of foreclosure by the First Leasehold Mortgagee.

ARTICLE 14- MAINTENANCE AND REPAIR

Section 14.1 Tenant's Obligations. Tenant shall, at its sole cost and expense (but nevertheless as a portion of Operating Expenses), maintain the Improvements, reasonable wear and tear excepted, and make repairs, restorations, and replacements to the Improvements, including without limitation, the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, structural, roof, walls, and foundations, and the fixtures and appurtenances to the Improvements as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Tenant, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements will be in quality and class, as elected by Tenant, either equal to the original work or installations, or otherwise consistent with the standard then applicable to residential apartment projects within the geographical area of the Improvements at such time, but in no event of less quality or class than the original work or installations. Unless Landlord, its representatives, agents, contractors, invitees, and/or employees were the cause of the need for the maintenance, repair, replacement, or improvement, Landlord shall not be required to perform or pay for any maintenance, or make or pay for any repairs, replacements, or improvements of any kind whatsoever to the Premises or the Improvements of any part thereof during the term of this Lease.

ARTICLE 15- ALTERATIONS

Section 15.1 Non-Structural Alterations. Except for the construction of the Improvements as currently planned, Tenant may make any non-structural alterations, additions, or improvements to the Improvements, without Landlord's consent.

Section 15.2 Structural Alterations. Tenant shall obtain the prior written consent of Landlord, which Landlord consent shall not be unreasonably withheld, conditioned, or delayed, for any structural alterations, additions, or improvements to the Improvements having a cost over $200,000 (such consent shall not be unreasonably withheld, delayed, or conditioned so long as, in the judgment of Landlord, such alterations, additions or improvements will not violate this Lease), unless carried out in accordance with the Plans and Specifications.

Section 15.3 No Liens. Tenant shall not have any right, authority or power to bind Landlord, the Premises or any other interest of Landlord in the Demised Premises and will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Premises, for any claim for labor or material or any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements (unless caused by Landlord, its representatives, agents, contractors, and/or employees) or any change, alteration or addition thereto done by Tenant or caused to be done by Tenant. Any lien that is not released or bonded over within ninety (90) days after the filing thereof shall constitute an Event of Default under Section 18.2. Landlord shall have the right to remove any such liens against the Premises, and to defend any action against the same, and Tenant shall reimburse Landlord for the cost of such removal, the costs of defending the same, including, but not limited to, attorneys fees in connection therewith.

Section 15.4 Permitted Contests. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the right to contest or object in good faith to any claim, demand, tax, imposition, lien, levy, assessment, or the like by appropriate legal proceedings that are not materially prejudicial to Landlord, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to Tenant's covenant to pay and comply with any such claim, demand, tax, imposition, lien, levy, assessment, or the like, unless Tenant shall have given prior written notice to Landlord of Tenant's intent to so contest or object thereto, and unless (i) Tenant pays when due any portion of the claim, demand, tax, imposition, lien, levy, assessment, or the like to which Tenant does not object, (ii) Tenant furnishes, if required, such bond, surety, insurance, undertaking or other security in connection therewith as reasonably required by Landlord, to stay such proceeding, (iii) Tenant at all times prosecutes the contest with due diligence, and (iv) Tenant pays, promptly following a final determination of the amount of such claim, demand, tax, imposition, lien, levy, assessment, or the like due and owing by Tenant, the amount so determined to be due and owing by Tenant. If Tenant contests any claim, demand, tax, imposition, lien, levy, assessment, or the like, as contemplated above, Landlord shall reasonably cooperate with Tenant, provided, however, Landlord incurs neither cost nor liability in connection with such cooperation.

ARTICLE 16- SURRENDER

Section 16.1 Expiration of Term. At the end of the Term of this Lease (whether upon the expiration or other termination), Tenant shall surrender the Demised Premises, together with the Improvements in their then "as-is" condition, provided that Tenant has maintained the Demised

Premises, (including without limitation any required casualty/condemnation restoration) under the terms of this Lease. At Landlord's option, Tenant shall execute a deed and a bill of sale for the Improvements at the time of such surrender.

ARTICLE 17- CASUALTY: CONDEMNATION

Section 17.1 Restoration, Casualty, or Condemnation. If any act or occurrence of any kind or nature shall result in material damage to or loss or destruction of the Improvements, in whole or in part, (including any taking by condemnation, sale in lieu of condemnation, or any other manner for any public or quasi-public purpose (collectively, "**Condemnation**"), or the Improvements are damaged or destroyed by fire, earthquake, flood, act of God or other casualty (collectively "**Casualty**")), and without diminution of any obligation of the Tenant in respect thereof under the approved Leasehold Mortgages, the Tenant, to the extent that insurance proceeds or condemnation proceeds and other funds, if any, made available (including, without limitation, by further advance under the approved Leasehold Mortgages) permit, shall promptly cause the restoration, reconstruction, and/or repair of the Improvements as nearly as possible to its value, condition, and character immediately before such taking or casualty. First Leasehold Mortgagee shall have the right to participate in the adjustment of losses as to Casualty insurance proceeds and all insurance proceeds shall be delivered to First Leasehold Mortgagee to be applied as provided in the First Leasehold Mortgage loan documents. In the event of a Condemnation, the amount to which Tenant is entitled shall be no less than the total amount of the Award reduced by the value of the land and Landlord's reversionary interest in the Improvements and Tenant's portion shall be delivered to First Leasehold Mortgagee to be applied as provided in the First Leasehold Mortgage loan documents. Landlord's portion shall be limited to the value of the land and its reversionary interest in the Improvements. First Leasehold Mortgagee shall have the right to supervise and control the receipt and disbursement of Condemnation awards, and the right to participate in any Condemnation proceedings and settlement discussions. Landlord shall have no right to terminate this Lease as a result of any Condemnation or Casualty without the approval of the Leasehold Mortgagees.

ARTICLE 18- DEFAULT; REMEDIES

Section 18.1 Landlord's Right to Perform.

(a) Landlord's Option. If Tenant fails to pay when due amounts payable under this Lease or to perform any of its other obligations under this Lease within the time permitted for its performance (following the expiration of all applicable notice and cure periods), then Landlord, after thirty (30) days' prior written notice to Tenant and without waiving any of its rights under this Lease, may (but will not be required to) pay such amount or perform such obligation.

(b) Additional Rent. All amounts so paid by Landlord under Section 18.1 of this Lease, and all reasonable out-of-pocket costs and expenses including reasonable legal fees and the costs of Landlord to enforce its rights hereunder, incurred by Landlord in connection with the performance of any

such obligations shall be payable by Tenant to Landlord within thirty (30) days after demand therefore and shall constitute "**Additional Rent**" with interest thereon at the Applicable Interest Rate per annum from the date of Landlord's having made each such payment or incurred each such cost or expense, and shall be payable by Tenant to Landlord. Landlord shall provide Tenant with invoices and other reasonable evidence of the amounts paid or incurred by Landlord in connection with the exercise of its rights under this Article.

Section 18.2 Events of Default. At the option of Landlord, the occurrence of any of the following events shall constitute an Event of Default by Tenant

(a) Tenant defaults in the due and punctual payment of any Additional Rent, and such default continues for thirty (30) days after written notice from Landlord;

(b) Subject to a Force Majeure Event, Tenant vacates or abandons the Demised Premises for more than thirty (30) consecutive days; provided, however, that if Tenant fails to occupy the Premises following a casualty, such failure in and of itself shall not be deemed an Event of Default under this Section 18.2(b);

(c) This Lease or the Demised Premises or any part of the Demised Premises are taken upon execution or by another process of law directed against Tenant, or are taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not discharged or bonded within sixty (60) days after Tenant receives notice of its levy;

(d) Tenant makes any assignment in violation of this Lease which is not cured within thirty (30) days after notice thereof to Tenant;

(e) Subject to Sections 18.4 with respect to any Regulatory Default, respectively (as each such term is defined herein), the failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant other than those described in Sections 18.2(a) through 18.1(e) above, if such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that it cannot be cured within such thirty (30) day period, no default shall be deemed to exist if Tenant commences the curing of the default promptly within such thirty (30) day period and thereafter diligently prosecutes the same to completion. The thirty (30) day notice described herein shall be in lieu of and not in addition to, any notice required under law now or hereafter in effect requiring that notice of default be given before the commencement of an unlawful detainer or other legal proceeding. Notwithstanding the foregoing, a notice of intent to cancel insurance coverage by an insurer shall be an Event of Default for which there shall be a fifteen (15) day cure period.

(f) Tenant has filed against it a petition for bankruptcy, insolvency, or similar action under state or federal law, and such petition shall not have been vacated within ninety (90) days after filing; or is adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, either state or federal, and such judgment or decree is not vacated or set aside within ninety (90) days after such determination.

(g) Tenant makes an assignment for the benefit of creditors, or shall submit in writing its inability to pay its debts generally as they become due.

(h) Any attachment, execution, or lien, other than a mortgage preapproved by Landlord, whether voluntary or involuntary, including mechanics liens, is filed against the Leased Premises and is not discharged or dissolved by a bond within ninety (90) days.

(i) Tenant files a voluntary petition for bankruptcy, insolvency, or similar action under state or federal law; or Tenant consents to, or acquiesces in, the appointment of a receiver, liquidator, or trustee of itself or the whole or any substantial part of its properties or assets or a court of competent jurisdiction enters an order, judgment or decree appointing a receiver, liquidator or trustee of Tenant, or the whole or any substantial part of the property or assets of Tenant, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for ninety (90) days;

(j) Tenant fails to comply with the insurance requirements under Article 9 which is not cured within thirty (30) days after notice thereof to Tenant.

Section 18.3 Landlord's Right To Terminate Upon Tenant Default. Subject to Leasehold Mortgagee's and Tax Credit Investor's rights under Article 13 (including the right to notice and cure), in the event of any Event of Default by Tenant exists as provided in Section 18.2 above, Landlord shall have the right without further notice or demand to Tenant except as provided in Section 18.2 (Tenant hereby irrevocably waiving all notices and demands except as provided in Section 18.2, statutory or otherwise), to terminate this Lease and Tenant's right to possession of the Demised Premises without terminating Tenant's liabilities under this Lease, in which event ownership of all of the Improvements shall immediately vest in Landlord and Landlord shall be entitled to receive from Tenant such amounts as may be permitted from time to time by applicable law. Notwithstanding anything herein to the contrary, if an Event of Default occurs under this Lease as a result of a bankruptcy filing by or against Tenant, the Landlord hereby agrees to terminate the Tenant's interest in this Lease and the Demised Premises while maintaining the existence of the Lease itself with the applicable Leasehold Mortgagee (at its option) acting as Tenant.

Landlord agrees not to take any action to terminate this Lease or exercise any other remedy with respect to the Premises at any time during the Compliance Period with respect to any building consisting a part of the Improvements, excluding any action for specific performance, mandatory injunctive relief, or similar equitable remedy to compel compliance by Tenant with the terms of this Lease.

Section 18.4 Regulatory Default. Notwithstanding anything herein to the contrary, the following shall apply to any failure by Tenant to observe or perform any provision of this Lease which would constitute an Event of Default under Article 10 hereof if not cured within the time period specified therein:

(a) Upon a determination by Landlord that Tenant has materially breached or defaulted on any obligation under Article 10 hereof (a "**Regulatory Default**"), Landlord shall notify Tenant of (i) the nature of the Regulatory Default, (ii) the actions required to be taken by Tenant to cure the Regulatory Default, and (iii) the time (a minimum of thirty (30) days or such additional period as may be reasonable under the circumstances but in no event more than ninety (90) days), within which Tenant shall respond with reasonable evidence to Landlord that all such required actions have been taken. During any period in which a Leasehold Mortgage is in place, Landlord shall give any Leasehold Mortgagee(s) of which Landlord has received notice from Tenant a duplicate copy of any notice described in this subsection in accordance with the provisions of Section 19.10 hereof, and Landlord shall grant to the Tax Credit Investor and any such Leasehold Mortgagee(s) the right to cure the Regulatory Default in accordance with the provisions hereof.

(b) If Tenant, the Management Agent or Property Manager (if applicable), the Tax Credit Investor, or the Leasehold Mortgagee (if applicable) shall have failed to respond or take the appropriate corrective action with respect to a Regulatory Default to the reasonable satisfaction of Landlord, the First Leasehold Mortgagee and the Tax Credit Investor within the applicable period, then Landlord shall have the right to seek appropriate equitable remedies (such as specific performance, injunctive relief, or the appointment of a receiver to take over and operate the Property from any court having jurisdiction), to cause the Demised Premises to once again comply with Article 10 and Section 18.4.

(c) In addition to and not in limitation of the foregoing, if Landlord shall determine that a Regulatory Default shall have occurred because of a default by Management Agent or Property Manager, and that Tenant (or, as applicable, the Management Agent or Property Manager) and the Leasehold Mortgagee(s) have failed to respond or take corrective action to the reasonable satisfaction of Landlord within the applicable cure period, then Landlord may require Tenant to, and Tenant shall promptly, take such actions as are necessary to terminate the appointment of Management Agent or Property Manager pursuant to the terms of its management agreement and to appoint a successor Management Agent or Property Manager of the Demised Premises, subject to any requirements of any Leasehold Mortgagee(s) and the Tax Credit Investor.

(d) The provisions of this Section 18.4 shall constitute the exclusive remedy of Landlord hereunder in the event of any such Regulatory Default (provided that such Regulatory Default, other than a default under Article 10 of this Lease, does not otherwise constitute a default under this Lease (i.e. Tenant's

failure to maintain insurance would otherwise constitute a default hereunder), and provided further that nothing herein shall impair or waive Landlord's rights under separate agreements between the parties). Accordingly, notwithstanding any provision to the contrary contained in this Agreement, the rights and remedies of Landlord because of the occurrence of any such Regulatory Default, shall be limited to those expressly set forth in this Section 18.4.

Section 18.5 Force Majeure Event If the Landlord or Tenant fails to perform one or more of its obligations under this Agreement, then that party's performance of that term, covenant, or act is excused for the period of the delay and the party delayed shall be entitled to perform such term, covenant or act within the appropriate period after the expiration of the period of such delay, if and to the extent that that party proves: (a) that its failure to perform was caused by an impediment beyond its reasonable control; and (b) that it could not reasonably have been expected to have taken the occurrence of the impediment into account at the time of the execution of this Lease; and (c) that it could not reasonably have avoided or overcome the effects of the impediment. The party invoking this clause shall be presumed to have established the conditions described in the preceding paragraph in the case of the occurrence of one or more of the following impediments: war (whether declared or not), armed conflict or the serious threat of the same (including but not limited to hostile attack, blockade, military embargo), hostilities, invasion, act of a foreign enemy, extensive military mobilization; civil war, riot, rebellion, revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience; act of terrorism, sabotage or piracy; act of authority whether lawful or unlawful, compliance with any law or governmental order, rule, regulation or direction, curfew restriction, expropriation, compulsory acquisition, seizure of works, requisition, nationalization; act of God or natural disaster such as but not limited to violent storm, cyclone, typhoon, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tidal wave, tsunami, flood, damage or destruction by lightning, drought; explosion, fire, destruction of machines, equipment, factories and of any kind of installation, prolonged break-down of transport, telecommunication or electric current; general labor disturbance such as but not limited to boycott, strike and lock-out, go-slow, occupation of factories and premises; shortage or inability to obtain critical material or supplies to the extent not subject to the reasonable control of the subject party ("**Force Majeure Event**"). This provision shall become effective only if the party failing to perform notifies the other party within a reasonable time of the extent and nature of the Force Majeure Event, limits delay in performance to that required by the Force Majeure Event, and takes all reasonable steps to minimize damages and resume performance.

ARTICLE 19- MISCELLANEOUS

Section 19.1 No Brokers. Landlord and Tenant represent and warrant to each other that neither has dealt with any broker or finder with regard to the Demised Premises or this Lease. Landlord and Tenant will each indemnify, defend, and hold the other harmless from and against any loss, liability, and expense (including attorneys' fees and court costs) arising out of claims for fees or commissions in connection with this Lease. This indemnification shall survive the termination of this Lease.

Section 19.2 Recordation. Landlord and Tenant shall record a memorandum of this Lease in the Bureau of Conveyances of the State of Hawai‘i ("**Bureau**"). At the expiration of the Term, Landlord and Tenant shall execute a quitclaim termination of Tenant's interest in this Lease.

Section 19.3 Transfer of Landlord's Interest. Landlord shall not voluntarily transfer all or any portion of its interest in Landlord's Estate if the same would cause a violation or breach of any legal requirement or any agreement or contract to which Landlord is a party by which Landlord is bound.

Section 19.4 No Waiver. No waiver of any condition or agreement in this Lease by either Landlord or Tenant will imply or constitute a further waiver by such party of the same or any other condition or agreement. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept such surrender will be valid unless in writing signed by Landlord. No payment by Tenant, nor receipt from Landlord, of a lesser amount than the Additional Rent, or other charges or fees due as stipulated in this Lease will be deemed to be anything other than payment on account of the same, and to the earliest due of the same. No endorsement or statement on any check, or any letter accompanying any check or payment as Rent, will be deemed an accord and satisfaction. Landlord will accept such check for payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy available to Landlord. Except as otherwise provided in this Lease, if this Lease is assigned, or if the Demised Premises or any part of the Demised Premises are sublet or occupied by anyone other than Tenant, Landlord may collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the Rent reserved in this Lease. No such collection will be deemed a waiver of the covenant in this Lease against assignment and subletting, or the acceptance of the assignee, subtenant, or occupant as Tenant, or a release of Tenant from the complete performance by Tenant of its covenants in this Lease.

Section 19.5 Joint and Several Liability. If Tenant or Landlord is composed of more than one signatory to this Lease, each party will be jointly and severally liable with each other party for payment and performance according to this Lease.

Section 19.6 Captions, Exhibits, Gender, Etc. The captions are inserted in this Lease only for convenience of reference and do not define, limit, or describe the scope or intent of any provisions of this Lease. The exhibits to this Lease are incorporated into this Lease and are a part hereof. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another.

Section 19.7 Entire Agreement. This Lease, including all attached exhibits, contains the entire agreement between Landlord and Tenant with respect to its subject matter. Except for those which are specifically set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to one another with respect to this Lease. In the event of any inconsistency between this Lease and the documents executed in connection with any Leasehold Mortgage with Landlord acting as the Leasehold Mortgagee, this Lease shall control.

Section 19.8 Amendment. This Lease may be amended only by a written instrument executed by Landlord and Tenant (subject to the rights of any Leasehold Mortgagee, and/or the Tax

Credit Investor, as applicable), the approval of which both Landlord and Tenant mutually agree not to unreasonably withhold, delay or condition.

Section 19.9 Severability. If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected and shall continue in full force and effect; and in lieu of each provision found to be illegal, invalid, or unenforceable, there will be added to this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible.

Section 19.10 Notices. Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease shall be in writing and shall be deemed given when received, if (i) delivered by hand, (ii) sent by registered or certified mail, return receipt requested, (iii) sent by recognized overnight delivery service such as Federal Express, or (iv) transmitted by facsimile or electronic mail, provided such notice is also sent simultaneously in the manner provided for in (i), (ii), or (iii) above, addressed as follows:

If to Tenant:	KPLR Phase 1, LP c/o Highridge Costa Development Company, LLC 330 West Victoria Street Gardena, CA 90248 Attn: Mohannad H. Mohanna, President
With copies to:	Settle Meyer Law LLLC Pioneer Plaza 900 Fort Street Mall, Suite 1800 Honolulu, Hawai‘i 96813 Attn: Scott W. Settle
and	Cox, Castle & Nicholson LLP 50 California Street, Suite 3200 San Francisco, California 94111 Attn: Christian D. Dubois
If to Landlord:	Hawaii Public Housing Authority 1002 N. School St. P.O. Box 17907 Honolulu, Hawai’i 96817 Attn: Executive Director Fax: (808) 832-4679
With copies to:	Reno & Cavanaugh, PLLC 455 Massachusetts Avenue, NW Suite 400 Washington, DC 20001 Attn: Megan Glasheen, Esq. Fax: (202) 783-0550

and:	Department of the Attorney General, State of Hawai‘i 425 Queen Street Honolulu, Hawai‘i 96813 Attn: Linda L.W. Chow
If to Investor Limited Partner(s):	c/o RBC Community Investments, LLC 600 Superior Avenue, Suite 2300 Cleveland, Ohio 44114 Attention: President and General Counsel
With a copy to:	Bocarsly Emden Cowan Esmail & Arndt LLP 633 West 5th Street, Suite 5880 Los Angeles, CA 90071
and:	Berkadia Kuhio Park Low-Rise MTE LLC c/o Berkadia Affordable Tax Credit Solutions Two Liberty Place 50 South 16th Street Philadelphia, PA 19102 Attention: Managing Director
With a copy to:	Nixon Peabody LLP Exchange Place 53 State Street Boston, MA 02110 Attention: Roger W. Holmes
If to Leasehold Mortgagee:	As listed in Exhibit D

A party may change its address by giving written notice to the other party as specified herein. Set forth in Exhibit D attached hereto are notice addresses for the Leasehold Mortgagee(s) and the Tax Credit Investor(s), as of the date hereof.

Section 19.11 Litigation Fees. Tenant shall be liable for the reasonable and actual legal expenses of Landlord in connection with any collection of Additional Rent or other impositions owed under this Lease, the remedying of any default under this Lease, or any termination of this Lease where such collection, remedying or termination results from an Event of Default. Payment of any litigation cost or expense shall be determined by applicable state and federal law and may be subject to HUD approval. Settlement of any such litigation may be subject to HUD's approval.

Section 19.12 Waiver of Jury Trial. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on all matters arising out of this Lease.

Section 19.13 Governing Law and Venue. This Lease will be governed by and construed in accordance with the internal laws of the State of Hawai‘i, without regard to principles of conflicts of laws.

Section 19.14 Binding Effect. This Lease will inure to the benefit of, and will be binding upon, Landlord’s successors and assigns except as otherwise provided in this Lease. This Lease will inure to the benefit of, and will be binding upon, Tenant’s successors and assigns so long as the succession or assignment is permitted under the terms of this Lease. Leasehold Mortgagees and Tax Credit Investor are intended third-party beneficiaries of this Lease.

Section 19.15 Cumulative Rights. Except as expressly limited by the terms of this Lease, all rights, powers, and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 19.16 Relationship of Parties. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a principal-agent relationship exist between them. Nothing contained in any agreement or contract between the parties hereto, nor any act of HUD, Landlord, or Tenant will be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD.

Section 19.17 Non-Merger. Except upon expiration of the Term or termination of this Lease under an express right of termination set forth herein, there shall be no merger of either this Lease or Tenant’s estate created hereunder with the fee estate of the Demised Premises or any part thereof because of the fact that the same person may acquire, own or hold, directly or indirectly, (x) this Lease, Tenant’s estate created hereunder or any interest in this Lease or Tenant’s estate (including the Improvements), and (y) the fee estate in the Demised Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Landlord, having an interest in (1) this Lease or Tenant’s estate created hereunder, and (2) the fee estate in the Demised Premises or any part thereof; shall join in a written instrument affecting such merger and shall duly record the same.

Section 19.18 Counterparts. This Agreement may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute the same instrument.

Section 19.19 Limited Liability. Tenant shall look solely to Landlord’s interest in the Demised Premises for the satisfaction of any claims against Landlord or its employees, agents, or assigns for the satisfaction of any claims arising under this Lease. Notwithstanding anything contained in this Lease to the contrary, no partner, member, officer, director, employee, or agent of Tenant, or any affiliate thereof, shall be personally liable to Landlord, or any successor in interest or person claiming by, through or under Landlord for any default, obligation, or breach, or for or on account of any amount that may become due, or in any claim, cause or action whatsoever under the terms of this Lease.

Section 19.20 Cooperation. Landlord and Tenant agree that they will cooperate in all respects in furtherance of the Demised Premises and Phase I. In particular, Landlord recognizes that the nature of the redevelopment process and the varied sources of project funding make it

extremely difficult to anticipate every potential provision that may be required in this Lease. From time to time, Tenant may request modifications to the Lease to satisfy the requirements of financing sources, which financing sources including without limitation, private lenders, equity sources, and government agencies. Landlord will use all reasonable efforts to accommodate the requests of such financing sources and will not unreasonably withhold, condition, or delay its approval and execution of modifications to this Lease which do not materially and adversely alter the basic terms hereof. Nothing herein shall impose upon Landlord any requirement to approve any modification or amendment to the Lease which would violate or contravene any applicable laws or any contract or agreement to which Landlord is a party or which is binding on Landlord. Landlord agrees that it will, upon request of Tenant, from time to time, but not more frequently than once a year, enter into an amended and restated lease combining into one document the entire Lease and all amendments and modifications theretofore entered into.

Section 19.21 Estoppel Certificate. Each party agrees from time to time, upon no less than twenty (20) days prior written notice from the other or upon request from any Leasehold Mortgagee or any permitted assignee, to execute, acknowledge, and deliver to the other or to such Leasehold Mortgagee or assignee a statement certifying to its knowledge that (i) this Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) the dates to which the Rent has been paid, and that no additional Rent or other payments are due under this Lease (or if additional Rent or other payments are due, the nature and amount of the same); and (iii) whether there exists any uncured default by the other party or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim. Any such statement delivered under this Section 19.21 may be relied upon by any prospective purchaser or holder of a mortgage of the leasehold interest hereunder from Tenant or any prospective assignee of any such holder of a Leasehold Mortgage.

Section 19.22. Progress Reports. Until Tenant is entitled to the issuance of a Certificate of Occupancy by the City, Tenant must provide Landlord with monthly progress reports regarding the status of the construction of the Redevelopment, including Tenant's conformance to the approved Plans and Specifications.

Section 19.23. Relationship of Parties. Nothing herein contained shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership or a joint venture between the parties hereto, or any relationship of third party beneficiary, it being understood and agreed that no provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant.

Section 19.24. Compliance with Condominium Documents. Landlord agrees to comply with the provisions of the Condominium Documents, including, but not limited to, the provisions in the Declaration of Condominium Property Regime dated [_____] surrounding limitations of the Declarant's (as defined thereunder) rights and the consent rights of Unit Mortgagee (as defined thereunder), each as referenced therein and made a part hereof.

[SIGNATURES ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Landlord and Tenant have executed this Lease as of the effective date of the Lease set forth above.

LANDLORD:

HAWAII PUBLIC HOUSING AUTHORITY, a Hawai‘i public body corporate and politic

By:_____
Name: Hakim Ouansafi
Title: Executive Director

APPROVED AS TO FORM:

_____
Linda L.W. Chow
Deputy Attorney General

TENANT:

KPLR PHASE 1, LP,
a Hawaii limited partnership

By: HCDC Kuhio Park 1 LLC,
a Hawaii limited liability company
Its General Partner

By: HCDC Hawaii Development LLC,
a Hawaii limited liability company
Its Manager

By: Highridge Costa Development Company, LLC, a Delaware limited liability company
Its Manager

By: _____
Mohannad H. Mohanna
Its: President

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared Hakim Ouansafi, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Memorandum of Ground Lease is dated _____ ____, 2025 and contained ____ pages at the time of this acknowledgement/certification in the First Circuit of the State of Hawaii.

_____
Name: _____
Notary Public, State of Hawaii
My commission expires: _____
Date: _____

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared _____, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Memorandum of Ground Lease is dated _____ ____, 2025 and contained ____ pages at the time of this acknowledgement/certification in the _____ Circuit of the State of _____.

_____
Name: _____
Notary Public, State of _____
My commission expires: _____
Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed

in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888, Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and

being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT A-1

CPR UNIT NO. & COMMON INTEREST PERCENTAGE

UNIT NO.	PERCENTAGE INTEREST (%)
1	33.86%
2	19.41%
3	23.36%
4	23.36%
5	0.01%

EXHIBIT A-2

DISTRIBUTION OF CASH FLOW

[Insert Cashflow waterfall from LPA when available]

The Developer and Authority agree that the cash flow distribution for Phase 1 will be subject to the consent of the selected Investor, but agree to work together cooperatively and in good faith to reflect the above distribution in the limited partnership or Limited Partnership Agreement of each Owner. Notwithstanding the above, the cash flow distribution shall at all times be determined after all senior indebtedness.

EXHIBIT A-3

DISTRIBUTION UPON SALE OR REFINANCE

[insert final section from Limited Partnership Agreement]

EXHIBIT B

INSURANCE REQUIREMENTS

A. The Tenant will provide Comprehensive General Liability, Comprehensive Automobile Liability, Employers Liability and Errors and Omissions Liability coverage to protect itself and the Landlord. The State of Hawai‘i, the Landlord, its employees and representatives must be included as an additional insured on all policies. The policies will provide limits of coverage acceptable to the Landlord and will be provided by highly rated insurance companies acceptable to the Landlord.

B. Waiver of Subrogation in favor of the State of Hawai‘i shall be included for the General Liability, Automobile Liability, and Workers Compensation policies. Tenant shall endorse such policies to a waiver of any right to subrogation against the State of Hawai‘i and their respective employees and agents by each insurer under each required policy described herein. When required by the insurer or should a policy condition not permit the Tenant to enter into a pre-loss agreement to waive subrogation without an endorsement, Tenant shall notify the insurer and request that the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should the Tenant enter into such an agreement on a pre-loss basis.

C. Before the execution of the Lease, the Tenant shall furnish to the Landlord certificate(s) of insurance as evidence of the existence of the following insurance coverage in amounts not less than the amounts specified. This insurance must be maintained throughout the entire Term.

i. Workers’ Compensation

The Tenant shall carry Workers’ Compensation insurance in such form and amount to satisfy, the applicable State Workers’ Compensation Law. Workers’ Compensation must be issued by an admitted carrier authorized to do business in the State of Hawai‘i.

ii. Fidelity Bond

The Tenant shall obtain and maintain, at its sole expense during the term of this Contract, a fidelity bond at a minimum of $500,000.00, or the minimum amount required by the applicable program, which shall cover all officers, employees, and agents of the Tenant and which shall protect the Tenant against loss because of, including but not limited to, fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction or misappropriation or any other dishonest criminal or fraudulent act, wherever committed and whether committed directly or with others. The Tenant shall

furnish, at no cost or expense to the Landlord, a certificate of such coverage, within thirty days from the award of the Contract.

iii. Errors and Omissions

The Tenant and/or the Management Agent shall cause the Property Manager to obtain and maintain errors and omissions professional liability coverage at its own expense at a minimum of $1,000,000.00 per occurrence and $2,000,000.00 annual aggregate.

iv. Liability Insurance

The Tenant shall maintain the following minimum insurance limits and coverage:

Coverages	Limits
Commercial General Liability	$2,000,000 single limits per occurrence for bodily injury and personal property damage
Personal Injury Liability	$1,000,000.00 single limits per occurrence. $2,000,000.00 for general aggregate
Automobile Insurance	Bodily injury liability limits of $1,000,000.00 each person and $1,000,000.00 per accident and property damage liability limits of $1,000,000.00 per accident OR $2,000,000.00 combined single limit
Workers' Compensation as required by laws of the State of Hawai‘i	Insurance to include Employer's Liability. Both such coverages shall apply to all employees of the Tenant and to all employees of sub-contractors in case any sub-contractor fails to provide adequate similar protection for all its employees

EXHIBIT C

CERTAIN DEFINITIONS

"Environmental Laws" means any applicable present or future federal, state or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health or safety, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq. and any so-called "Superfund" or "Superlien" law; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. ("OSHA"), and Chapter 343 of the Hawaii Revised Statutes, as each is from time to time amended and hereafter in effect

"Hazardous Materials" means:

(a) "hazardous substances" as defined by CERCLA;

(b) "hazardous wastes," as defined by RCRA;

(c) any hazardous, dangerous or toxic chemical, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limited or otherwise regulating the use~ exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(d) petroleum crude oil or fraction thereof;

(e) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. Section 2011 et seq. and amendments thereto and reauthorizations thereof;

(f) asbestos-containing materials in any form or condition; or

(g) polychlorinated biphenyls in any form or condition.

EXHIBIT D

NOTICE ADDRESSES LEASEHOLD MORTGAGEES

[To be completed]

1. Hawaii Housing Finance and Development Corporation
677 Queen Street
Suite 300
Honolulu, Hawai‘i 96813
Attn: Executive Director
Phone: (808) 587-0600
Fax: (808) 587-0600

EXHIBIT E

ENVIRONMENTAL REPORTS

1. Limited Phase I Environmental Site Assessment at Kuhio Park Terrace Brownfields Site, Honolulu, Hawaii, dated August 2003, updated September 2003, prepared by AMEC Earth and Environmental, Inc. (AMEC)

2. Limited Phase I Environmental Site Assessment, Kuhio Park Terrace, Honolulu, Hawaii, dated July 2004, revised June 2005, prepared by AMEC

3. Sampling and Analysis Plan – Draft Site Assessment at Kuhio Park Terrace, Brownfields Site, Honolulu, Hawaii, dated February 2004, prepared by AMEC

4. Sampling and Analysis Plan Site Assessment at Kuhio Park Terrace, Honolulu, Hawaii, dated September 2004, prepared by AMEC

5. Phase I Environmental Site Assessment, Kuhio Park Terrace Towers A and B 1475 Linapuni Street (Portion of TMK No.: [1] 1-3-39: Parcel 1) Honolulu, Oahu Hawaii, dated April 26, 2010, prepared by Bureau Veritas North America, Inc.

6. Multi-Increment Soil Sampling, Portion of Kuhio Park Terrace Property (Tax Map Key No: [1] 1-3-039: Parcel 001 [Portion]) Honolulu, Oahu, Hawaii, dated June 21, 2010, prepared by Bureau Veritas North America, Inc. (Bureau Veritas)

7. Field Sampling Plan for Targeted Brownfields Assessment of Kuhio Park Terrace Property at 1518 to 1532 Linapuni Street, Buildings C-1 through C-8 and D-1 through D-4, Honolulu, HI, dated August 2010, prepared by Ecology and Environment, Inc.

8. Environmental Hazard Management Plan, Portion of Kuhio Park Terrace Property, TMK: (1) 1-3-39: 001 (Portion), Honolulu, Oahu Hawaii, dated September 2010, prepared by EnviroServices & Training Center, LLC

9. Phase I Environmental Site Assessment, Kuhio Park Terrace Property, Buildings C-1 through C-8 and D-1 through D-4, 1472 to 1592 Linapuni Street, Honolulu, Oahu, Hawaii, dated October 2010, prepared by Ecology and Environment, Inc.

10. Additional Multi-Increment Soil Sampling, Kuhio Park Terrace Property (Tax Map Key No: [1] 1-3-039: Parcel 001 [Portion]) Honolulu, Oahu, Hawaii, dated November 11, 2010, prepared by Bureau Veritas

11. Targeted Brownfields Assessment Report for Kuhio Park Terrace Property, Buildings C-1 through C-8 and D-1 through D-4, 1472 to 1592 Linapuni Street, Honolulu, Oahu, Hawaii, dated December 2010, prepared by Ecology and Environment, Inc.

12. Soil Management Plan, Portion of Kuhio Park Terrace Property (TMK No: [1] 1-3-039: Parcel 001 [Portion]) Honolulu, Oahu, Hawaii, dated November 23, 2010, prepared by Bureau Veritas

13. Remedial Action Work Plan, Kuhio Park Terrace Property, Tax Map Key (TMK) Number: (1) 1-3-39: 001 (Portion), Honolulu, Oahu Hawaii, dated March 21, 2011, prepared by Bureau

Veritas

14. Revised Remedial Action Workplan, Kuhio Park Terrace Property, Tax Map Key (TMK) Number: (1) 1-3-39: 001 (Portion), Honolulu, Oahu Hawaii, dated May 11, 2012, prepared by Bureau Veritas

15. Environmental Hazard Evaluation and Environmental Hazard Management Plan, Portion of Kuhio Park Terrace Property, Buildings C-1 through C-8 and D-1 through D-4, TMK: (1) 1-3-39: Parcel 8, Honolulu, Oahu Hawaii, dated September 2012, prepared by EnviroServices & Training Center, LLC

16. Environmental Hazard Management Plan, Kuhio Park Terrace Property, TMK Number: (1) 1-3-039: Parcels 007, 009, and 010, Honolulu, Oahu Hawaii, dated September 6, 2013, prepared by Bureau Veritas

17. No Further Action with Institutional Controls Determination Letter, Kuhio Park Terrace Buildings D1 and D2, prepared by the HDOH, HEER Office, dated September 10, 2013

18. Soil Sampling and Analysis Plan, Kuhio Park Terrace, Linapuni Street and Ahonui Street, Honolulu, Hawaii 96817, dated September 15, 2015, Revised September 30, 2015, prepared by ENPRO Environmental

19. Notice of Finding of No Significant Impact published in the Star-Advertiser and accepted by the Governor of the State of Hawaii dated January 23, 2024.

20. Phase I Environmental Site Assessment prepared by Ford & Associates, Inc., for Michaels Development dated March 16, 2022

21. Phase I Environmental Site Assessment Updated prepared by Ford & Associates, Inc., for Michaels Development dated July 23, 2024

22. Mitigation Plan prepared by PBR Hawaii & Associates Inc for Michaels Development dated October 25, 2023

23. Hazardous Materials Assessment Survey Report prepared by Ford & Associates, Inc., for Kuhio Park 2, LLC dated May 13, 2024.

24. Site Investigation Work Plan prepared by Ford & Associates, Inc. for Kuhio Park 2, LLC dated August 15, 2024

25. Draft Interim Construction Environmental Hazard Management Plan prepared by Ford & Associates, Inc, for Kuhio Park 2, LLC dated February 6, 2025

EXHIBIT F

PERMITTED ENCUMBRANCES
[TO BE PROVIDED]

Permitted Encumbrances shall be as set forth in Schedule B to the Title Guaranty of Hawaii, Inc. Lender's Title Policy in the amount of $_____, File No. FC_____, as issued by First American Title Insurance Company.

EXHIBIT G

PERFORMANCE AND COMPLETION GUARANTY
(Kuhio Park Terrace Low-Rise Phase 1)

This **PERFORMANCE AND COMPLETION GUARANTY** (this "**Guaranty**") is entered into as of _____, 2025, by **HIGHRIDGE COSTA DEVELOPMENT COMPANY, LLC**, a Delaware limited liability company ("**Guarantor**"), for the benefit of **HAWAII PUBLIC HOUSING AUTHORITY**, a public body corporate and politic, organized under the laws of the State of Hawaii ("**HPHA**").

RECITALS:

KPLR Phase 1, LP, a Hawaii limited partnership, (the "**Tenant**") has entered into that certain HPHA Ground Lease Agreement for Kuhio Park Low Rises and Homes Phase 1 with the HPHA dated as of substantially even date herewith (the "**Ground Lease**"), which obligates the Tenant to, among other things, complete construction of a 304-unit affordable housing development.

As a condition to entering into the Ground Lease, HPHA requires that Guarantor execute this Guaranty.

Guarantor will directly or indirectly derive a material financial benefit from the Tenant entering into the Ground Lease.

NOW, THEREFORE, in order to induce HPHA to enter into the Ground Lease, and in consideration thereof, Guarantor agrees as follows:

Defined Terms. Capitalized terms used but not defined in this Guaranty shall have the meanings assigned to them in the Ground Lease.

Scope of Guaranty. Guarantor represents to HPHA that Guarantor has a direct or indirect ownership interest in Tenant and/or will otherwise derive a material financial benefit from the Tenant entering into the Ground Lease. Guarantor hereby does jointly, severally and unconditionally guaranty to HPHA the following (collectively, the "**Guaranteed Obligations**"):

that Tenant will complete the Improvements in accordance with the Plans and Specifications;

that in the event that the sum of the proceeds of the loans secured by the Leasehold Mortgagees available for disbursement, the equity contributions available for disbursement from the Tax Credit Investor, and the net cash flow available from the Premises are, or at any time become, in the judgment of the HPHA, insufficient to pay all costs for the completion of the Improvements, then the Tenant will pay such costs;

that Tenant will pay and discharge, or otherwise release, all mechanic's and materialmen's liens or claims therefor imposed or alleged against the Premises to the end

that there shall be no mechanic's, materialmen's or other like liens or claims outstanding against the Premises;

that Tenant shall cause the construction of the Improvements at all times to comply with all applicable existing building, zoning, use and environmental protection laws and ordinances as may be necessary to enable the use and occupancy of the Premises for its intended purposes

If Tenant shall fail to duly and punctually perform and observe any of the Guaranteed Obligations, then upon written demand by the HPHA or its designee, Guarantor forthwith will itself, at its own expense, do, promptly perform and observe such Guaranteed Obligations provided, however, (a) to the extent that the Guarantor's ability to continue and complete construction of the Improvements is impacted by the _____(the "**Construction Lender**") failure to advance funds to the Guarantor under the Tenant's loan agreement with the Construction Lender, the HPHA agrees to delay enforcement of this Guaranty for up to 180 days to allow the Guarantor to obtain replacement financing, and (b) obligations imposed on the Guarantor under this Guaranty are limited to the extent that Guarantor certifies to HPHA, and HPHA confirms the basis for such certification (such confirmation not to be unreasonably withheld, conditioned or delayed), that the cost to complete the Improvements, when combined with financing costs and the construction costs (including all costs incurred as of the date of such determination and the projected costs to complete the Improvements) (collectively, "**Total Construction Costs**"), exceeds one hundred and twenty percent (125%) of the budget approved by HPHA, Leasehold Mortgagees, and the Tax Credit Investor at closing (the "**Guaranty Limit**"). If the Guaranty Limit is reached this Guaranty shall terminate in accordance with Section 16 of this Guaranty.

In the case of any payment to be made by Guarantor, such payment shall be made within five (5) days following written demand therefor, and any amounts not paid within such time shall accrue interest at the long term applicable federal rate from the earlier of the date of demand therefor or such other date as may be provided under the Ground Lease.

[Reserved]

Guaranty of Payment and Performance. Guarantor's obligations under this Guaranty constitute an unconditional and continuing guaranty of payment and performance and not merely a guaranty of collection. Guarantor hereby irrevocably and unconditionally covenants and agrees that Guarantor is liable for the Guaranteed Obligations as a primary obligor.

Unconditional Guaranty. The obligations of Guarantor under this Guaranty shall be performed without demand by HPHA and shall be unconditional irrespective of the genuineness, validity, regularity or enforceability, in whole or in part, of the Ground Lease, and without regard to any other circumstance which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor. Guarantor hereby waives the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor. Guarantor

hereby waives the benefits of any right of discharge under any and all statutes or other laws relating to a guarantor, a surety, a borrower or a mortgagor, and any other rights of a guarantor, a surety, a borrower or a mortgagor, thereunder. Without limiting the generality of the foregoing, Guarantor hereby waives, to the fullest extent permitted by law, presentment, demand for payment, protest, all notices with respect to this Guaranty which may be required by statute, rule of law or otherwise to preserve HPHA's rights against Guarantor under this Guaranty, including, but not limited to, notice of acceptance, notice of any amendment of the Ground Lease, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, and notice of the incurring by Tenant of any obligation or indebtedness. Guarantor also waives, to the fullest extent permitted by law, all rights to require HPHA to (a) proceed against the Tenant or any other guarantor of Tenant's payment or performance with respect to the Indebtedness (an "**Other Guarantor**"), (b) if the Tenant or any Other Guarantor is a partnership, proceed against any general partner of the Tenant or the Other Guarantor, or (c) pursue any other remedy it may now or hereafter have against the Tenant, or, if the Tenant is a partnership, any general partner of Tenant. Guarantor further waives, to the fullest extent permitted by applicable law, (a) any defenses that could arise with respect to an amendment or modification of the Guaranteed Obligations by operation of law, action of any court or the amendment of any of the Ground Lease, (b) any defense that HPHA has waived any Guaranteed Obligation by failing to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy and (c) any other event or circumstance that may constitute a defense of Guarantor to payment of the Guaranteed Obligations.

Joint and Several Liability. If more than one person executes this Guaranty, the obligations of those persons under this Guaranty and any Other Guarantor shall be joint and several. HPHA, in its sole and absolute discretion, may (a) bring suit against Guarantor, or any one or more of the persons constituting Guarantor, and any Other Guarantor, jointly and severally, or against any one or more of them; (b) compromise or settle with any one or more of the persons constituting Guarantor or any Other Guarantor for such consideration as HPHA may deem proper; (c) release one or more of the persons constituting Guarantor, or any Other Guarantor, from liability; and/or (d) otherwise deal with Guarantor and any Other Guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of HPHA to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty. Nothing contained in this paragraph shall in any way affect or impair the rights or obligations of Guarantor with respect to any Other Guarantor.

[Reserved]

[Reserved]

Preference. If any payment by the Tenant is held to constitute a preference under any applicable bankruptcy, insolvency, or similar laws, or if for any other reason HPHA is required to refund any sums to Guarantor, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of HPHA and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

Reinstatement. If at any time any payment of any amounts due under this Guaranty is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Guarantor or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment has been due but not made at such time.

Guarantor's Financial Condition.

Guarantor hereby represents and warrants to HPHA that as of the date hereof and throughout the term of this Guaranty, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor is and will be solvent and has and will have (i) assets which, fairly valued, exceed its obligations, liabilities and debts (excluding contingent liabilities), and (ii) property and assets sufficient to satisfy and repay its obligations and liabilities. Guarantor hereby covenants and agrees that during the term of this Guaranty, except for the payment of employee salaries and benefits, distributions and dividends in the ordinary course of business, it shall not sell, pledge, mortgage or otherwise transfer any of its assets, or any interest therein, which, when taken in the aggregate are on terms materially less favorable than would be obtained in an arms-length transaction for fair consideration.

Guarantor hereby represents and warrants to HPHA that all financial statements and other financial data previously delivered to HPHA in connection with this Guaranty relating to the Guarantor are true, correct and complete in all material respects. Such financial statements fairly present the financial positions of all Persons who are the subjects thereof as of the respective dates thereof. Guarantor further represents and warrants to HPHA that, except as previously disclosed to HPHA in writing, no material adverse change has occurred as of the date hereof in such financial position, or in the business, operations, assets, management, ownership or condition (financial or otherwise) of Guarantor, since the respective dates of such financial statements and financial data. Except as otherwise previously disclosed to HPHA in writing, Guarantor has no knowledge of any material contractual obligations of Guarantor which might have a material adverse effect upon the ability of Guarantor to perform Guarantor's obligations under this Guaranty.

Guarantor shall furnish or cause to be furnished to HPHA: as soon as available and in any event within one hundred eighty (180) days after the end of each fiscal year of Guarantor, copies of the following financial statements of Guarantor for such fiscal year, prepared and audited by an independent certified public accountant acceptable to HPHA in accordance with generally accepted accounting principles: (A) a balance sheet as of the end of such fiscal year (including supporting schedules), and (B) a statement of income and capital accounts for such fiscal year. Notwithstanding the foregoing, the financial statements of any individual Guarantor, if any, are not required to be audited by an independent certified public accountant.

Guarantor shall from time to time, upon written request by HPHA, deliver to HPHA Lender such other financial statements as HPHA may reasonably require.

Marital and Residency Status. **N/A**

Financial Covenants. **N/A**

Term of Guaranty. Subject to the provisions of Section 10 (Preference) and Section 11 (Reinstatement), this Guaranty shall automatically terminate on the earlier to occur of (a) the Completion Date or (b) date the Guarantor provides a certification to the HPHA that Total Construction Costs exceed the Guaranty Limit, and HPHA has confirmed the basis for such certification (such confirmation not to be unreasonably conditioned, withheld or delayed) or (c) termination of the Ground Lease.

Determinations by HPHA. Except to the extent expressly set forth in this Guaranty to the contrary, in any instance where the consent or approval of HPHA may be given or is required, or where any determination, judgment or decision is to be rendered by HPHA under this Guaranty, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by HPHA, as applicable (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

Governing Law. This Guaranty shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

Consent to Jurisdiction and Venue. Guarantor agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in the Property Jurisdiction. The state courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Guaranty. Guarantor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit HPHA's right to bring any suit, action or proceeding relating to matters arising under this Guaranty against Guarantor or any of Guarantor's assets in any court of any other jurisdiction.

Successors and Assigns. This Guaranty shall be binding upon Guarantor and its heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, and shall inure to the benefit of the HPHA and its respective successors, successors-in-interest and assigns. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities. Guarantor acknowledges and agrees that any HPHA, at its option, may assign its respective rights and interests under this Guaranty and the Ground Lease in whole or in part and upon such assignment all the terms and provisions of this Guaranty or the Ground Lease shall inure to the benefit of such assignee to the extent so assigned. Guarantor may not assign or delegate its rights, interests or obligations under this Guaranty without first obtaining HPHA's prior written consent.

Severability. The invalidity, illegality or unenforceability of any provision of this Guaranty shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

Expenses. Guarantor shall pay to HPHA, upon demand, the amount of any and all expenses, including, without limitation, reasonable attorneys' fees (including reasonable time charges of attorneys who may be employees of HPHA), which HPHA may incur in connection with (a) the exercise or enforcement of any of its rights hereunder, (b) the failure by Guarantor to perform or observe any of the provisions hereof, or (c) the breach by Guarantor of any representation or warranty of Guarantor set forth herein. Guarantor shall also pay to HPHA any such expenses, interest on such expenses computed at the long term applicable federal rate of interest.

Remedies Cumulative. In the event of Guarantor's default under this Guaranty, HPHA may exercise all or any one or more of its rights and remedies available under this Guaranty, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent HPHA from exercising any other right or remedy available to HPHA. HPHA may exercise any such remedies from time to time as often as may be deemed necessary by HPHA.

No Agency or Partnership. Nothing contained in this Guaranty shall constitute HPHA as a joint venturer, partner or agent of Guarantor, or render HPHA liable for any debts, obligations, acts, omissions, representations or contracts of Guarantor.

Entire Agreement; Amendment and Waiver. This Guaranty contains the complete and entire understanding of the parties with respect to the matters covered herein. Guarantor acknowledges that Guarantor has received a copy of the Ground Lease. This Guaranty may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Guaranty shall be considered as a general waiver.

Further Assurances. Guarantor shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that HPHA may reasonably request, in order to protect any right or interest granted by this Guaranty or to enable HPHA to exercise and enforce its rights and remedies under this Guaranty.

Notices; Change of Guarantor's Address. All notices, requests, demands, consents, and other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been duly given if mailed, certified first class mail, postage prepaid, return receipt requested, or by Federal Express or other receipted courier service, or hand delivered, to the party to whom the same is so given or made, at the address of such party as set forth below, which address may be changed by notice to the other parties hereto duly given pursuant hereto. Notice by overnight courier service or hand delivery shall be deemed to have been given and received upon

delivery. Notice by first class certified or registered mail shall be deemed to have been given and received two (2) business days after being sent. A party may change its address by giving written notice to the other party as specified herein.

If to Guarantor:

Highridge Costa Development Company, LLC
330 W. Victoria Street
Gardena, California 90248
Attn: Mohannad H. Mohanna

With a copy to:

Settle Meyer Law LLLC
900 Fort Street Mall, Suite 1800
Honolulu, Hawaii 96813
Attn: Scott W. Settle, Esq.

If to HPHA:

Hawaii Public Housing Authority
1002 N. School St.
P.O. Box 17907
Honolulu, Hawai'i 96817
Attn: Executive Director

With a copy to:

Department of the Attorney
General, State of Hawai`i
425 Queen Street
Honolulu, Hawai'i 96813
Attn: Deputy Attorney General

Counterparts. To the extent Guarantor consists of more than one party, this Guaranty may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

Captions. The captions of the sections of this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

[Reserved]

[Reserved]

Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF GUARANTOR AND HPHA (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Time of the Essence. Time is of the essence with respect to this Guaranty.

34. **Limitation on Recourse**. All obligations of Guarantor under this Guaranty shall be recourse obligations of such Guarantor only, payable solely and only from the assets of the Guarantor. No member, manager, shareholder, owner, trust, director, officer, agent, employee, attorney or consultant of Guarantor, including any person executing this Guaranty on behalf of

Guarantor, shall be liable personally under this Guaranty.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Performance and Completion Guaranty or caused this Performance and Completion Guaranty to be duly executed and delivered by its authorized representative as of the date first set forth above.

GUARANTOR:

HIGHRIDGE COSTA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company

By: _____
Mohannad H. Mohanna
Its President

Attachment B

After Recordation, Return By Mail ( ) Pick Up ( )

Department of the Attorney
General, State of Hawai`i
425 Queen Street
Honolulu, Hawai‘i 96813
Attention: Linda L.W. Chow

Tax Map Key Nos.: (1) 1-3-039:006 and (1) 1-3-039:008 Total Pages: (10)

Title of Document: Memorandum of Ground Lease

Parties to Document:

Landlord: **Hawaii Public Housing Authority**, a public body and a body corporate and politic of the State of Hawaii, with an address at 1002 N. School St., Honolulu, Hawaii 96817

Tenant: **KPLR Phase 1 LP**, a Hawaii limited partnership with an address at c/o Highridge Costa Development Company, LLC, 330 W. Victoria Street, Gardena, California 90248

MEMORANDUM OF GROUND LEASE

Kuhio Park Low Rises Phase 1

THIS **MEMORANDUM OF GROUND LEASE** is made as of _____ ___, 2025 between **HAWAII PUBLIC HOUSING AUTHORITY**, a public body and a body corporate and politic of the State of Hawaii ("**Landlord**"), with an address at 1002 N. School St., P.O. Box 17907, Honolulu, Hawaii and **KPLR PHASE 1, LP**, a Hawaii limited partnership ("**Tenant**"), with an address at 330 W. Victoria Street, Gardena, California 90248.

BACKGROUND

WHEREAS, Landlord and Tenant entered into the HPHA Ground Lease Agreement, dated as of _____ ___, 2025 (the "**Lease**"), pursuant to which Landlord has leased to Tenant the parcel of real property in the City and County of Honolulu more particularly described on Exhibit A attached hereto and made a part hereof, together with the improvements, rights, easements, licenses, privileges and appurtenances thereunto attached or in any way belonging thereto; and

WHEREAS, the parties hereto desire to enter into this Memorandum of Lease in order to provide public record notice of the Lease and certain provisions, rights and obligations pertaining to the Demised Premises.

NOW, THEREFORE, for and in consideration of the foregoing premises, the sum of Ten and No/100 Dollars $10.00 the covenants, representations, warranties and agreements set forth in the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree that the information as contained in the Lease is as follows:

1. All capitalized terms used and not otherwise defined herein are used herein with the same meaning ascribed to such terms in the Lease.

2. The name of the Landlord in the Lease is Hawaii Public Housing Authority.

3. The name of the Tenant in the Lease is KPLR Phase 1, LP.

4. The addresses of the parties set forth in the Lease are:

Landlord:	1002 N. School Street P.O. Box 17907 Honolulu, Hawaii 96817
Tenant:	c/o Highridge Costa Development Company, LLC 330 W. Victoria Street Gardena, California 90248

5. The Lease is dated as of _____ ___, 2025.

6. The Demised Premises are described in the Lease as set forth in Exhibit A.

7. The Lease shall commence on _____ ___, 2025 (the "**Commencement Date**").

8. The term of the Lease shall end on _____ ___, 2095, unless sooner terminated as provided in the Lease, or as may be extended by five (5) years pursuant to the terms of the Lease.

9. As set forth in Article 12 of the Lease, except as expressly provided in the Lease, Tenant shall not, without the prior written consent of Landlord, assign, transfer or otherwise convey the Lease or any interest therein or in the Premises or the Improvements (a "**Transfer**"). Any attempted assignment by Tenant without such consents, except for a transfer to Landlord or as otherwise permitted under the Lease, shall be null and void without further action required by Landlord. Subleases of the residential units in the Improvements to residential tenants, is permitted.

10. This Memorandum may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All of such counterparts together shall constitute one and the same document, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this document, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

(SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Memorandum of Ground Lease as of the date and year first above mentioned.

LANDLORD:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic, existing
under the laws of the State of Hawaii

Approved as to Form:

_____
Linda L.W. Chow
Deputy Attorney General

By: _____
Hakim Ouansafi
Executive Director

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared Hakim Ouansafi, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Memorandum of Ground Lease is dated _____ ____, 2025 and contained ____ pages at the time of this acknowledgement/certification in the First Circuit of the State of Hawaii.

_____
Name: _____
Notary Public, State of Hawaii
My commission expires: _____
Date: _____

TENANT:

KPLR PHASE 1, LP,
a Hawaii limited partnership

By: HCDC Kuhio Park 1 LLC,
a Hawaii limited liability company
Its General Partner

By: HCDC Hawaii Development LLC,
a Hawaii limited liability company
Its Manager

By: Highridge Costa Development Company, LLC, a Delaware limited liability company
Its Manager

By: _____
Mohannad H. Mohanna
Its: President

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared _____, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Memorandum of Ground Lease is dated _____ ____, 2025 and contained ____ pages at the time of this acknowledgement/certification in the _____ Circuit of the State of _____.

_____
Name: _____
Notary Public, State of _____
My commission expires: _____
Date: _____

EXHIBIT A

Legal Description

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the

Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888, Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT A-1

CPR UNIT NO. & COMMON INTEREST PERCENTAGE

UNIT NO.	PERCENTAGE INTEREST (%)
1	33.86%
2	19.41%
3	23.36%
4	23.36%
5	0.01%

Attachment C

LAND COURT | REGULAR SYSTEM

RETURN BY MAIL [X] PICK-UP [ ] TO:

SETTLE MEYER LAW
A Limited Liability Law Company
900 Fort Street Mall, Suite 1800
Honolulu, Hawaii 96813
Phone: (808) 540-2400

TITLE OF DOCUMENT:

DECLARATION OF
CONDOMINIUM PROPERTY REGIME
OF
KUHIO PARK LOW RISES PHASE 1

PARTIES TO DOCUMENT:

"DECLARANT": **HAWAII PUBLIC HOUSING AUTHORITY**, a public body and a body corporate and politic of the State of Hawaii, whose principal place of business and post office address is 1002 N. School Street, Honolulu, HI 96817

TMK Nos. (1) 1-3-039:006; (1) 1-3-039:008 No. of Pages: _____
This document affects TCT Nos. 114,462, 117,007

DECLARATION OF
CONDOMINIUM PROPERTY REGIME
OF
KUHIO PARK LOW RISES PHASE 1

THIS **DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KUHIO PARK LOW RISES PHASE 1** ("Declaration") is made this ___ day of _____, 2025, by **HAWAII PUBLIC HOUSING AUTHORITY**, a public body and a body corporate and politic of the State of Hawaii, whose business and post office address is 1002 N. School Street, Honolulu, Hawaii 96817 ("Declarant").

BACKGROUND

A. Declarant owns in fee simple, the real property identified as Tax Map Key Nos. (1) 1-3-039:006 and (1) 1-3-039:008 (the "Land") as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference together with all improvements currently located thereon (the "Property").

B. KPLR Phase 1, LP, a Hawaii limited liability company ("Developer") intends to construct on the Land certain Improvements (defined below) as described in Section 2.1 which Improvements are depicted on the condominium map recorded concurrently herewith in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Land Court") and also in the Bureau of Conveyances of the State of Hawaii ("Bureau") as Condominium Map No. _____.

C. In order to create a condominium project consisting of the Land and the Improvements, to be known as "Kuhio Park Low Rises Phase 1" (the "Project"), Declarant does hereby submit the Property and all of its respective interest therein to a condominium property regime established pursuant to Chapter 514B of the Hawaii Revised Statutes, as amended (the "Act"). Declarant hereby declares that the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved, subject to the provisions of this Declaration and the Bylaws shall constitute covenants running with the land and equitable servitudes and liens thereon, and shall be binding upon and shall inure to the benefit of Declarant, the Association, their successors and permitted assigns, and all subsequent owners and lessees of all or any part of the Project and their respective successors, successors in trust, heirs, devisees, personal representatives, executors, administrators, and assigns.

ARTICLE 1.
USE OF DEFINED TERMS; DEFINED TERMS

1.1 Defined Terms. As used in this Declaration, initially capitalized terms shall have the meaning set forth in **Exhibit B** attached hereto and incorporated by reference.

1.2 Use of Defined Terms. For purposes of construing and interpreting this Declaration and the Bylaws, defined terms may be used in the singular or plural in varying tenses or forms, but such variation shall not affect the meaning of the terms so long as those terms are written in initial capital letters. When such terms are used in this Declaration without initial capital letters, such terms shall have the meaning they have in common usage; provided, however, that where legal, technical, or trade terms are used and the context in which such terms are used indicates

that such terms are to be given their legal, technical, or trade usage meanings, such terms shall be given such legal, technical or trade usage meanings.

ARTICLE 2.
DESCRIPTION OF PROJECT; DESCRIPTION OF UNITS

2.1 Description of Project. At the time this Declaration is made, Declarant intends to redevelop the Project as follows:

a. Phase 1. Phase 1 of the Project, collectively known as "Kuhio Park Phase 1," will consist of four residential apartment buildings, each being its own Unit designated as Apartment Units 1 through 4, and two amenity buildings (Wash Houses 1 and 2 as depicted on the Condominium Map), which are limited common elements known as the Phase 1 Limited Common Elements appurtenant to Apartment Units 1 through 4. Outdoor landscaping, green space and recreation space, as defined below and as shown on the Condominium Map, will be limited common elements known as the Phase 1 Limited Common Elements appurtenant to Apartment Units 1 through 4.

b. Spatial Unit 5. As part of the future development of the Project, the Declarant intends to exclude Spatial Unit 5 from the Project by processing a subdivision action with the City and County of Honolulu (the "County") pursuant to its rights set forth in Section 13.8 of this Declaration.

2.2 Description of the Units. Fee simple Units (which shall include Apartment Units and the Future Development Unit) are hereby established within the boundaries of each Unit, now or hereafter developed, which boundaries are described in further detail below. The Units are described in more detail in the Condominium Map.

a. Apartment Units. As of the date of this Declaration, four (4) fee simple Units are hereby established as Apartment Units. The boundaries of each such Unit, (the "Apartment Unit") are described below. Pursuant to the Act, each Apartment Unit described herein refers to a physical portion of the Project designated for separate ownership and occupancy. The boundaries of this Unit are further described in Section 2.2(e) below..

i. Unit 1. One (1) 8-story building the boundaries of which are described in this Section 2.2(a)(1) and depicted on the Condominium Map ("Unit 1"). The square footage of the structure described is 16,619 square feet as set forth in the Condominium Map.

ii. Unit 2. One (1) 6-story building the boundaries of which are described in Section 2.2(a)(1) and depicted on the Condominium Map ("Unit 2"). The square footage of the structure described is 12,235 square feet as set forth in the Condominium Map.

iii. Unit 3. One (1) 6-story building the boundaries of which are described in this Section 2.2(a)(1) and depicted on the Condominium Map ("Unit 3"). The square footage of the structure described is 10,403 square feet as set forth in the Condominium Map.

iv. Unit 4. One (1) 6-story building the boundaries of which are described in this Section 2.2(a)(1) and depicted on the Condominium Map ("Unit 4"). The square footage of the structure described is 10,433 square feet as set forth in the Condominium Map.

b. Spatial Unit 5. As of the date of this Declaration, one spatial condominium Unit is hereby established called "Spatial Unit 5." The boundaries of such unit shall be as shown on the Condominium Map and described in further detail below. Declarant shall have the right to subdivide and subsequently withdraw Spatial Unit 5 from the Declaration.

c. Unit Numbers and Locations. The Units are numbered and located as shown on the Condominium Map.

d. Access. Units 1 through 4 have direct access to and over the Phase 1 Limited Common Element, which directly abuts both Ahonui Street and Linapuni Street, both of which are public roadways. Spatial Unit 5 has direct access to both Ahonui Street and Linapuni Street, both of which are public roadways .

e. Limits of Apartment Units. Each Apartment Unit includes the following:

i. The perimeter walls, foundations, columns, girders, beams, slabs, footings, supports, stairways, roofs, ceilings, and floors located at the perimeter of the Unit;

ii. The walls and partitions within the Unit;

iii. The windows, window frames, louvers, shutters (if any), doors and door frames within and along the perimeter of the Unit;

iv. All mechanical and electrical equipment originally installed and utilized for or serving only that one Unit, including without limitation, solar hot water heaters and related equipment;

v. Any pipes, wires, vents, shafts, ducts, cables, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within the Unit, which are utilized for or only serve the Unit; and,

vi. All of the installed fixtures and appliances.

Units do not include any pipes, wires, conduits or other utility lines running through any Unit which are utilized by or serve more than one Unit. These are Limited Common Elements and are described below.

f. Limits of Spatial Unit 5. Spatial Unit 5 is a three dimensional spatial unit at the approximate location and having the approximate dimensions shown on the Condominium Map. The horizonal perimeter boundary of Spatial Unit 5 is shown on the Condominium Map and described on Exhibit D attached hereto. The upper horizontal boundary of Spatial Unit 5 is two hundred fifty (250) feet above the surface of the ground. The lower horizontal boundary of Spatial Unit 5 is fifty (50) feet below the surface of the ground. The vertical boundaries of Spatial Unit 5 shall extend upward and downward from the horizonal perimeter boundaries of Spatial Unit 5 to their intersections with the upper and lower horizontal boundaries of Spatial Unit 5.

2.3 Common Elements. One freehold estate is hereby designated in all portions of the Project not otherwise defined as a Unit, herein called the "Common Elements." The Common Elements are comprised of General Common Elements and Limited Common Elements.

a. General Common Elements. The General Common Elements include specifically, but are not limited to, the following:

(i) The Land, in fee simple, and any and all easements and appurtenances thereto, except portions of the Land that are included within the boundaries of the Units as defined above.

(ii) All the benefits, if any, inuring to the Property or to the Project from all easements, if any, shown on the Condominium Map or listed in **Exhibit A** of this Declaration;

(iii) And all other portions of the Project not otherwise defined as a Unit or a Limited Common Element necessary or convenient to the Project's existence, maintenance and safety or normally in common use.

b. Limited Common Elements. The Limited Common Elements are hereby designated, set aside and reserved for the exclusive use of one or more but fewer than all of the Units within the Project, and such Units shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements, unless otherwise set forth herein. The Limited Common Elements are as follows:

(i) Phase 1 Limited Common Elements. The following are designated as Limited Common Elements appurtenant to and for the exclusive use of the Apartment Units, e.g., Units 1 through 4:

(1) The unreserved and unnumbered parking spaces and loading spaces located within the Phase 1 Limited Common Element as shown on the Condominium Map;

(2) The parking entry ways, exit ways and driveways located within the Phase 1 Limited Common Element as shown on the Condominium Map;

(3) A single-story [_____square foot] laundry facility ("Wash House 1") and a single-story [_____square footage] laundry facility ("Wash House 2"), as shown on the Condominium Map;

(4) Walkways, sidewalks, retaining walls, fences, gates, landscaping, yards, grounds, planting areas, and trash collection areas located within the Phase 1 Limited Common Element as shown on the Condominium Map;

(5) Outdoor recreational amenities and open spaces located within the Phase 1 Limited Common Element as shown on the Condominium Map;

(6) Central and appurtenant installations for services, such as power, light, gas, sewer, drainage, and like utilities, which services more than one of the Phase 1 Units and any easement for such utility services, if any; and,

(7) The entire surface of the portion of the Land that is designated on the Condominium Map as the Phase 1 Limited Common Element, exclusive of the ground underlying the Apartment Units.

(ii) Other than the Common Elements described in Section 2.3(a)(i) above, other Common Elements of the Project that serve less than all of the Units in the Project shall be Limited Common Elements appurtenant to the Units that are served by such Limited Common Elements.

2.2 Development Rights and Obligations of Apartment Units. Where development rights available under applicable laws or ordinances are associated with a portion of the Land located entirely within the Apartment Units or Apartment Unit's appurtenant Limited Common Element (e,g., such rights do not include Land underlying Spatial Unit 5), the owner of that Unit shall have exclusive ownership (permitted within the parameters of the Ground Lease) and use of such rights. For example, where a certain portion of Land is zoned or entitled or otherwise permitted for a particular use, improvements or development, the owner of the Unit (or in the context of a Ground Lease, the Lessee of the Unit) containing that portion of Land shall have the exclusive right to such use, improvements or development. Each Owner (or in the context of a Ground Lease, the Lessee of the Unit) shall be solely responsible for complying with all laws, ordinances, rules, conditions and requirements applicable to any development rights, entitlements or permits that it secures or that are associated with its Unit and appurtenant Limited Common Element.

ARTICLE 3.
COMMON INTEREST

3.1 Common Interest. Each Unit shall have an appurtenant percentage of undivided interest in all of the Common Elements of the Project (the "Common Interest"), which is the Owner's proportional share in the ownership of the Common Elements. The percent of Common Interest appurtenant to each Unit shall be as is set forth on **Exhibit C** attached hereto and incorporated by reference. Declarant shall have the absolute right to make insubstantial adjustments to the Common Interest of such Units as it determines in its discretion to assure that the total Common Interest for all Units in the aggregate equals one hundred percent (100%). Except as otherwise provided in this Declaration, the percent of Common Interest shall also reflect the Owner's proportionate share in all of the Common Expenses of the Project and shall be used to calculate the Owner's voting rights in Project-related matters.

3.2 Permanent Character of Common Interest. Except as provided in this Declaration or the Act, the Common Interest appurtenant to each Unit shall have a permanent character and shall not be altered without the consent of all of the Owners affected (and their respective Unit Mortgagees and Investors), expressed in an amendment to this Declaration duly recorded or except as otherwise set forth in this Declaration or the Act. The Common Interest shall not be separated from the Unit to which it appertains, and shall be deemed to be conveyed, leased or encumbered with such Unit even if such interest is not expressly mentioned or described in the conveyance or other instrument. Notwithstanding the foregoing, the owner of Spatial Unit 5 may subdivide its Unit and subsequently withdraw the New Lot (defined below) from this condominium property regime, whereupon the common interest appurtenant to Spatial Unit 5 shall be distributed to Unit 1. Except as set forth in this Declaration, no alteration of the Common Interest or easements appurtenant to any particular Unit shall be made without the prior written consent of such Unit's Unit Mortgagee and Investor, as applicable.

ARTICLE 4.

EASEMENTS

In addition to any easements and reserved rights described in this Declaration or set forth on the Condominium Map, the Units and the Common Elements shall also have, as an appurtenance, or be subject to, as the case may be, the following easements and reserved rights, all and any of which shall be in favor of Declarant, Owner or Association (as set forth below) and may be exercised without the joinder or approval of any Person, Owner, Unit Mortgagee or Investor.

4.1 Easements for Access, Utilities and Support. Each Unit shall have appurtenant thereto non-exclusive easements in the Common Elements for the Owners and occupants of each Unit and their agents, servants, guests and invitees, in common with all others so entitled, over, under, across, and upon the Common Elements for ingress to, egress from, utility services for and support, maintenance, and repair of such Unit (and its appurtenant Limited Common Elements), and shall also have an easement in the other Common Elements (subject, however, to the exclusive or limited use of the Limited Common Elements) in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other Owners.

4.2 Easement for Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Unit or Limited Common Element, or if any Unit encroaches upon the Common Elements or upon any other Unit, a valid easement in favor of the Owner of the encroachment shall exist for such encroachment and the maintenance thereof, so long as it continues; provided, however, that if an encroachment is caused directly or indirectly by the intentional act or neglect of any Owner, Declarant or the Board may demand, in their sole discretion, that such Owner take such steps as are necessary to remove the encroachment, and the Owner causing the encroachment shall be liable for all expenses, costs and fees arising in connection with such removal. In the event that a Unit shall be partially or totally destroyed and rebuilt, or in the event of any shifting, settlement, or movement of any part of the Project, encroachments of any part of the Common Elements, Units, or Limited Common Elements due to such construction, shifting, settlement, or movement shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment continues.

4.3 Declarant's, Board's, Association's Easement for Access. The Declarant (during the Declarant Control Period (as defined in Section 12.1)), the Board, the Association, the Managing Agent or their respective designees, shall each have the irrevocable right to have access to and enter each Unit and any Limited Common Elements from time to time during reasonable hours (subject to 48 hours written notice to the Unit Owners) as may be necessary for the operation of the Project or for the installation, repair, maintenance, or replacement of any Common Elements (including the Limited Common Elements) when the Association is the claimant under Hawaii Revised Statutes, Chapter 672 (Contractor Repair Act), or at any time for making emergency repairs that may be necessary to prevent damage to any Common Elements.

4.4 [Reserved]

4.5 [Reserved].

4.6 [Reserved].

4.7 Declarant's Additional Easements and Rights to Accept, Grant, and Modify Easements. Subject to the consent of Unit Owners and their respective Unit Mortgagees and Investors, Declarant may during the Declarant Control Period as an additional Declarant's Reserved Right, and the Association has the right, exercisable by the Board and/or Managing Agent, to designate, grant, convey, transfer, cancel, relocate, and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient for any reasonable purpose, which may include, but not be limited to the repair, care, or upkeep of any Unit or Common Elements, any utility easements or infrastructure to serve the Project or access ways, walkways, or to comply with any government agreement or permit, private covenant, or other easement or access requirements; provided, however, Declarant shall not take any action which would increase the financial obligations of any Unit or materially affect the access to or enjoyment of a Unit, without the prior written consent of the affected Unit Owner and Lessee (as applicable). Declarant also reserves the right to negotiate, accept, transfer, cancel, relocate, and otherwise deal with any easement or license over adjoining properties in favor of the Property or the Project for any reasonable purpose, which may include, but not be limited to, the repair, care or upkeep of any Unit or Common Element, any utility easements or infrastructure to serve the Project, or for the purpose of establishing access ways or walkways, for vehicular or pedestrian access, or to comply with any government agreement or permits, private covenant or other easement or access requirements, or for the reason that any owner of property that is subject to an easement in favor of the Property or the Project uses any right it has to require a change in the location of that easement.

4.8 [Reserved]

4.9 Declarant's Easement to Exercise Reserved Rights. During the Declarant Control Period, Declarant, its agents, employees, consultants, contractors, licensees, successors, mortgagees, and assigns shall have an easement over, under, upon, and through the Common Elements and through the Units or any portion thereof as may be reasonably necessary to exercise any of its Declarant's Reserved Rights, and such easement shall allow Declarant, its agents, employees, consultants, contractors, licensees, successors, mortgagees, and assigns, to create and cause noise, dust, and other nuisances created by and resulting from any work connected with or incidental to effecting any such exercise; provided that any such work is undertaken within reasonable diligence and shall not unreasonably interfere with the use and enjoyment of the Project by Owners or tenants of the respective Units.

ARTICLE 5.
REGULATION OF USES & ACTIVITIES

Each Owner of a Unit shall have the absolute right to sell, lease, encumber, or otherwise transfer such Unit, or its undivided interest in the Unit, subject to all provisions of the Act, this Declaration and the Bylaws. No Owner shall sell, lease or otherwise transfer less than the entire Unit and its appurtenant interest in the Common Elements, and its Limited Common Elements, as the case may be, except by way of a transfer of an undivided interest in the Unit (and where a Unit is covered by a Ground Lease, then also with the consent of such Unit Owner and Lessee).

5.1 General Limitations on the Use of Units. No Owner shall use their Unit or its appurtenant Limited Common Elements for any purpose or in any manner that will: (a) injure the reputation of the Project; (b) jeopardize the soundness of the Project or any portion thereof; (c) interfere with or unreasonably disturb the rights of other Owners and occupants; (d) reduce the value of the Project or any Unit; (e) increase the insurance rate or result in the cancellation of

insurance on any of the Units, the Project, or their contents; or (f) invalidate or otherwise jeopardize the warranty on any Unit and/or portion of the Project.

5.2 Owner's Responsibility – Generally. Except as otherwise specifically provided in this Declaration or in any agreement with the Association, the performance and cost of all maintenance, repair and replacement of each Unit and such Unit's appurtenant Limited Common Elements shall be the sole responsibility of the Owner of the Unit. Each Owner shall maintain the exterior appearance of the Owner's Unit and the Limited Common Elements in a state of good repair and in a neat and attractive condition, consistent with the surrounding areas.

5.3 Commercial Apartment Use. Apartment Units shall be occupied and used for any lawful purpose, subject to the terms of any applicable Ground Lease, as well as applicable federal, State and County laws, rules and regulations, including without limitation, zoning laws and rules promulgated by the U.S. Department of Housing and Urban Development with respect to tenant subsidy vouchers.

ARTICLE 6.
ADMINISTRATION OF THE PROJECT

Administration of the Project shall be vested in the Association of Unit Owners of Kuhio Park Low Rises Phase 1, consisting of all Owners in the Project. An Owner of a Unit shall automatically be a member of the Association upon becoming the Owner of such Unit. Each Owner shall remain a member of the Association until such Owner no longer owns or leases a Unit, as applicable. Any such resolutions, rules or regulations shall be consistent with the terms of this Declaration, the Bylaws, and the Act. In no event shall the Association enact resolutions, rules or regulations which are inconsistent with or cause the Project or any Unit to be in violation of any laws, rules or regulations, including, without limitation, Section 42 of the Internal Revenue Code of 1986, as amended (the "Tax Credit Requirements").

Except as otherwise provided in this Declaration with respect to Limited Common Elements, operation of the Project and the maintenance, repair, replacement and restoration of the Common Elements and any additions and alterations thereto, shall be according to the provisions of the Act, this Declaration and the Bylaws, and shall include, but shall not be limited to, the following:

6.1 Association to Maintain and Repair Infrastructure Improvements. Except with respect to Limited Common Elements appurtenant to any Apartment Unit, the Association shall maintain, repair or replace all sewers, drains, driveways, lights and other improvements within the Project that are Common Elements and required by law or this Declaration to be maintained and repaired in connection with or for the use of the Project; provided, however, that if damage to any Common Element is caused directly or indirectly by the intentional act or neglect of any Owner, the Board may demand, in its sole discretion, that such Owner take such steps as are necessary to repair such damage or replace such damaged Common Element, and the Owner that caused the damage shall be liable for all expenses, costs and fees arising in connection with such repair or replacement.

6.2 Association to Comply with All Governmental Rules and Regulations. Except with respect to Limited Common Elements appurtenant to any Apartment Unit, the Association shall keep the Common Elements of the Project in a strictly clean and sanitary condition and shall observe and perform all laws, ordinances, rules, and regulations now or hereafter made by any

governmental authority during the period that such laws, ordinances, rules, and regulations are applicable to the Project.

6.3 Time Frame for Repairs. The Association shall repair, maintain and keep the Common Elements of the Project in good order and condition. Any and all defects in the Common Elements of the Project must be repaired by the Association within thirty (30) days after any Owner or his agent gives written notice of such defect, or within such additional time as may be reasonably necessary to complete such work diligently. Except as otherwise set forth in this Declaration, each Owner shall be responsible for repairing, maintaining and keeping in good order and condition the Owner's Unit and appurtenant Limited Common Elements, at the Owner's sole cost and expense.

6.4 No Unlawful Use of the Project. The Association shall not make or suffer any strip or material, physical waste or unlawful, improper or offensive use of any portion of the Project.

6.5 Tax Credit Requirements. In no event shall the Association or Declarant enact resolutions, rules, or regulations which are inconsistent with or cause the Apartment Units of the Project to be in violation of any laws, rules, or regulations, including without limitation, Section 24 of the Internal Revenue Code of 1086, as amended (the "Tax Credit Requirements").

ARTICLE 7.
MANAGING AGENT AND SERVICE OF PROCESS

7.1 Managing Agent. Operation of the Project will be conducted for the Association by a responsible corporate Managing Agent appointed by the Association in accordance with the Bylaws, as may be replaced from time to time in accordance with the Bylaws. Prior to the end of the Declarant Control Period and until appointed by the Board, the initial Managing Agent shall be the Developer or an entity designated by the Developer.

7.2 Service of Process. The initial Managing Agent is hereby authorized to receive service of legal process in all cases provided in the Act. The initial Managing Agent's principal place of business and post office address shall be that of the Developer, KPLR Phase 1, LP, at 330 West Victoria Street, Gardenia, California 90248.

ARTICLE 8.
COMMON PROFITS AND EXPENSES

8.1 Generally. The Project is not intended or expected to have common profits or Common Expenses. Each Unit Owner shall be solely responsible for all charges, costs, liabilities and expenses incurred for or in connection with the management, ownership and operation of each Owner's respective Unit and the Limited Common Elements appurtenant to, including all charges for taxes (including real property taxes and such other taxes which are now or may later be assessed separately on each Unit and its appurtenant Common Interest or the personal property or any other interest of the Unit Owner), assessments and insurance, as well as any liability whatsoever for loss or damage arising out of or in connection with the use or occupancy of such Owner's Unit or its Limited Common Elements, any accident, fire or nuisance on each Owner's respective Unit, and costs of repair, reinstatement, rebuilding, replacement, and restoration of any Improvements (if any) within each Owner's respective Unit. Nevertheless, if and only to the extent there are common profits or Common Expenses of the Project (for example, to

the extent there are insurance premiums for Directors & Officers insurance or minimal administrative costs for the operation of the Association) they shall be distributed among and charged to, the Owners, including the Declarant, in proportion to their Common Interests, except as otherwise provided in this Declaration or the Bylaws; provided, however, that pursuant to the Act, the Declarant shall have the right, but not the obligation, to temporarily assume the payment of all the actual Common Expenses in the Project until the Declarant sends the Owners the written notice described in Section 8.4 below. No Owner may exempt itself from liability for Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of said Owner's Unit. Notwithstanding anything to the contrary in the Declaration or Bylaws, no Common Expenses shall be assessed against Spatial Unit 5 or the Owner of Spatial Unit 5.

8.2 Definition of Common Expenses. The term "Common Expense" means and includes the expenses to operate the Project and all sums designated as Common Expenses under the Act, this Declaration, or the Bylaws, to the extent there are any. As set forth in the Act, real property taxes and special assessments assessed against the various Units shall not be Common Expenses of the Project.

8.3 Definition of Limited Common Expenses. The term "Limited Common Expenses" means and includes all charges, assessments, costs and expenses unique to a particular Unit or group of Units that includes fewer than all of the Units in the Project. Where more than one Unit is responsible for and/or incurs a Limited Common Expense, the Limited Common Expense shall be proportionally based on the Unit's Common Interest.

8.4 Commencement of Assessments. Each Owner shall be assessed and responsible for its Unit's share of the Common Expenses of the Project and shall be severally liable for payment of those Common Expenses. Pursuant to Section 514B-41(b) of the Act, assessments for each Unit will start on the date the temporary or final certificate of occupancy has been issued for the Unit by the County. The first installment of Common Expenses for a Unit will be prorated from the date that the temporary or final certificate of occupancy was issued for the Unit. The foregoing notwithstanding, pursuant to the Act, the Declarant may decide to assume all the actual Common Expenses in the Project and to delay the commencement of assessments against the other Owners until the Declarant sends the Owners a written notice that, after a specified date, the Owners shall be obligated to pay for the portions of Common Expenses that are allocated to their respective Units. The written notice shall be mailed to the Owners, the Association and the Managing Agent at least thirty (30) days before the specified date. All subsequent assessments will be payable in advance in monthly installments on the first day of each month or at any other time as the Board shall determine. In this event, the Declarant will be responsible for all costs associated with a Unit until a temporary or final certificate of occupancy has been issued for that Unit, or as otherwise prescribed by this Article 8.

8.5 Expenses Due to Negligence. Notwithstanding the foregoing, all charges, costs and expenses incurred by the Association that are necessitated by the negligent, reckless or intentional conduct of a Unit's Owner or occupant (the "Negligent Owner") shall be charged to the Owner of the Unit as a Limited Common Expense or special assessment, which shall be secured by the lien described in the Bylaws. The Negligent Owner shall indemnify, defend, hold harmless the other Unit Owners and Association from and against all claims, losses, liabilities, expenses, fines, penalties and reasonable attorney's fees and costs, which may be asserted against the Negligent Owner(s) of the unit in violation or which may arise directly or indirectly out of said violation.

ARTICLE 9.
INSURANCE

9.1 Insurance Requirements; Board Authority to Modify Insurance Requirements. Notwithstanding anything to the contrary in the Act, including without limitation Section 143 of the Act, the Association shall maintain such insurance as is required under the Bylaws. The Board, in its discretion, may vary or waive the applicable provisions in the Bylaws for insurance requirements in accordance with such procedures set forth in the Bylaws. In the absence of any Board variance or waiver, the insurance requirements in this Article and the Bylaws shall apply.

9.2 [Reserved].

9.3 Director's and Officers Liability Insurance. The Board must buy and maintain a policy insuring, to the extent allowed by law, each person who is or was a director, officer, agent or employee of the Association against all liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "D&O Policy." The Board will choose the D&O Policy limits from time to time. The D&O Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The D&O Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees, court costs and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

9.4 Insurance Deductibles. All insurance coverages and limits are subject to reasonable deductibles as set by the Board. In case of a claim for damage to a Unit or Common Elements, the Board, at its discretion, may either pay the deductibles as a Common Expense or, after providing written notice and an opportunity for a hearing, assess the deductible amount against the Owner or Owners who caused the damage or from whose Unit(s) the damage or cause of loss originated.

ARTICLE 10.
DAMAGE OR DESTRUCTION

10.1 Restoration of the Project. If any Phase of the Project or the Common Elements are substantially damaged or destroyed by fire or other casualty and is capable of being restored to its original pre-damaged/destroyed condition under the laws in force at that time without eliminating any of the Units (even if such restoration otherwise requires modification of the building plans), the affected Phase or Common Elements, shall be rebuilt, repaired and restored unless (i) with respect to a damaged or destroyed Phase, the Owners of the damaged Units elect not to restore the damaged Units (together with the consent of their Unit Mortgagees and Investors); or (ii) with respect to the Common Elements, a vote not to restore the Common Elements by Owners of Units to which are appurtenant eighty-five percent (85%) of the Common Interest (together with the consent of their Unit Mortgagees and Investors). The Owners shall be solely responsible for any restoration of their respective Units so damaged or destroyed. Unless such restoration is not approved with respect to the Common Elements, the Association shall rebuild and restore the Common Elements of the Project in good and substantial manner according to the Condominium Map or according to such modified plan conforming to laws and ordinances then in effect as shall be first approved by the Board; any deficiency in insurance proceeds available to pay for such restoration shall be a Common Expense of the Association. If such restoration of the Common Elements is not approved, or if such restoration is not

commenced within a reasonable time after such casualty, the Association, as a Common Expense, shall: (i) remove all remains or improvements so damaged or destroyed and restore the site thereof to good and orderly condition and even grade, and (iii) disburse any insurance proceeds to the Owner's, pro rata in accordance with the Common Interest appurtenant to each Owner's Unit; provided, however, such disbursement is permitted and approved by eighty-five percent (85%) of the Unit Mortgagees.

10.2 Partial Restoration of the Project. If the Project shall be damaged or destroyed by fire or other casualty and is not capable of being substantially restored under the laws then in force without eliminating one or more Units, the Project shall be rebuilt, repaired and restored in accordance with modified plans approved by the Board if: (i) the Board has agreed to pay the Owner of any Unit that is eliminated compensation for such Owner's Unit, and (ii) sixty-seven percent (67%) of the Common Interest of the Owners of Units that are not eliminated under such modified plans vote in favor of restoration (together with the consent of their Unit Mortgagees). For purposes of this paragraph, the compensation payable to the Owner of an eliminated Unit shall be the amount determined by multiplying that Unit's Common Interest percentage by the total of (i) the available insurance proceeds and (ii) the fair market value of the at the time. The Association shall rebuild and restore the Common Elements of the Project in good and substantial manner according to the original plan and elevation thereof or according to such modified plan conforming to laws and ordinances then in effect as shall be first approved by the Board; any deficiency in insurance proceeds shall be a Common Expense of the Association; the Owners shall be solely responsible for any restoration of their respective Units so damaged and destroyed. If such restoration is not approved, or if such restoration is not commenced within a reasonable time after such casualty, the Association, as a Common Expense, shall: (i) remove all remains or improvements so damaged or destroyed and restore the site thereof to good and orderly condition and even grade, (ii) disburse any insurance proceeds to the Owner's, pro rata in accordance with the Common Interest appurtenant to each Owner's Unit; provided, however, such disbursement is permitted and approved by eighty-five percent (85%) of the Unit Mortgagees.

10.3 Termination of the Project. If the Project is substantially damaged or destroyed by casualty, is not capable of being substantially restored under the laws in force at that time, and the Owners do not elect to either fully restore the Project in accordance with Section 11.1 or partially restore the Project in accordance with Section 11.2, or if termination of the Project is otherwise required under Section 514B-47 of the Act, then the Project shall be terminated in accordance with said Section 514B-47 and Section 11.1 (if applicable), provided, the consent of the Unit Mortgagees and Investors of the Units affected agree and consent thereto.

ARTICLE 11.
ALTERATION OF THE PROJECT

11.1 Alteration of the Project. Except as otherwise provided for in this Declaration or the Bylaws, neither the Association nor any individual Owner shall construct any additional structure or make any structural alteration or additions to an existing structure without first (a) obtaining the affirmative vote or written consent of seventy-five percent (75%) of the Owners and (b) recording an amendment to this Declaration and the Condominium Map to reflect such change; provided, however, the alteration of any Unit shall also require the consent of such Unit Owner to the extent such alteration only affects such Unit. This provision shall not apply to the Declarant during the Declarant Control Period, when the Declarant is exercising Declarant's Reserved Rights. This provision shall also not apply to the extent it may conflict with any provision of the federal Fair

Housing Act (42 U.S.C. Sec 3601, et. seq), as the same has been amended and may be further amended from time to time.

11.2 Improvement of the Condominium Units & Changes to the Condominium.

a. Permits. It is the overriding intent of this Declaration that each Unit Owner be able to develop and use its Unit independently of the other Units and Owners, as if each Unit was a separately subdivided lot, subject however to the terms of any applicable Ground Lease. Accordingly, each Unit Owner shall have the right to apply for, pursue and secure all governmental permits, entitlements, exemptions and approvals with respect to its Unit that the Owner deems necessary or convenient to the use and development of its Unit, including without limitation grading and building permits, Hawaii special management area permits or exemptions, special or conditional use permits, variances, and changes in zoning and land use designations (collectively "Permits")"); provided, all Declarant and all Owners acknowledge and agree that the Land is subject to waivers and exceptions from applicable entitlements pursuant to Hawaii Revised Statues 201H-38, as memorialized in that certain 201H Agreement dated September 20, 2024, and recorded at the Bureau on October 23, 2024, as Document No. A-9062000880 and the Land Court as Document No. T-12714205-06 ("201H Agreement"). Except as specifically provided in this Declaration and with respect to the 201H Agreement, Permits shall pertain to and affect only the Unit of the Owner applying for the Permit (the "Applicant Owner"), and no Permit conditions or requirements may encumber, apply to, of affect another Owner or its Unit without the consent of that Owner. The Applicant Owner shall bear all expenses of any Permits it elects to secure and shall hold harmless the other Owner(s) from any costs or liabilities relating to or resulting from any Permit that the Applicant Owner secures. Except as specifically provided in this Declaration, each Owner shall be solely responsible for complying with all conditions and requirements of the Permits it applies for or secures. No Owner shall oppose before any governmental authority the Permit application of another Owner made lawfully and in accordance with this Section.

b. Right to Make Improvements. No matter what any other provision in this Declaration says, the Owner of a Unit from time to time may make any lawful Improvements within the Owner's Unit in accordance with the terms of any applicable Ground Lease. In each case, prior to constructing any Improvements the Owner shall obtain all required Permits for the planned Improvements and any approvals from any other Person whose approval is required under any recorded covenants, conditions or restrictions applicable to the Unit. No Owner of any other Unit, nor the Association, nor its Board (if any), shall have the right to approve or disapprove any Improvements to or within a Unit except as required by the Act. To the maximum extent possible, the Declarant and the Unit Owners waive or opt out of any provision of the Act requiring such consent. All Improvements shall be constructed in accordance with the approvals granted by the State of Hawaii and County and all applicable laws. All Improvements shall be deemed a part of the Unit in which they were constructed.

c. Amendment of the Condominium Upon Completion of Improvements. Upon completion of any Improvements within or to a Unit, the Unit Owner shall record an amendment to the Declaration and Condominium Map's description of the Unit in accordance with Sections 32, 33 and 34 of the Act to include a description of such Improvements, but only if and to the extent required by the Act. Such an amendment may be executed and recorded by the Unit Owner without joinder by the Association or any other Unit Owner.

d. Spatial Unit 5. Notwithstanding anything to the contrary herein, neither Declarant nor the Unit Owner of Spatial Unit 5 shall seek to make improvements, or obtain permits, to Spatial unit 5 without first obtaining appropriate approvals from HUD.

ARTICLE 12.
DECLARANT CONTROL PERIOD

Right to Appoint and Remove the Officers and Directors; Declarant Control Period. Notwithstanding anything to the contrary in this Declaration and the Bylaws, Declarant shall have the right to appoint and remove Officers and Directors for a certain period of time (the "Declarant Control Period") subject to the terms and conditions of the Bylaws. The Declarant Control Period shall terminate the day Declarant, after giving written notice to Owners, records an instrument voluntarily surrendering all rights to control the activities of the Association. Declarant may voluntarily surrender the right to appoint and remove Officers and Directors before the termination of the Declarant Control Period, but in that event, Declarant may require, for the duration of the Declarant Control Period, that the specified actions of the Association or Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

ARTICLE 13.
DECLARANT'S RIGHTS

The Declarant's reserved rights described in this Declaration (the "Reserved Rights") are necessary and/or helpful to the development of the Project. The Declarant, at the Declarant's sole discretion, may exercise the Declarant's Reserved Rights separately, in one or more combinations, at one or more times, or not at all. Except as otherwise stated in this Declaration, the Declarant may exercise the Reserved Rights until the expiration of the Declarant Control Period.

The Declarant may exercise any of the Reserved Rights stated in this Declaration (including, without limitation, the Reserved Rights stated below) without being required to obtain the approval, consent, or joinder of anyone else, unless otherwise stated in this Declaration (such approval shall not be unreasonably withheld, delayed or conditioned). This includes, but is not limited to, the Association, any Unit Mortgagee, Investor, Owner or any other Person who may have an interest in any part of the Project. The Declarant shall have the right to execute, acknowledge and record any and all instruments, including without limitation all amendments to the Project Documents, necessary or appropriate for the purpose of carrying out the provisions and exercising the Declarant's Reserved Rights, subject to the review and approval of the Unit Mortgagees and Investors.

13.1 Reservation of Power to Deal with the Land and Grant Easements. The Declarant reserves to itself the right to encumber and otherwise deal with the Land in any way the Declarant deems necessary or appropriate for the development, conveyance or use of the Land, the Project, or any one or more of the Units or Phases. The Declarant further reserves the non-exclusive right to grant from time to time within the Common Elements easements and rights-of-way over, under, and across the Common Elements for access, utilities, cable television, internet and other communications services, driveways, parking, loading, refuse collection, landscaping, preservation, signage, monuments, mail collection and delivery, sanitary and storm sewers, drains, encroachments, overhangs, and such other uses and purposes as Declarant deems necessary or appropriate for the development, conveyance or use of Land, the Project, any one

or more of the Units or Phases, or any parcel adjoining or near the Land, together with the right to amend, relocate, realign, or cancel such easements and rights-of-way, and the right to subordinate this Declaration to such easements. Declarant also reserves the right to grant to, create and/or accept on behalf of the Association easements and rights of way in favor of the Land, the Project or any Unit for any such purposes over parcels adjoining or near the Land as Declarant deems necessary or appropriate for the development or use of the Project. All such easements and right of way may be in favor of one or more Owners, the Association, any governmental entity, any public or private utility company, any owners of lands adjacent to or near the Land or any interest therein, or any other person or entity, and may be on such terms and conditions as the Declarant may determine in Declarant's reasonable discretion, provided that such easements, their use, relocation, realignment, or cancellation shall not materially impair or interfere with the use of any Unit.

13.2 Required Amendments. The Declarant reserves the right to make, at any time prior to the conveyance of a Ground Lease for the last Unit in the Project (including Units that may be added pursuant to this Article 13), amendments to the Declaration, the Bylaws, or the Condominium Map that are required by law, by a title insurance company, by a mortgage lender, by any governmental agency, or to conform this Declaration to amendments to the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority, or to implement the rights of Declarant under this Declaration, provided that such amendments shall not change the Common Interest appurtenant to a Unit, substantially change the design, location, size or permitted use of, or otherwise impair or adversely affect any Unit for which a Ground Lease (or memorandum thereof) has been recorded without the consent of the Owner of such Unit, and subject to the review and approval of the Unit Mortgagees and Investors.

13.3 Restatement. Any other provision of this Declaration notwithstanding, the Board, or the Declarant acting on behalf of the Board during the Declarant Control Period, shall have the authority as set forth in the Act to restate this Declaration from time to time to set forth any prior amendments hereof, in connection with Declarant's exercise of its reserved rights, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

13.4 [Reserved].

13.5 [Reserved].

13.6 Reserved Right to Enter Into Recorded Restrictions, Covenants and Agreements. Declarant reserves the right, which right may be assigned to a Unit Owner and/or Lessee pursuant to a recorded Ground Lease for a Leased Unit, to apply for and secure any such permits, government approval or exemptions as such party deems necessary or desirable to develop the Project, and to create or agree to such recorded restrictions, covenants and agreements as may be required in connection with such permits, approvals and exemptions, including without limitation, unilateral agreements, joint development agreements, planned development permit agreements, and 201H-related restrictive covenants, provided that such restrictions, covenants and agreements shall not be inconsistent with the Ground Lease (if applicable) and shall not substantially prohibit the use of the Units for the principal uses permitted under this Declaration. Notwithstanding anything to the contrary herein, neither Declarant nor the Unit Owner of Spatial Unit 5 shall seek to make improvements, or obtain grading permits, building permits or other government approvals, to Spatial Unit 5 without first obtaining the appropriate approvals from HUD.

13.7 [Reserved].

13.8 Reserved Rights to Subdivide, Consolidate, and Reconfigure Land Underlying Spatial Unit 5, Withdraw Land under Spatial Unit 5 and Terminate the Condominium:

a. Declarant shall have the reserved right to subdivide, consolidate, and resubdivide the Land underlying Spatial Unit 5. Declarant may do so, for example and without limitation, to remove from the Project portions of the Land underlying Spatial Unit 5 if Declarant exercises its right to reconfigure the Project. In connection with the exercise of this right, Declarant shall have the right to amend the Declaration and Condominium Map to withdraw portions of the Land underlying Spatial Unit 5 from the Project. Without limiting the foregoing, Declarant may file one or more applications for a "Subdivision" to subdivide the Land underlying Spatial Unit 5 in any configuration such that the Subdivision shall create a lot with a perimeter boundary that is the same as the perimeter boundary of Spatial Unit 5 (being referred to herein as the "New Lot"). Declarant shall bear all costs of the Subdivision. Declarant reserves the right, without the joinder or consent of any Unit Owner, lienholder or any other party, to take all actions that Declarant reasonably determines is necessary or desirable in connection with the processing of the Subdivision, including any of the following that are required to satisfy a condition of the processing of the Subdivision application or of tentative or final Subdivision approval: (a) Executing the application for Subdivision and any other Subdivision Documents on behalf of all Owners of the Land; (b) Taking any action to satisfy conditions of Subdivision approval, such as entering into covenants, subdivision agreements required by the County, designating or granting easements or making any change to the proposed Subdivision map; (c) Constructing any required Subdivision improvements whether onsite or offsite; (d) Providing a bond or bonds or a substitute for a bond such as a warranty and guaranty of improvements in favor of the County or such other government entity as shall require the same, for construction or maintenance of any Subdivision improvements whether onsite or offsite or for any reason for which a bond may be required; (e) Dedication of roadway widening lots, utility lots or the like; and (f) Filing with any State of Hawai‘i or federal agency for approvals in connection with the Subdivision and taking any action to satisfy the requirements of such agency, provided however that no such actions may cause or impose any costs, liabilities or obligations on any Lessee of the Apartment Units or their Mortgagees or Investors.

b. "Subdivision Documents" means the application for Subdivision approval and all documents required by the County, or such other government entities as may be required to approve aspects of the Subdivision, as conditions to granting final Subdivision approval. In the event that the County or such other government entity shall require that any Subdivision Document shall be executed by the Owners directly and not though Declarant as attorney-in-fact, then, by accepting any right, title or interest in a Unit, each Owner shall be deemed to agree to promptly execute such Subdivision Document, at the request of Declarant.

c. By a date no later than [2 years from the effective date of this Declaration] Declarant will withdraw and perform the Subdivision of the Land underlying Spatial Unit 5. Upon such Subdivision, Declarant and each Owner and Lessee of the Apartment Units shall, with the consent of all Mortgagees, execute and duly record a termination of the condominium created by this Declaration or an amendment of this Declaration and the Condominium Map whereby the New Lot is withdrawn from the Project and released from this Declaration and the Bylaws. Upon recording of such a termination or amendment Declarant shall be deemed the sole owner of the

New Lot and the Lessee of the Apartment Units and its mortgagee shall have no further interest in the New Lot.

d. Upon Subdivision of the New Lot, Declarant will amend the Declaration to withdraw such Land underlying Spatial Unit 5 and describe the Land and Units remaining subject to the condominium property regime and amend the Condominium to show the Land and Units remaining subject to the condominium property regime and reallocate the Common Interests based on the proportional square footage of the remaining Units and make such other amendments as Declarant shall deem necessary to reflect the withdrawal. If the remaining Unit Owners are the same person, and all of the remaining Units are leased to one Lessee under a single Ground Lease, then the Declarant, with the consent of the Unit Owner and Lessee and its Mortgagee, shall have the right to terminate this condominium property regime and amend the Ground Lease to update the legal property description accordingly (provided, however the Lessee's leasehold interest in the Land will not change and Lessee's interest in any constructed Improvements will remain unchanged).

e. Notwithstanding the provisions of this Section 13.8, Declarant shall have no obligation under this Section to construct subdivision improvements, secure new water service to the Land or the resulting New Lot, or incur or satisfy other Subdivision conditions that Declarant reasonably determines are excessive or onerous.

13.9 [Reserved].

13.10 Assignment to Lessee. The rights of the Declarant set forth in this Article 13 may be assignable, in whole or in part, by Declarant to any Lessee of the Project during the Declarant Control Period; provided, however (i) Declarant and Lessee shall execute a written assignment and assumption agreement transferring Declarant's rights and obligations under this Declaration to Lessee with respect to the applicable phase, (ii) a copy of such assignment and assumption agreement shall be delivered to the Association, and (iii) the assignment rights set forth in this Section 13.10 shall terminate upon the expiration of the Declarant Control Period.

13.11 Reserved Right to Deregister Land from the Land Court. Declarant shall have the reserved right to effect a deregistration of the Land from the Land Court. In connection with such right, Declarant shall have the further reserved right to do all things necessary, proper or convenient to effect a deregistration, including, without limitation, ordering title policies and otherwise gathering necessary documentation, and preparing all applications to the Land Court. Said deregistration shall comply with all of the then-applicable governmental laws and rules and regulations. The exercise by Declarant to deregister as provided in this Section shall not in any way limit or be deemed to limit Declarant's and Unit Owner's full use of Land covered by this Declaration.

13.12 [Reserved].

13.13 Consent to Declarant's Reserved Rights; Appointment of Declarant and Association as Attorney in Fact. Each and every party acquiring an interest in the Project, by such acquisition, consents to all of the rights reserved unto Declarant, as set forth in this Article 13, the permitted actions taken by Declarant pursuant thereto, and to the recording of any and all documents necessary to effect the same in the Land Court and Bureau; agrees to execute, deliver, and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Declarant and its assigns as its

attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; which grant of such power shall be binding upon any assign of, or successor-in-interest to, any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of any Unit or any interest therein, whether by deed, mortgage, or any other instrument of conveyance. Additionally, the Phase 1 Unit Owner will have the right to execute, deliver, record any amendment to the Condominium Documents, any easement instrument, any deed, assignment of rights or interest, or such other document, instrument or agreement that may be necessary or appropriate to permit the Phase 1 Unit Owner to exercise its rights pursuant to the provisions of this Declaration.

ARTICLE 14.
MORTGAGEE AND INVESTOR PROTECTION

14.1 Mortgage Priorities. Any Owner shall have the right from time to time to mortgage or encumber its Unit by mortgage, deed of trust, or other security interest. Any Lessee shall likewise have the right from time to time to mortgage or encumber its leasehold interest in a Unit by mortgage, deed of trust, or other security interest.

14.2 Notice to Association. Upon request by the Association, an Owner who mortgages its Unit, or Lessee who mortgages its leasehold interest in a Unit, shall notify the Association, giving the name and address of its mortgagee (the "Unit Mortgagee"). Each Unit Mortgagee may notify the Association of the fact that such mortgagee holds a mortgage of and a security interest in such Unit (in fee or leasehold). The Board shall maintain such information in its records. In addition, any party which holds an ownership interest in an Owner or Lessee, including without limitation, any federal and/or state tax credit investor ("Investor") may notify the Association, giving its name and address.

14.3 Unit Mortgagee/Investor Notice. A copy of any notice of default or lapse in insurance provided hereunder to the Owner and/or Lessee of the Apartments, shall also be delivered to the Unit Mortgagee and Investor at the following addresses or any other address upon written notice from the Investors delivered to the Board and/or Association:

Unit Mortgagee:

Bank of Hawaii
Attn: CRELD # 366
P.O. Box 2900
Honolulu, Hawaii 96846

Investors:

c/o RBC Community Investments, LLC
600 Superior Avenue
Suite 2300, Cleveland, Ohio 44114
Attention: President and General Counsel

Berkadia Kuhio Park Low-Rise MTE LLC

c/o Berkadia Affordable Tax Credit Solutions
Two Liberty Place
50 South 16th Street
Philadelphia, PA 19102
Attention: Managing Director

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, California 90071
Attention: Kyle Arndt

Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109
Attention: Roger W. Holmes

14.4 Notice of Default; Lapse in Insurance. The Association shall notify a Unit Mortgagee and/or Investor, provided such Unit Mortgagee and/or Investor has notified the Association of its name and address, of any default by the Owner or Lessee, as applicable, of such Unit in performing such Owner's or Lessee's obligations, as set forth in the Declaration, which are not cured within 30 days after written notice to do so has been given. The Unit Mortgagee and the Investor of such Unit shall have the right (but not the obligation) to cure any default described in the written notice within thirty (30) days of its receipt of the written default notice or such longer period as is required to cure such default with commercially reasonably diligence. The Association, upon written request, shall also notify Unit Mortgagee(s) and Investors of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

14.5 Right to Cure. If the Association shall default in any of its obligations to obtain and maintain any insurance required by Article 10 of this Declaration and/or maintain the Common Elements of the Project as required by Section 5.1 of the Bylaws, and such default shall continue for thirty (30) days after notice thereof in writing to the Association, then and in such event, any Unit Mortgagee and Investor shall have the right (but not the obligation) to remedy the same or cause the same to be done. The Association shall, upon demand, reimburse the Unit Mortgagee or Investor, as the case may be, for the reasonable cost of such work performed by the Unit Mortgagee or Investor. At the request of the Unit Mortgagee or Investor, the Association shall levy a special assessment against the Owners or Lessees, as applicable, for the payment of any such amounts which become due to the Unit Mortgagee or Investor, as applicable, and the Unit Mortgagee or Investor, as the case may be, shall have the right to seek an injunction causing the Association to levy such special assessment. This Section shall not be amended or deleted without the prior written consent of all Unit Mortgagees and Investors, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained herein, any cure of any default made or tendered by Investor shall be deemed to be a cure by the Lessee under a Ground Lease and shall be accepted or rejected on the same basis as if made or tendered by such Lessee.

14.6 Required Consent. Declarant may not act in any manner or exercise any rights under this Declaration that would interfere or infringe upon the Apartment Unit Owners' rights with respect to its Units (or Lessees in the event the Apartment Unit is covered by a Lease). Notwithstanding anything in this Declaration to the contrary, the following matters require the written consent of the applicable Unit Mortgagees and Investors:

a. Any change to a Common Interest or easement appurtenant to a Unit;
b. Restoration of a Project after casualty;
c. Termination of development of Condominium after casualty;
d. Amendments to leased Units, their appurtenant Limited Common Elements, and Common Elements;
e. Recorded restrictions affecting leased Units; and
f. Amending recorded documents of Condominium Documents affecting leased Units.

14.7 Examination of Books. Upon written request, the Association shall permit an Owner, Lessee and any Unit Mortgagees and Investors to examine current copies of the Declaration, Bylaws, House Rules, and the books and records of the Association during normal business hours.

14.8 Reserve Fund. The Association shall establish adequate reserve funds for replacement of Common Elements. The purpose of the fund is to pay for unforeseen expenditures, or to acquire additional equipment for services deemed necessary or desirable by the Board. The initial reserve fund shall be established by collecting at the time of lease of each Unit by Declarant the sum of at least two months' of estimated Common Expenses for such Unit or at the time control of the Project is transferred to Owners by Declarant, whichever is earlier. Any amounts paid into this fund are not to be considered as advance payments of Common Expenses. The reserve fund shall be held in the name of the Association at all times, in a segregated fund under the control of the Association. The reserve fund may not be used by the Declarant to defray any of Declarant's expenses, reserve contributions, or construction costs or to make up budget deficits while Declarant is in control of the Association.

14.9 Annual Audits. Upon written request the Association shall furnish each Unit Mortgagee and Investor an annual financial statement of the Association within one hundred twenty (120) days following the end of each fiscal year of the Association upon payment of reasonable copy charges.

14.10 Notice of Meetings. The Association shall furnish each Unit Mortgagee and Investor, prior written notice of all meetings of the Association and permit the designation of a representative of such Unit Mortgagee and Investor to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

14.11 Notice of Damages, Destruction or Condemnation. The Association shall furnish each Unit Mortgagee or Investor timely notice of any substantial damage, partial destruction, condemnation or casualty loss of any Unit on which such Unit Mortgagee holds the mortgage (or in which Investor has invested) that affects either a material portion of the Project or the Unit securing its mortgage. The Association shall also furnish each Unit Mortgagee and Investor notice of the following:

1. any lapse, cancellation or material modification of any insurance policy maintained by the Association;
2. any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; and
3. any proposed action that requires the consent of a specified percentage of Unit Mortgagees.

ARTICLE 15.
COMPLIANCE WITH COUNTY ZONING AND BUILDING LAWS

Declarant declares, subject to the penalties set forth in Section 514B-69 of the Act, that any new improvements shall be constructed in compliance with all zoning and building ordinances and codes, and all other permitting requirements pursuant to Section 514B-5 of the Act and Chapter 205 of the Hawaii Revised Statutes. If any Unit is cited or otherwise notified by the County of Honolulu, the State of Hawai‘i or any other governmental agency or regulatory body for violating a zoning ordinance, building code or other regulation (a “Violation”), the Owner of the Unit in violation (the “Offending Owner”) shall remedy said Violation within the time frame provided for cure by the County or other governmental agency or regulatory body, at the sole cost and expense of the Offending Owner, including payment of any and all applicable fees, fines, and penalties, and reasonable attorney’s fees and costs, which may be asserted against the owner(s) of the unit in violation or which may arise directly or indirectly out of said violation.

ARTICLE 16.
DISPUTE RESOLUTION

Mediation & Arbitration. Declarant and Unit Owners acknowledge that, to the extent applicable and not otherwise exempt, the dispute resolution provisions of Section 514B-161 through 514B-163 will apply to this Project.

ARTICLE 17.
AMENDMENT OF DECLARATION

17.1 Amendments. Except as otherwise provided herein or in the Act, this Declaration may be amended by affirmative vote of Owners of the Units (together with the consent of their Unit Mortgagees and Investor) to which at least eighty-five percent (85%) of the Common Interest is appurtenant, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall become effective upon recordation in the Land Court and Bureau. Notwithstanding the foregoing and notwithstanding the lease or release of any Units, the Declarant acting alone may amend this Declaration to: (i) file the “as built” verified statement, required by Section 514B-34(a) of the Act, of a licensed architect, engineer or surveyor certifying that the Condominium Map theretofore filed, as amended, fully and accurately depicts the layout, location, boundaries, dimensions and Unit numbers of the Units substantially as built, and (ii) exercise the rights reserved by Declarant in Article 13 or elsewhere in this Declaration.

17.2 Amendment Required. The Owner of each Unit shall have the unilateral right and obligation to amend this Declaration and the Condominium Map upon development and construction of each of such Owner’s Units, solely to describe and show the “as-built” location and dimensions of the completed Unit. Each such amendment shall not require the approval or joinder of the Owners of any other Unit, the Association, or the Board, and shall be executed and

recorded as soon as practicable after completion of the development and construction of such Unit. Upon the failure or unreasonable delay by an Owner to timely execute and record such amendment, the Association shall have the right to prepare, execute and record such amendment at any time at said Owner's expense and assess and collect all costs thereof against said Owner as a special assessment.

17.3 Limitations on Amendments. Notwithstanding the provisions of Section 17.1, (i) no amendment to this Declaration affecting the Declarant's Reserved Rights, the use or occupancy of any Unit owned by the Declarant, or the ownership, use or control of any parking areas within the Project may be adopted by vote of the Owners without the written consent of the Declarant. This Section 17.3 may not be amended by vote of the Owners without the written consent of the Declarant.

ARTICLE 18.
MISCELLANEOUS

18.1 No Waiver. Failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce that provision, or any other provision of this Declaration.

18.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and if any term stated in this instrument is subsequently determined to be invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remaining terms stated in this instrument unless that is made impossible by the absence of the omitted term.

18.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, or the intent of any provisions thereof.

18.4 Gender. The use of any gender in this Declaration shall be deemed to include either or both genders and the use of the singular shall be deemed to include the plural whenever the context so requires.

18.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform condominium property regime whereby the Owners of Units shall carry out and pay for the operation and maintenance of the Project as a mutually beneficial and efficient establishment.

18.6 Constructive Notice and Acceptance; Incorporation of Declaration into Deeds. Every Person or entity which now or hereafter owns or acquires any right, title or interest in or to any portion of the Project is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction, and provision contained in this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such Person acquired an interest in the Project. Any deed or other instrument by which all or any portion of the Project is conveyed, whether by fee, easement, leasehold interest, or otherwise, shall be subject to the provisions of this Declaration and any instrument of conveyance shall be deemed to incorporate the provisions of this Declaration, whether or not such instrument makes reference to this Declaration.

18.7 Cumulative Remedies. Each remedy provided for in this Declaration shall be cumulative and not exclusive. The failure to exercise any remedy provided for in this Declaration or any other document shall not constitute a waiver of such remedy or of any other remedy provided herein or therein.

18.8 No Public Dedication. Nothing herein contained shall be deemed a gift or dedication of any portion of the Project or portion thereof to the general public, or for the general public, or for any public use or purpose whatsoever; it being the intention and understanding of the parties hereto that this Declaration shall be limited to and for the purposes herein expressed solely for the benefit of the Owners.

18.9 Governing Law. This Declaration shall be governed by the laws of the State of Hawaii without giving effect to the principles of conflict of laws thereof.

18.10 Provisions Run with Land. The provisions of this Declaration are intended to run with the Land. When any interest in real property in the Project is conveyed, the interest shall be burdened by the provisions of this Declaration for the benefit of the remaining portions of the Project and the interest conveyed shall be entitled to the benefit of this Declaration.

18.11 Conflict of Provisions. In the event of any conflict between this Declaration and any of the Condominium Documents (other than this Declaration), this Declaration shall control. In the event of any conflict between this Declaration or any of the other Condominium Documents and any Ground Lease, the Ground Lease shall control.

18.12 Owner's Right to Incorporate. The Owners may form a non-profit Hawaii corporation to serve as the Association. If so, the corporation will have all of the rights, powers, obligations, and duties of the Association as stated in the Condominium Documents or the Act. The fact that a corporation is formed to be the Association does not change any of the covenants, conditions, or restrictions contained in this Declaration or the Bylaws. The corporation must adopt the Bylaws as the bylaws of the corporation. The articles of incorporation and Bylaws of the corporation will be subordinate to this Declaration. If the corporation takes any action that violates all or any part of this Declaration or the Bylaws, the action will be void.

18.13 No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with the Project or any portion thereof, or any improvements thereon, its physical condition, zoning, compliance with Applicable Law, fitness for intended use, or in connection with the subdivision, lease, operation, maintenance, cost of maintenance, taxes or regulation thereof as a condominium property regime, except as specifically and expressly set forth in this Declaration and except as may be recorded by Declarant from time to time with any governmental authority.

18.14 [Reserved].

18.15 Invalidity and Changes in Law. The invalidity of any provision of this Declaration for any reason shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration, and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such provision had never been included herein. In the event of a change in statutory law applicable to this Project occurring after the filing of this Declaration or the Bylaws, such change in law shall control over the provisions of this

Declaration or the Bylaws only to the extent the legislative body enacting such change in law expressly provides that the provisions of such change in law shall control over provisions to the contrary in preexisting Condominium Documents.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the date first set forth above.

DECLARANT:

APPROVED AS TO FORM:

HAWAII PUBLIC HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii

_____
Linda L.W. Chow
Deputy Attorney General

By _____
Hakim Ouansafi
Executive Director

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this _____ day of _____, 2025, before me personally appeared _____, to me personally known, 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

Printed Name: _____

My commission expires: _____

NOTARY CERTIFICATION STATEMENT

Document Identification or Description:

_____

_____

_____

Doc. Date: _____ or ☐ Undated at time of notarization.

No. of Pages: __

Jurisdiction: _____Circuit
(in which notarial act is performed)

_____
Signature of Notary

Date of Notarization and Certification Statement

_____
Printed Name of Notary

EXHIBIT A

PROPERTY DESCRIPTION

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888, Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT B

DEFINITIONS

1. "Act" means the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended.

2. "Apartment Unit" shall have the meaning set forth in Section 2.2(a).

3. "Applicable Law" means with respect to any governmental authority, any applicable constitutional provision, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, certificate, holding, injunction, registration, license, franchise, permit, authorization, guideline, governmental approval, consent or requirement of such governmental authority, enforceable at law or in equity, along with the interpretation and administration thereof by any governmental authority.

4. "Applicant Owner" is defined in Section 11.2(a).

5. "Association" means the Unit Owners' Association of the Project.

6. "Board" means the Board of Directors of the Unit Owners' Association of the Project.

7. "Bylaws" means the Bylaws of the Unit Owners' Association of the Project recorded concurrently herewith in the Land Court, as amended from time to time.

8. "Bureau" means the Bureau of Conveyances of the State of Hawaii.

9. "Common Element" means those parts of the Project that are defined in this Declaration as Common Elements, being all areas not designated as "Unit." Unless otherwise provided herein, the Common Elements are comprised of the Land in fee simple, the General Common Elements and the Limited Common Elements. The description of the Common Elements is set forth in Section 2.3.

10. "Common Expense" shall have the meaning set forth in Section 8.2.

11. "Common Interest" shall have the meaning set forth in Section 3.1.

12. "Condominium Documents" means this Declaration, the Condominium Map, the Bylaws, the House Rules, if adopted, as the same may be amended.

13. "Condominium Map" means the map prepared in accordance with Section 514B-33 of the Act that is recorded in the Land Court and Bureau, as the same may be duly amended from time to time.

14. "County" means the City and County of Honolulu.

15. "Declaration" means this Declaration of Condominium Property Regime of Kuhio Park Low Rises Phase 1, together with any lawful amendments hereto.

16. "Declarant" means the Hawaii Public Housing Authority, a public body and a body corporate and politic of the State of Hawaii.

17. "Declarant Control Period" means the period defined in Section 12.

18. "Declarant Reserved Rights Period" means the period defined in Section 13.

19. "Developer" means KPLR Phase 1, LP, a Hawaii limited partnership, and shall also include any of its permitted successors and assigns.

20. "Dispute" shall have the meaning given in Article 16.

21. "Existing Buildings" shall have the meaning given in Recital C.

22. "FHA" means the Fair Housing Act, 42 USC §§ 3601, *et. seq.*, as amended by the Fair Housing Amendments Act of 1988, and the rules and regulations promulgated thereunder, as may be amended from time to time.

23. "General Common Elements" means those Common Elements described in Section 2.3(a) and as depicted on the Condominium Map.

24. "Ground Lease" means a long-term ground lease granted by Declarant to Developer or an affiliate of Developer in accordance with the terms of the MDA to construct and operate one or more Units.

25. "HUD Restrictive Covenants" shall have the meaning given in Section 5.4.

26. "Improvements" means improvements that will exist on the Land and shall also include those improvements made by Owners (including Developer) and/or the Association from time to time.

27. "Investor" shall have the meaning set forth in Section 14.2.

28. "Land" is defined in Recital A and also described in **Exhibit A** attached hereto.

29. "Land Court" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

30. "Lessee" means any lessee under a Ground Lease of any Unit or Units and its appurtenant Common Interest.

31. "Limited Common Element" means those Common Elements that are designated in this Declaration as reserved for the exclusive use of one or more Units to the exclusion of other Units, more particularly described in **Exhibit C** and depicted on the Condominium Map.

32. "Limited Common Expense" shall have the meaning set forth in Section 8.3.

33. "Managing Agent" means any entity or individual employed or retained by the Association from time to time pursuant to a Condominium Management Agreement to perform fiscal

and administrative management of the Project and physical management of the Common Elements; provided that the initial Managing Agent shall be the Developer.

34. "New Lot" is defined in Section 13.8(a).

35. "Occupant" means any Person other than an Owner or Lessee occupying a Unit.

36. "Owner" means a Person owning severally or as a co-tenant a Unit and its appurtenant Common Interest. Without limiting the foregoing, where Declarant conveys a Unit under a Ground Lease, the lessee shall become the Owner with respect to all rights and obligations set forth herein, including voting rights and the obligation to pay Common Expenses; provided, however, Declarant shall still be invited to attend each annual meeting of the Association.

37. "Permits" is defined in Section 11.2(a).

38. "Person" means any natural person or any corporation, partnership, limited liability partnership, joint venture, trust, limited liability company, or other legal entity.

39. "Phase 1" means the developments of Apartment Units 1 through 4, inclusive, together with the Phase 1 Limited Common Elements, as described in Section 2.1(a).

40. "Phase 1 Limited Common Elements" is defined in Section 2.3(b)(i).

41. "Project" means the condominium project established pursuant to this Declaration and consistent with Section 514B-3.

42. "Reserved Rights" shall have the meaning set forth in Article 13.

43. "Spatial Unit 5" shall have the meaning given in Section 2.2(b).

44. "Subdivision" is defined in Section 13.8.

45. "Tax Credit Requirements" shall have the meaning set forth in Article 6.

46. "Unit" means a part of the Project, as described in this Declaration, intended for a permitted use under the Act and this Declaration, with an exit to a Common Element leading to a public street. The term "Unit" or "Units" shall include the Apartment Units and Spatial Unit 5.

47. "Unit Mortgagee" shall have the meaning set forth in Section 14.2.

EXHIBIT C

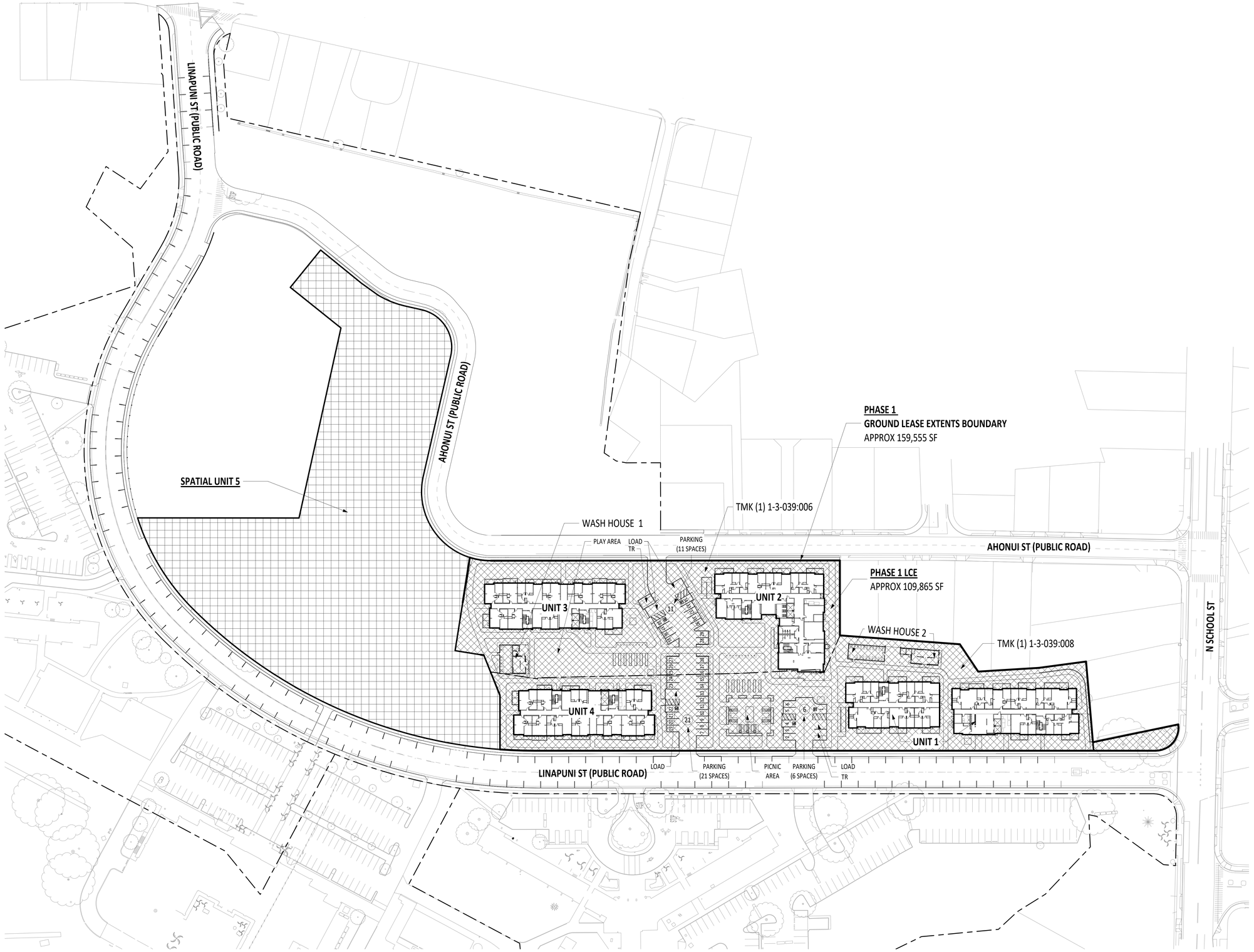
COMMON INTERESTS OF UNITS
AS OF: August ___, 2025

Unit	Common Interest
Apartment Unit 1	33.86%
Apartment Unit 2	19.41%
Apartment Unit 3	23.36%
Apartment Unit 4	23.36%
Spatial Unit 5	0.01%
Total	100.00%

EXHIBIT D

BOUNDARIES OF SPATIAL UNIT 5

[Insert Metes & Bounds]



1 OVERALL SITE PLAN
1" = 50'-0"

0 50' 100'

INDEX

UNIT 1
UNIT 2
UNIT 3
UNIT 4
WASH HOUSE 1
WASH HOUSE 2
PICNIC AREA
PLAY AREA
TRASH LOADING/PICK UP (TR)
LOADING (LOAD)
38 PARKING SPACES TOTAL

LEGEND

- PHASE 1 LIMITED COMMON ELEMENT
- SPATIAL UNIT 5
- UNITS 1-4

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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

N PROJECT NORTH

N TRUE NORTH

DRAWN BY: Author
PROJECT NUMBER: 20-410
SHEET ISSUE DATE: 05/30/25
SHEET TITLE:

CONDOMINIUM MAP OF KUHIO PARK LOW RISES PHASE 1

SHEET NUMBER

CPR-001

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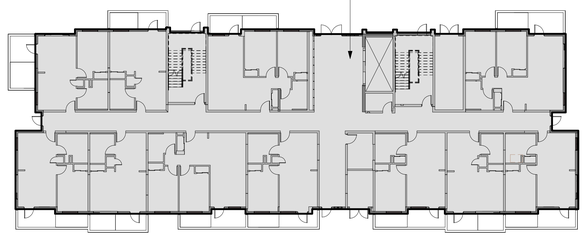
KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

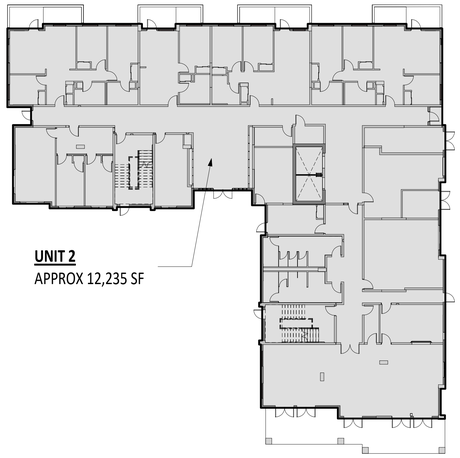
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UNIT 4
APPROX 10,433 SF



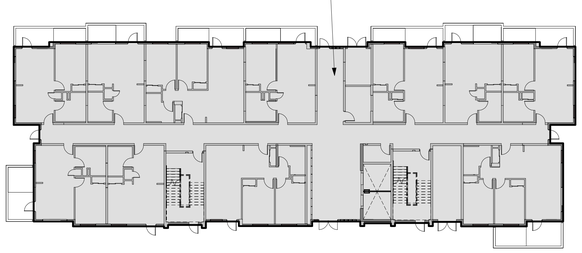
4 UNIT 4 FLOOR PLAN
1" = 20'-0"

UNIT 2
APPROX 12,235 SF



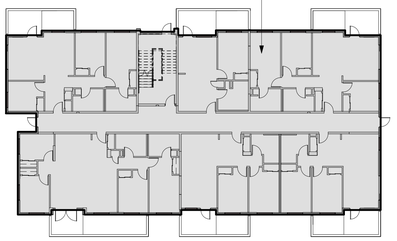
2 UNIT 2 FLOOR PLAN
1" = 20'-0"

UNIT 3
APPROX 10,403 SF



3 UNIT 3 FLOOR PLAN
1" = 20'-0"

UNIT 1
7,064 SF



UNIT 1
9,555 SF



1 UNIT 1 FLOOR PLAN
1" = 20'-0"

0 20' 40'

N
PROJECT NORTH

N
TRUE NORTH

DRAWN BY: Author
PROJECT NUMBER: 20-410
SHEET ISSUE DATE: 05/30/25
SHEET TITLE:

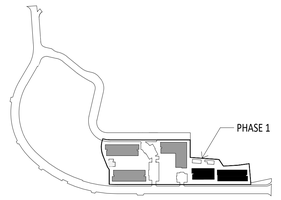
CONDOMINIUM MAP OF KUHIO PARK LOW RISES PHASE 1

SHEET NUMBER
CPR-002

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KEY PLAN



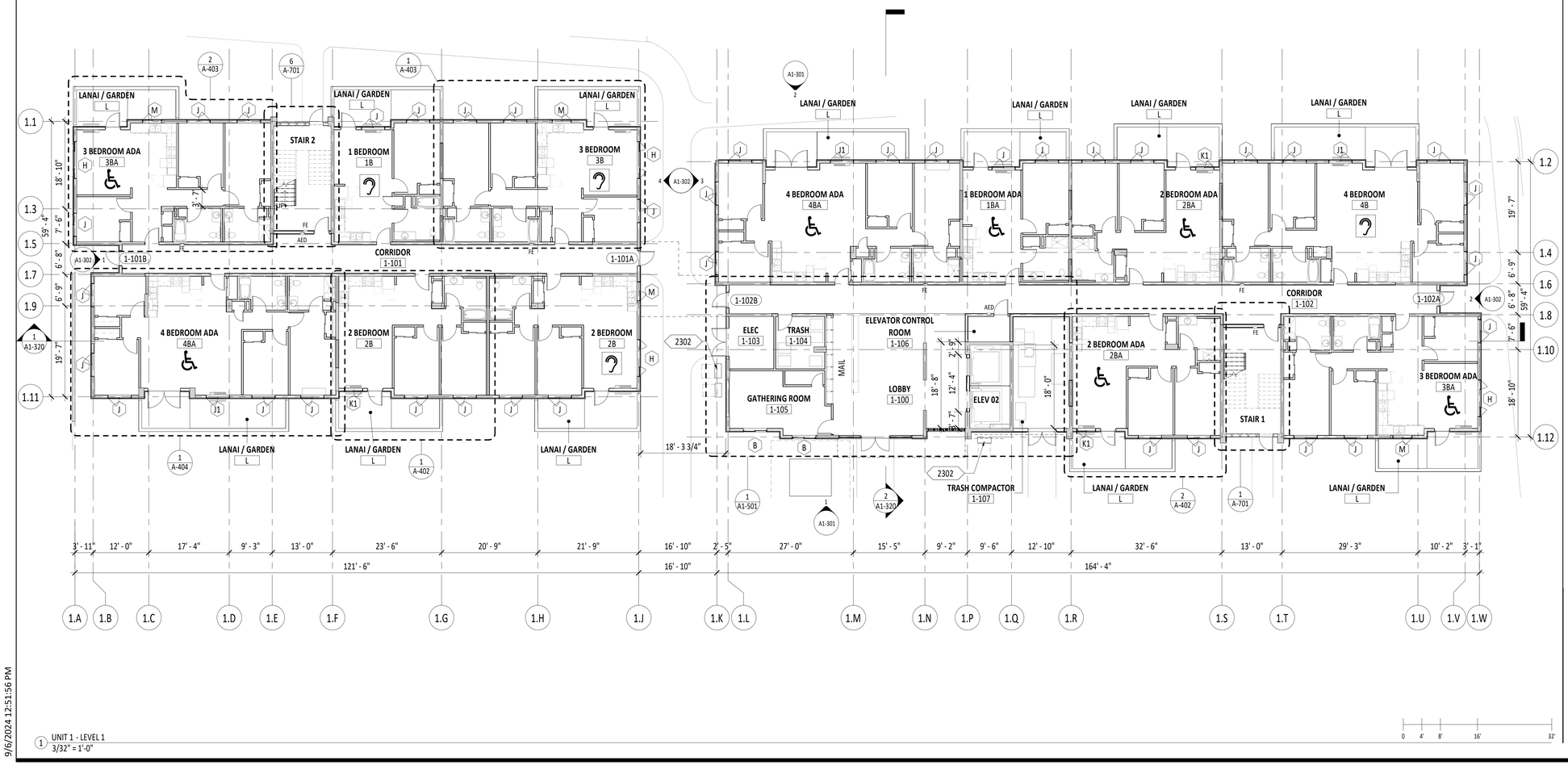
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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES



1 UNIT 1 - LEVEL 1
3/32" = 1'-0"

N PROJECT NORTH
TRUE NORTH

DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

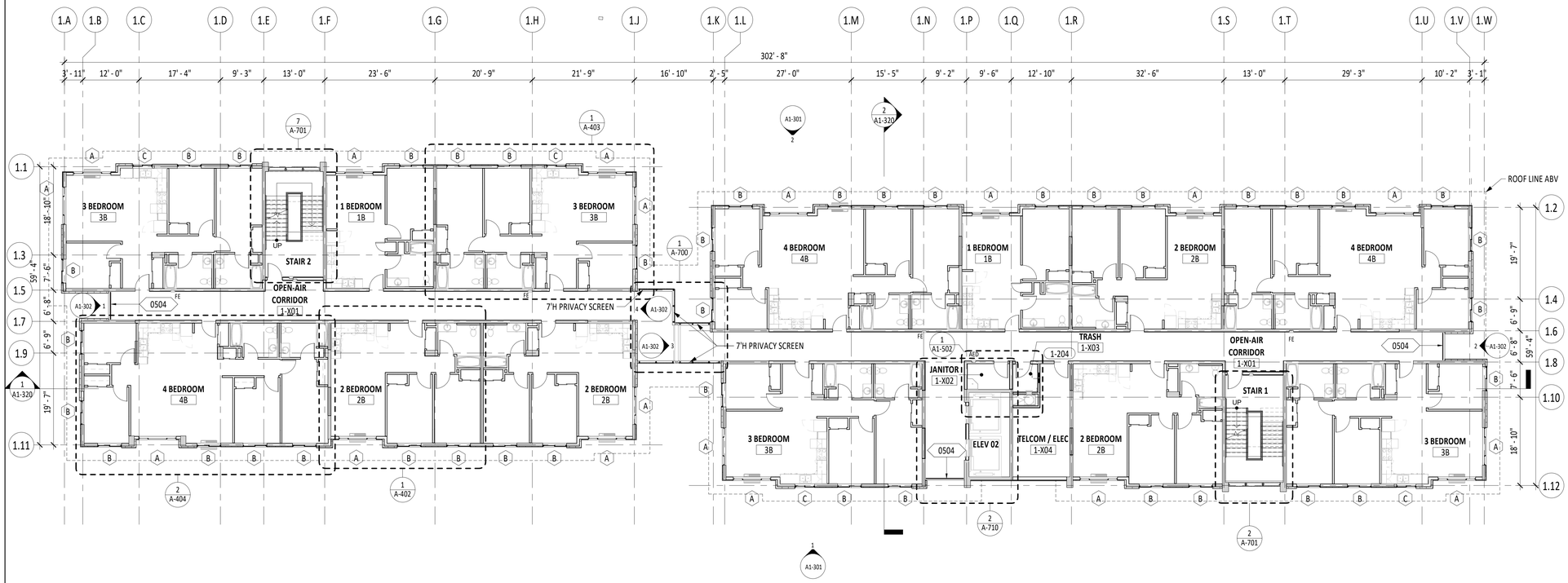
UNIT 1 - LEVEL 1 FLOOR PLAN

SHEET NUMBER

A1-201

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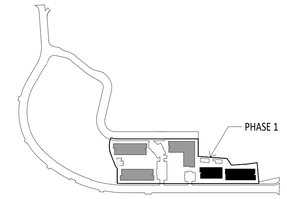
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1 UNIT 1 - LEVEL 2 TO 8 FLOOR PLAN
3/32" = 1'-0"

9/6/2024 10:04:17 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

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TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

PROJECT NORTH | TRUE NORTH

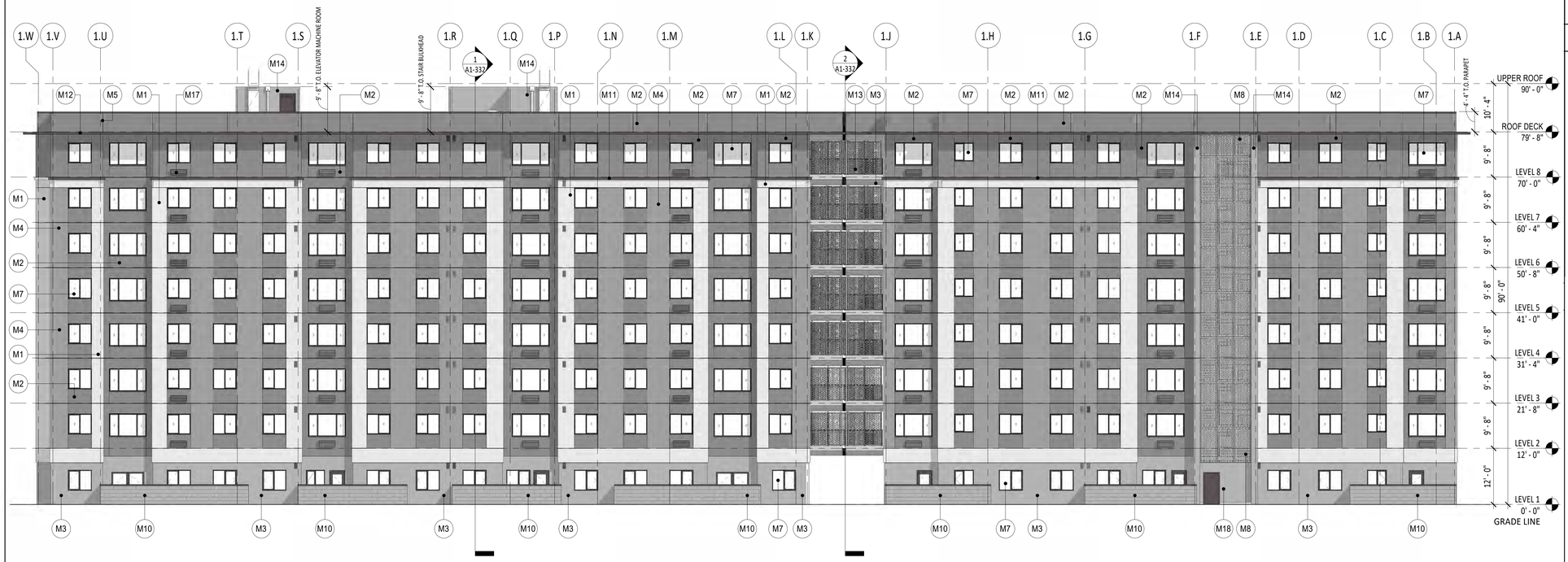
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SHEET TITLE:	

UNIT 1 - LEVEL 2 TO 8 FLOOR PLAN

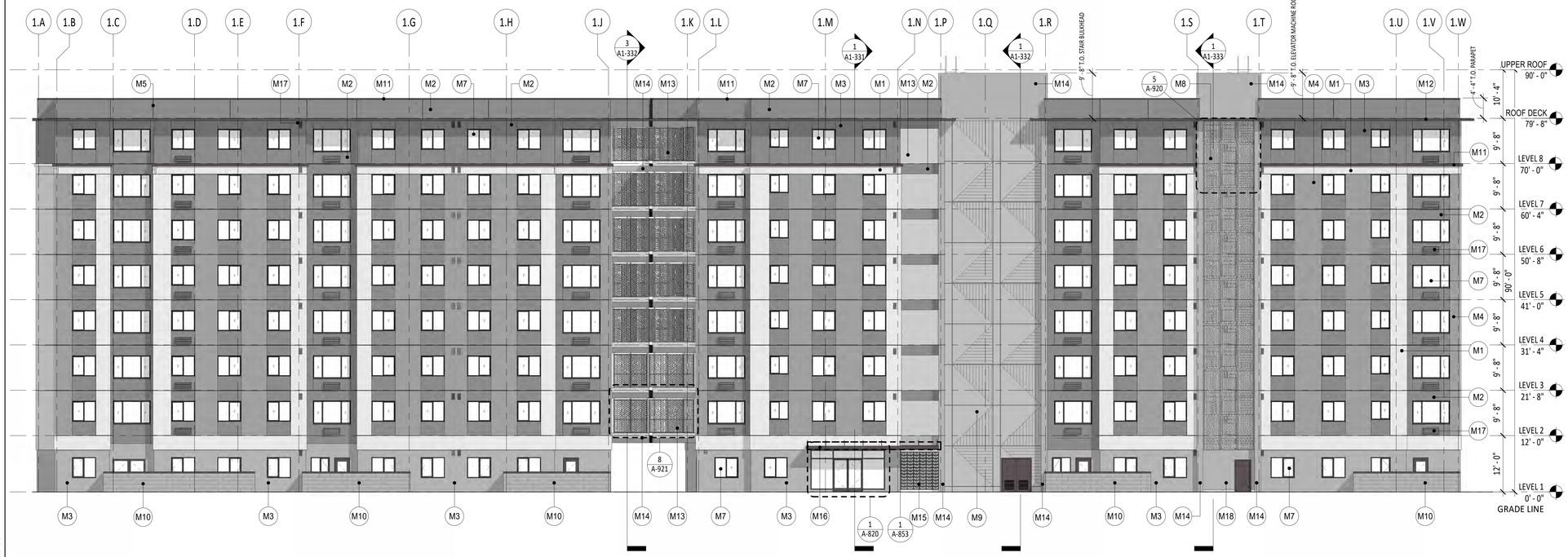
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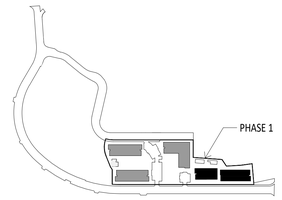
2 NORTHWEST / COURTYARD ELEVATION
3/32" = 1'-0"



1 SOUTHEAST / LINAPUNI STREET ELEVATION
3/32" = 1'-0"

9/6/2024 10:05:00 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
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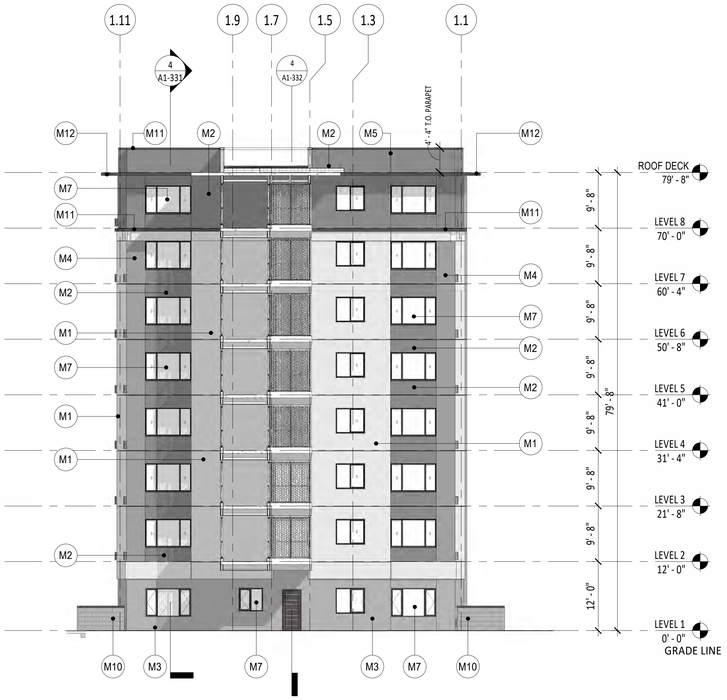
DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

DRAWN BY: Author
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SHEET TITLE:

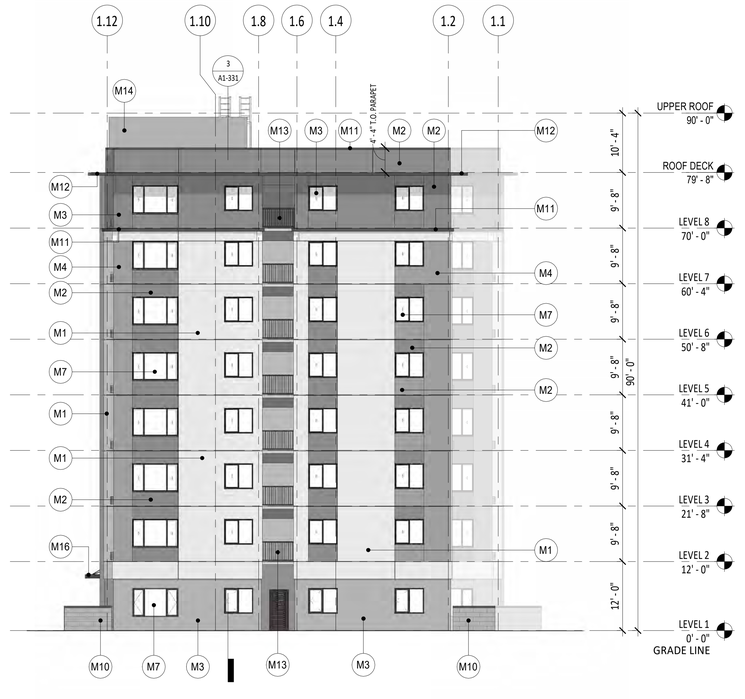
UNIT 1 - ELEVATIONS

SHEET NUMBER
A1-301

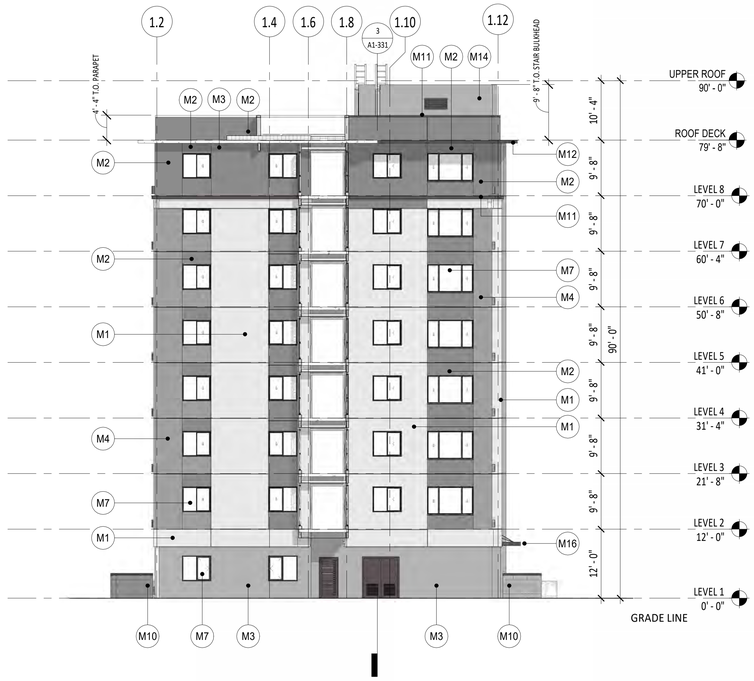
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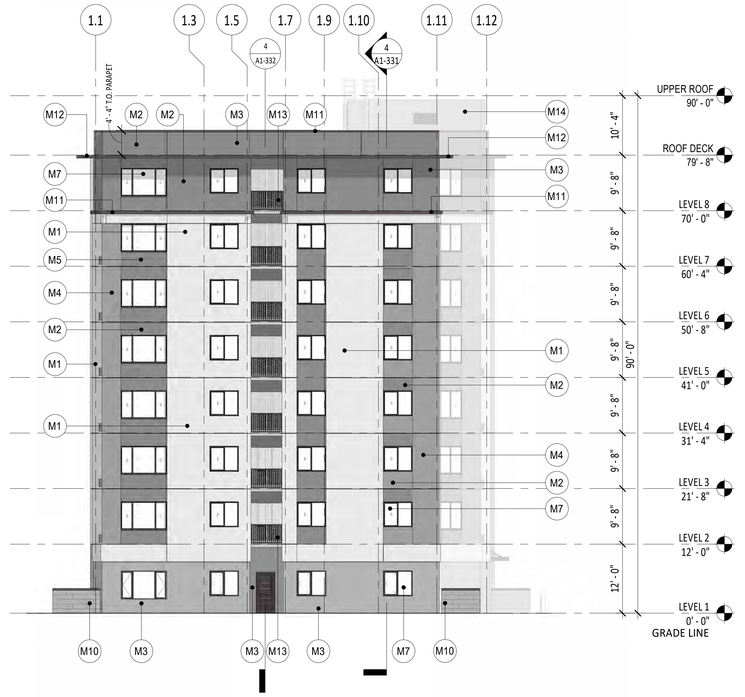
4 NORTHEAST / SCHOOL ST ELEVATION AT BRIDGE SECTION
3/32" = 1'-0"



2 NORTHEAST / SCHOOL ST ELEVATION
3/32" = 1'-0"



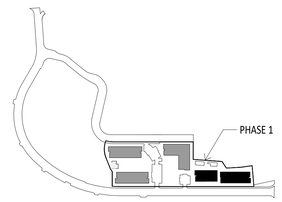
3 SOUTHWEST ELEVATION AT BRIDGE SECTION
3/32" = 1'-0"



1 SOUTHWEST ELEVATION
3/32" = 1'-0"

0 4' 8' 16' 32'

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

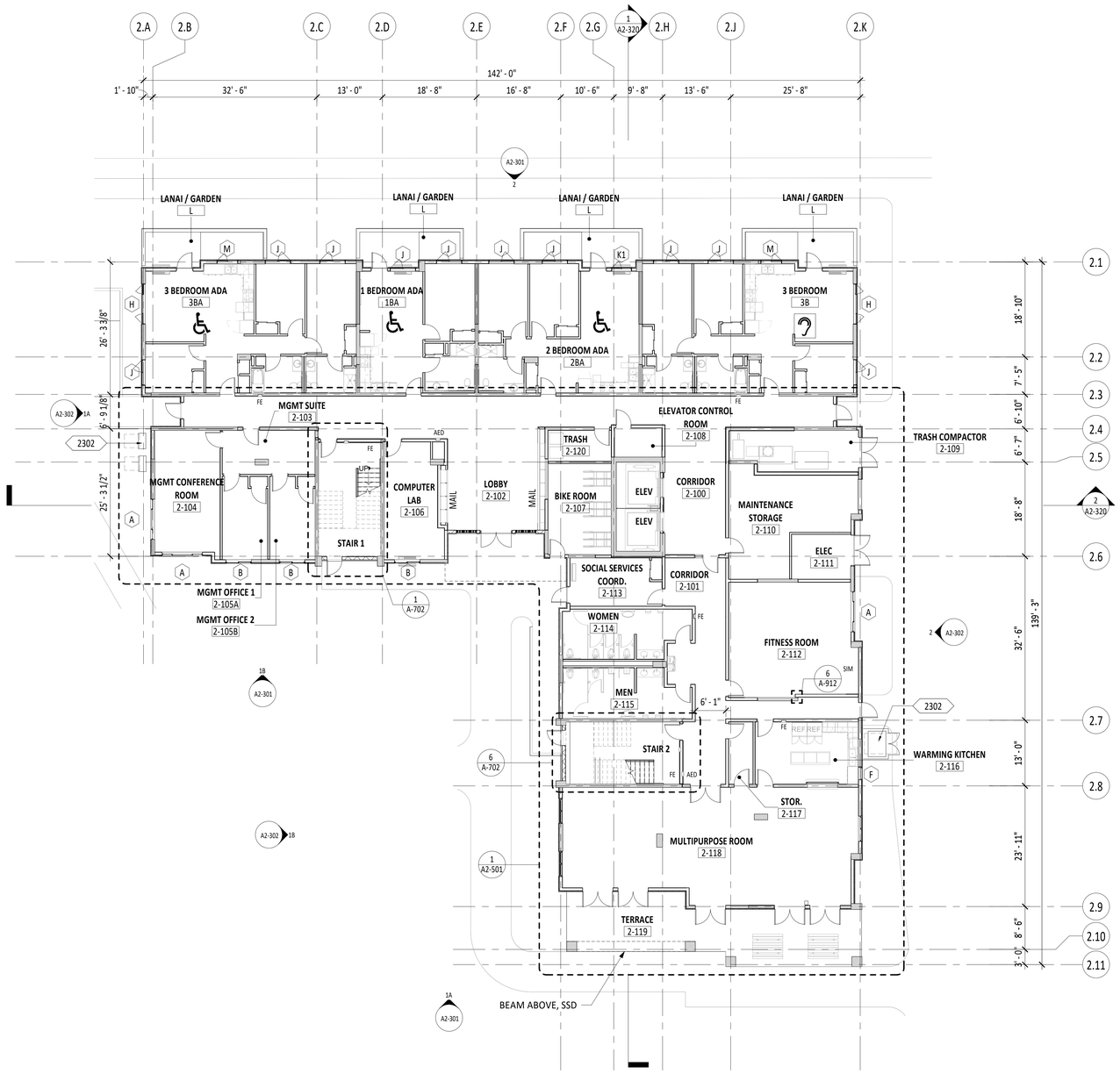
DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

UNIT 1 - ELEVATIONS

SHEET NUMBER
A1-302

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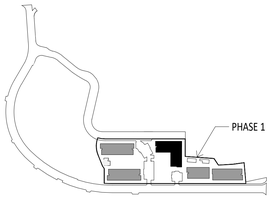


1 UNIT 2 - LEVEL 1
3/32" = 1'-0"

0 4' 8' 16' 32'

9/6/2024 10:07:00 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

PROJECT NORTH / TRUE NORTH

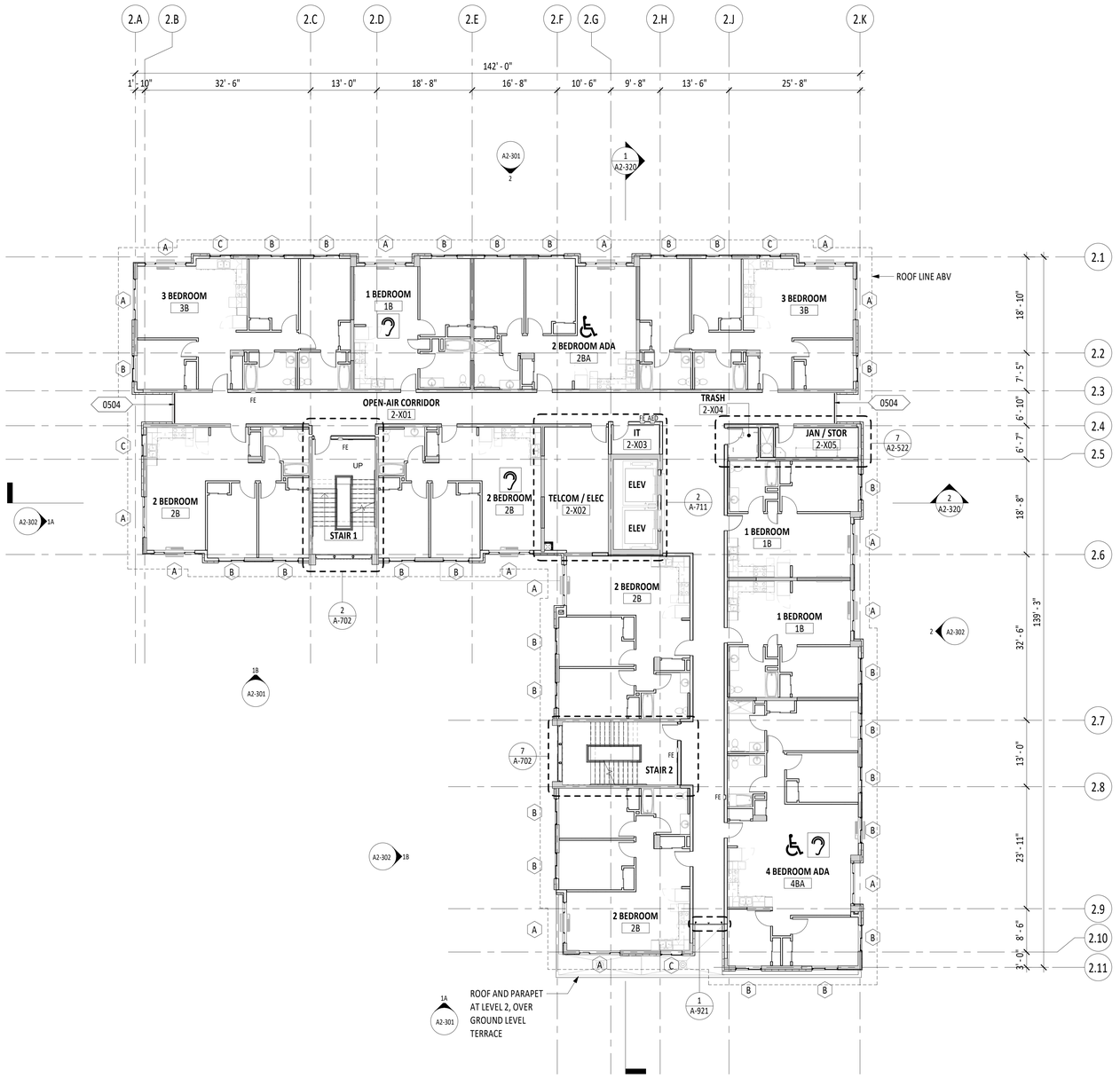
DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

UNIT 2 - LEVEL 1 FLOOR PLAN

SHEET NUMBER

A2-201

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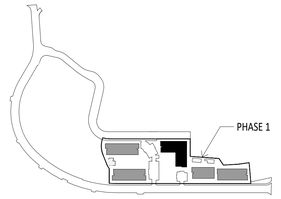


1 UNIT 2 - LEVEL 2 TO LEVEL 6 FLOOR PLAN
3/32" = 1'-0"

0 4' 8' 16' 32'

9/6/2024 10:07:06 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

PROJECT NORTH

TRUE NORTH

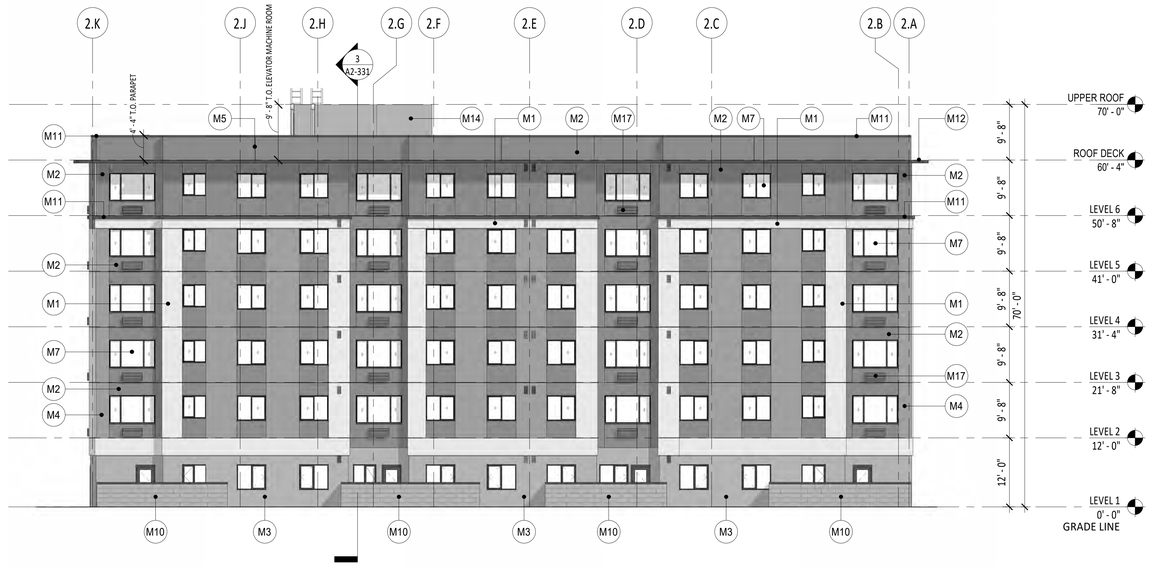
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SHEET ISSUE DATE: 09/06/24
SHEET TITLE:

UNIT 2 - LEVEL 2 TO 6 FLOOR PLAN

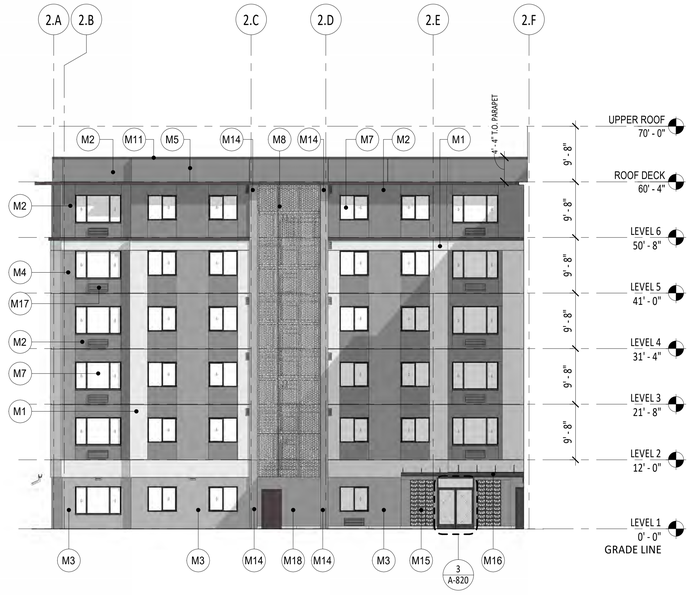
SHEET NUMBER

A2-202

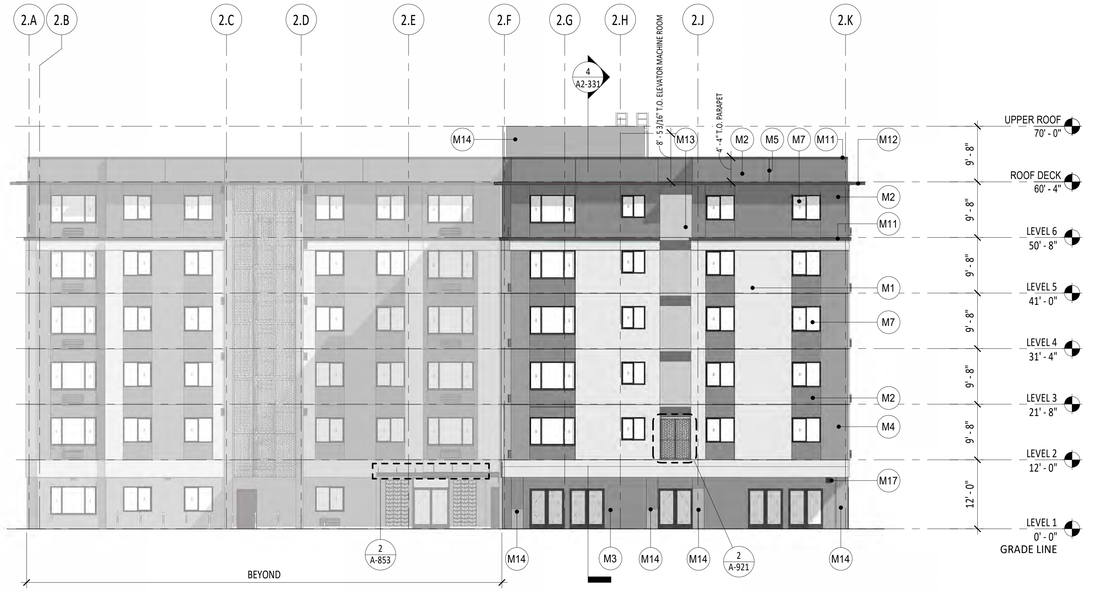
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2 NORTHWEST / AHONUI STREET ELEVATION
3/32" = 1'-0"



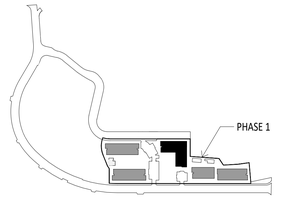
1B SOUTHEAST / LINAPUNI STREET ELEVATION BEYOND
3/32" = 1'-0"



1A SOUTHEAST / LINAPUNI STREET ELEVATION
3/32" = 1'-0"

0 4' 8' 16' 32'

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

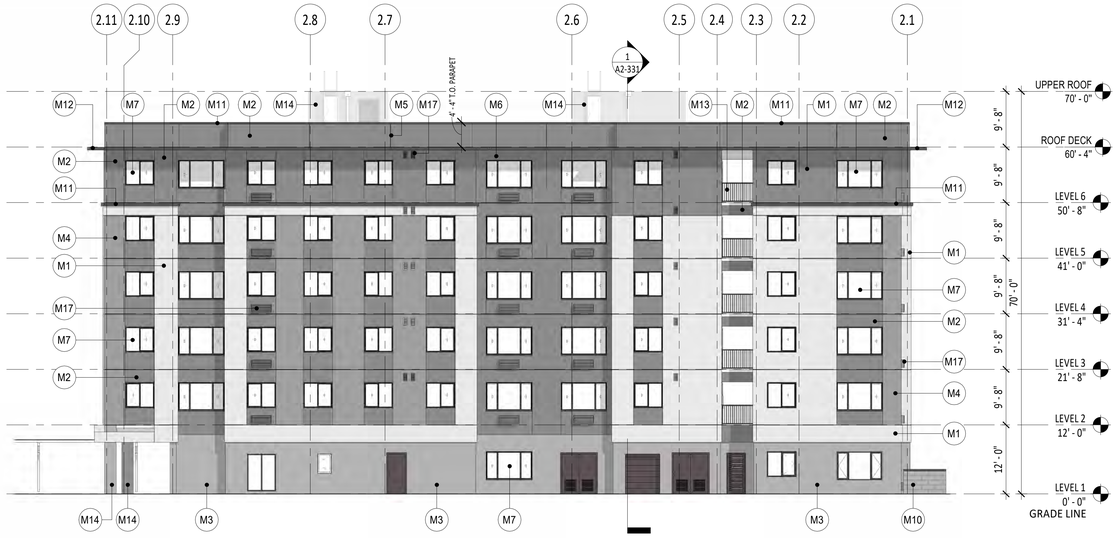
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SHEET TITLE:

UNIT 2 - ELEVATIONS

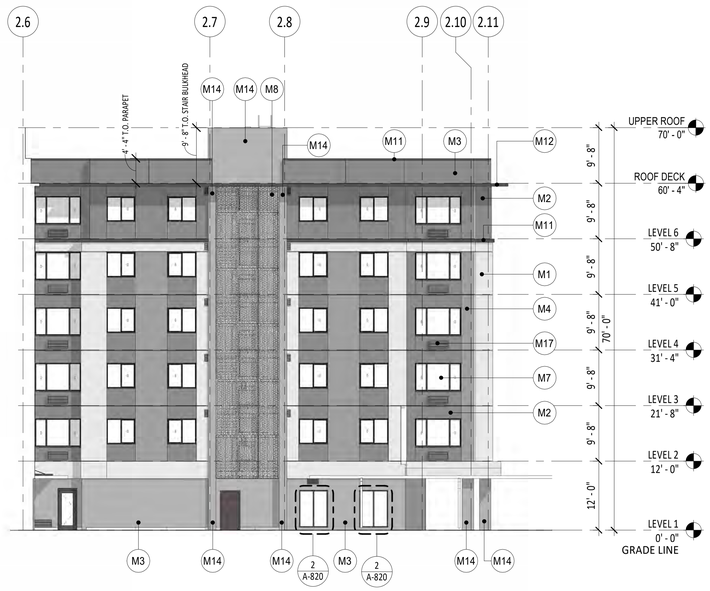
SHEET NUMBER
A2-301

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9/6/2024 10:07:31 AM



2 NORTHEAST / SCHOOL ST ELEVATION
3/32" = 1'-0"



1B SOUTHWEST / PARKING LOT ELEVATION BEYOND
3/32" = 1'-0"

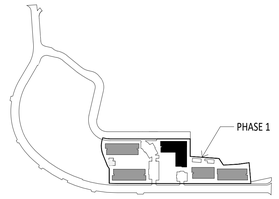


1A SOUTHWEST / PARKING LOT ELEVATION
3/32" = 1'-0"

0 4' 8' 16' 32'

9/6/2024 10:07:54 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

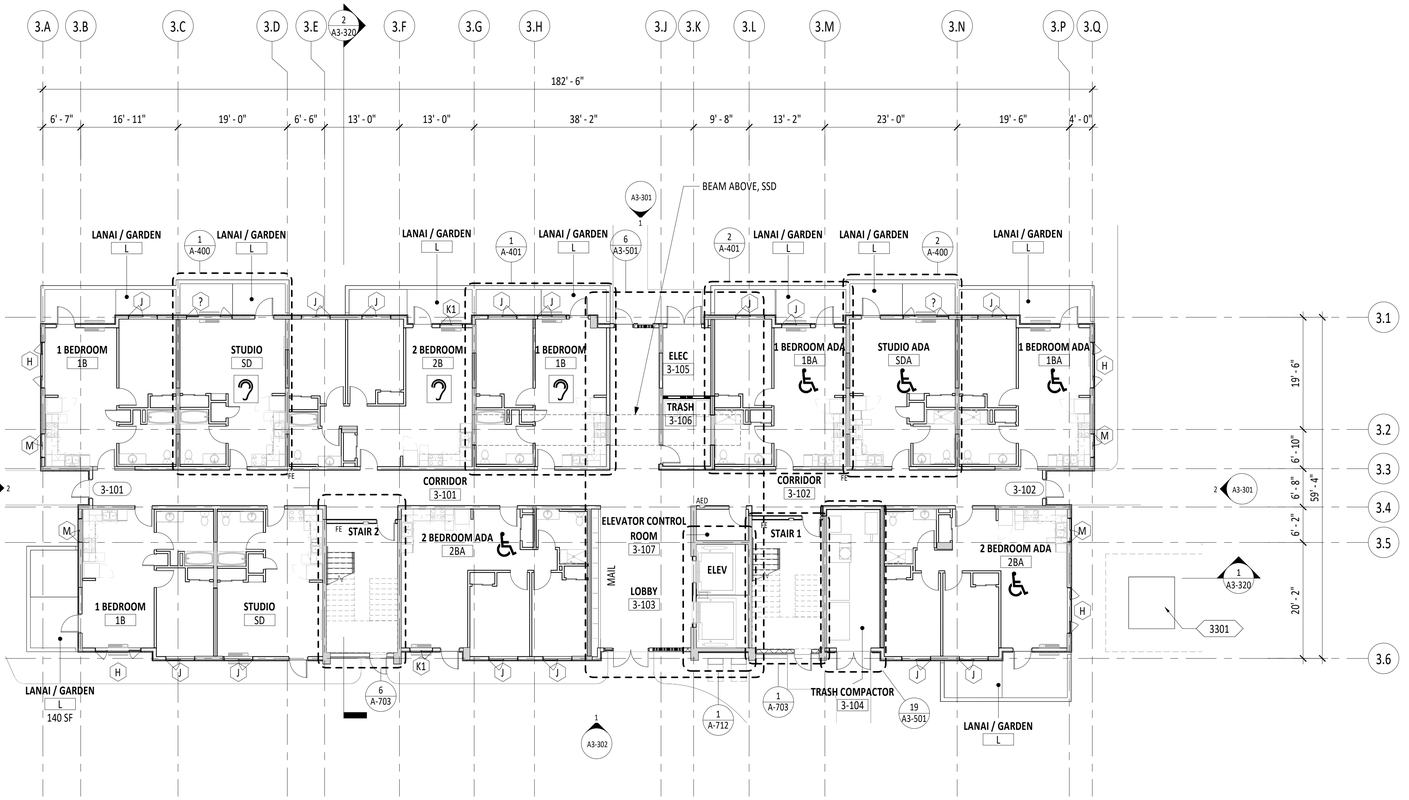
DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

DRAWN BY: Author
PROJECT NUMBER: 20-410
SHEET ISSUE DATE: 09/06/24
SHEET TITLE:

UNIT 2 - ELEVATIONS

SHEET NUMBER
A2-302

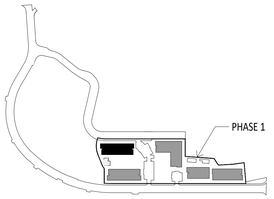
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1 UNIT 3 - LEVEL 1
3/32" = 1'-0"

9/6/2024 10:09:05 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

PROJECT NORTH
TRUE NORTH

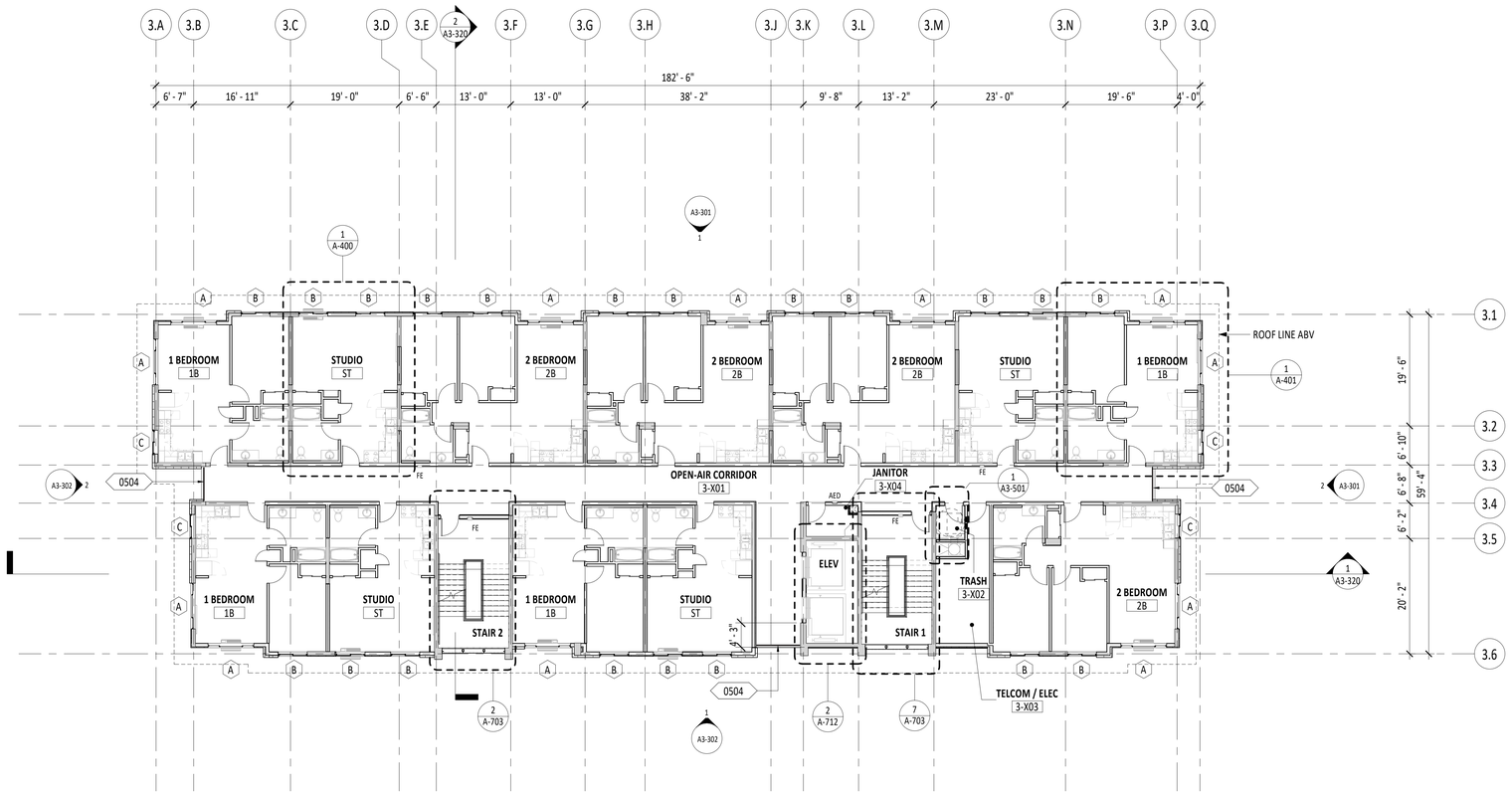
DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

UNIT 3 - LEVEL 1 FLOOR PLAN (UNIT 4 OH)

SHEET NUMBER

A3-201

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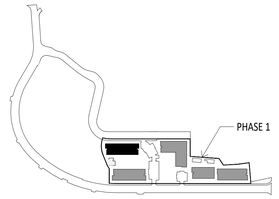


1 UNIT 3 - LEVEL 2 TO 6 FLOOR PLAN
3/32" = 1'-0"

0 4' 8' 16' 32'

9/6/2024 10:09:10 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

N
PROJECT NORTH

N
TRUE NORTH

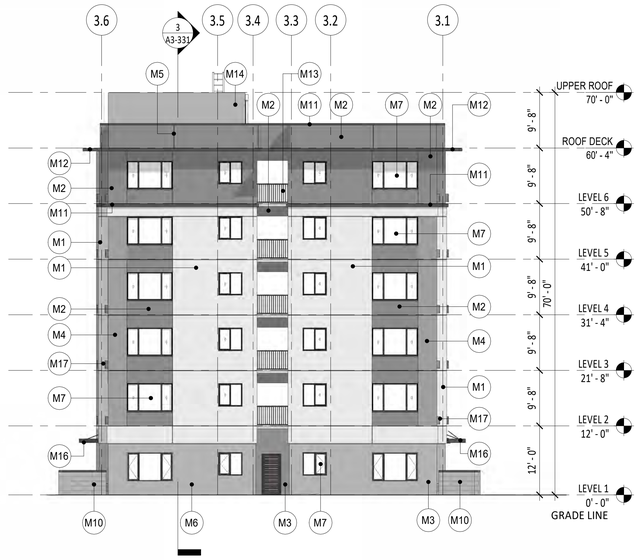
DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

UNIT 3 - LEVEL 2 TO 6 FLOOR PLAN (UNIT 4 OH)

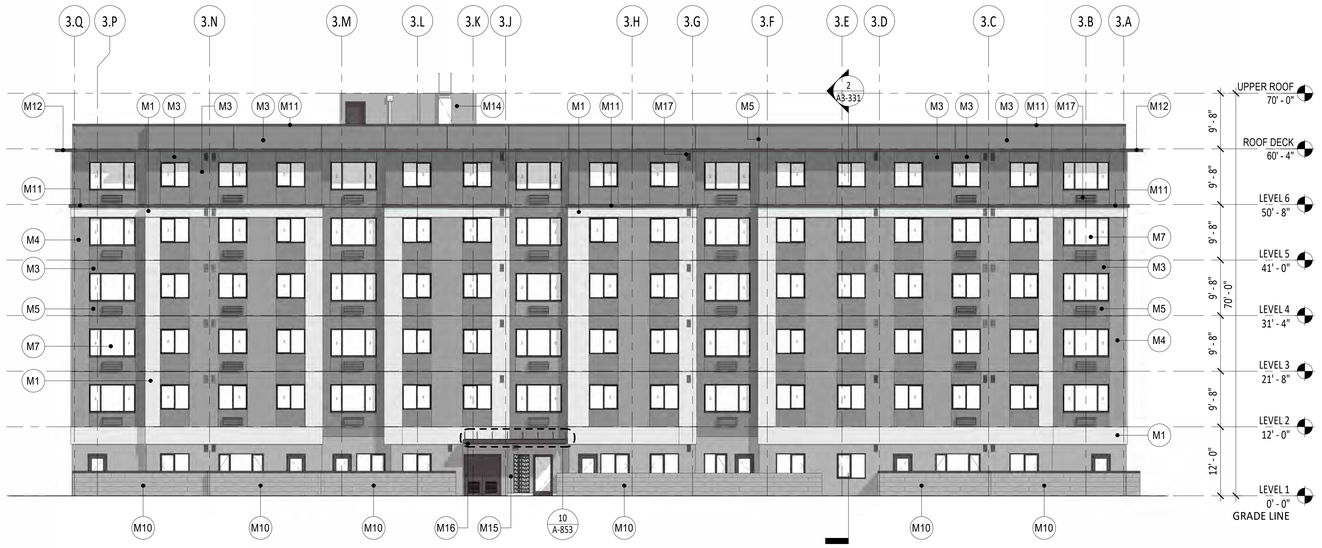
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A3-202

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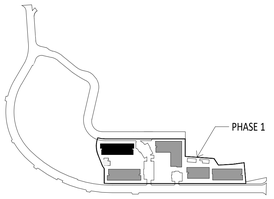


2 NORTHEAST / PARKING LOT ELEVATION
3/32" = 1'-0"



1 NORTHWEST / AHONUI ELEVATION
3/32" = 1'-0"

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

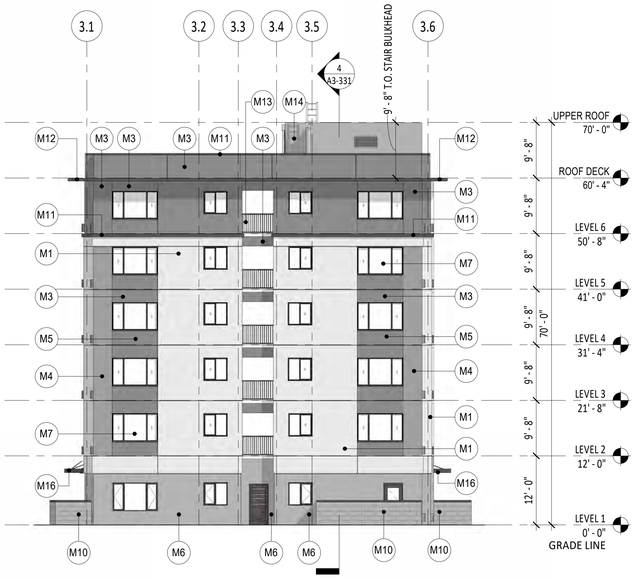
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SHEET ISSUE DATE: 09/06/24
SHEET TITLE:

UNIT 3 - ELEVATIONS (UNIT 4 OPPOSITE HAND)

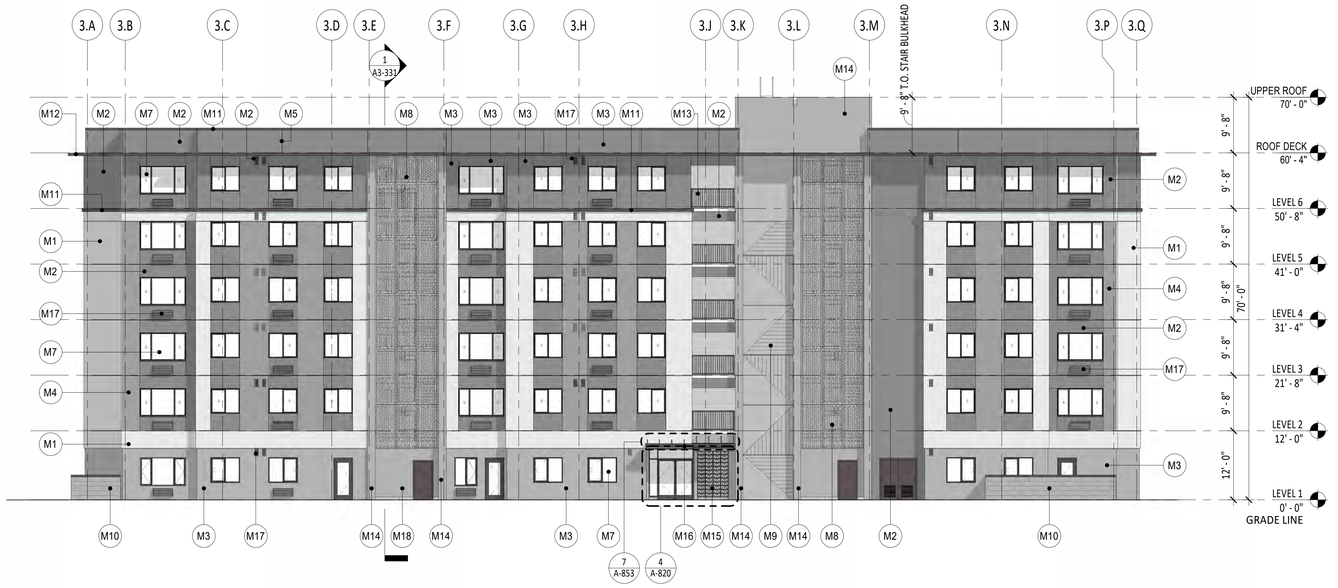
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A3-301

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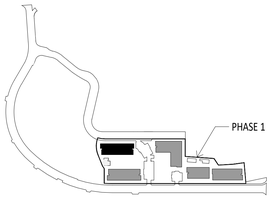


2 SOUTHWEST ELEVATION
3/32" = 1'-0"



1 SOUTHEAST / COURTYARD ELEVATION
3/32" = 1'-0"

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

DRAWN BY: Author
PROJECT NUMBER: 20-410
SHEET ISSUE DATE: 09/06/24
SHEET TITLE:

UNIT 3 - ELEVATIONS (UNIT 4 OPPOSITE HAND)

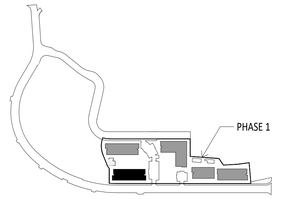
SHEET NUMBER

A3-302

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KEY PLAN



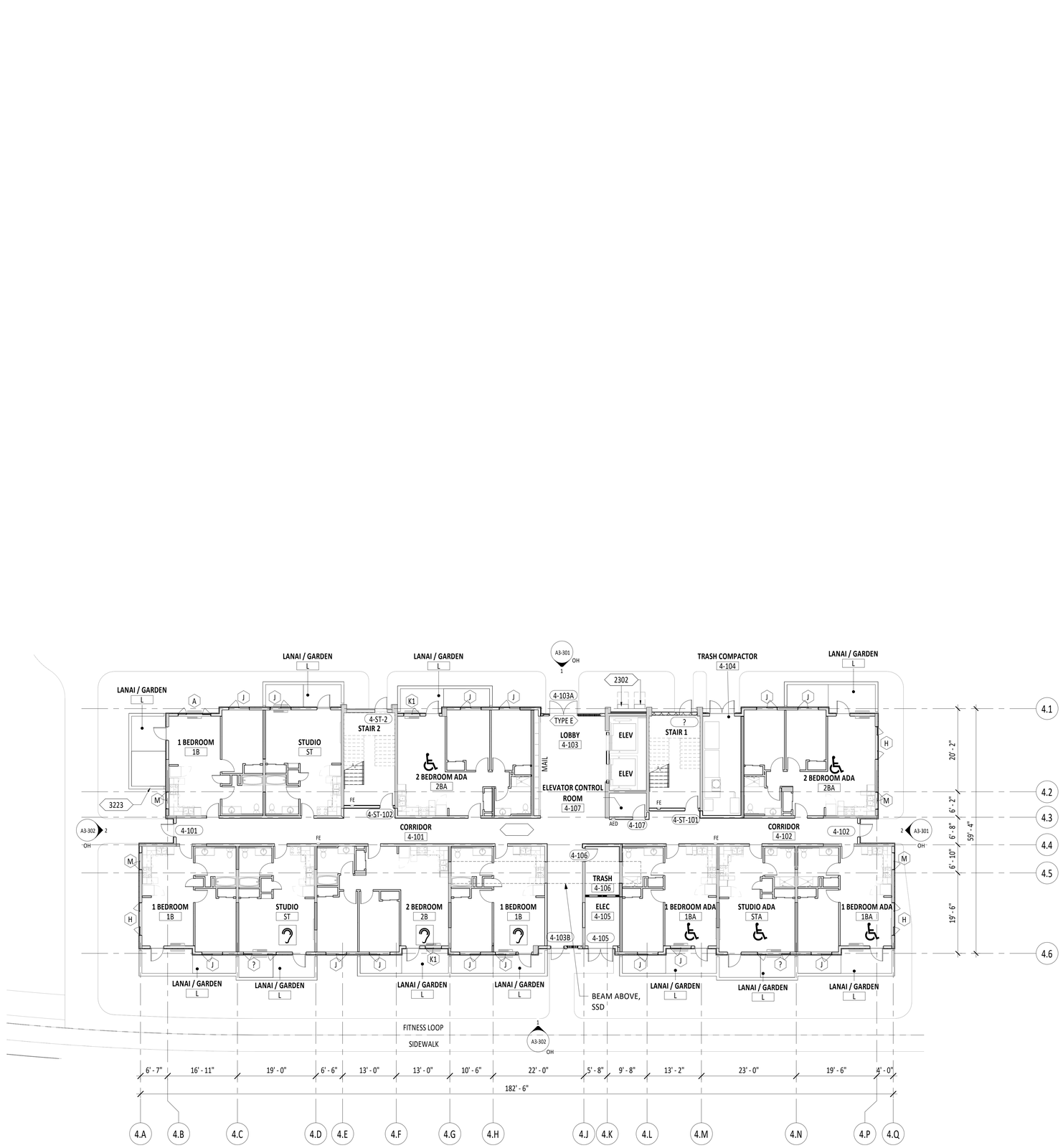
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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES



1 UNIT 4 - LEVEL 1
3/32" = 1'-0"

0 4' 8' 16' 32'

N
PROJECT NORTH
TRUE NORTH

DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

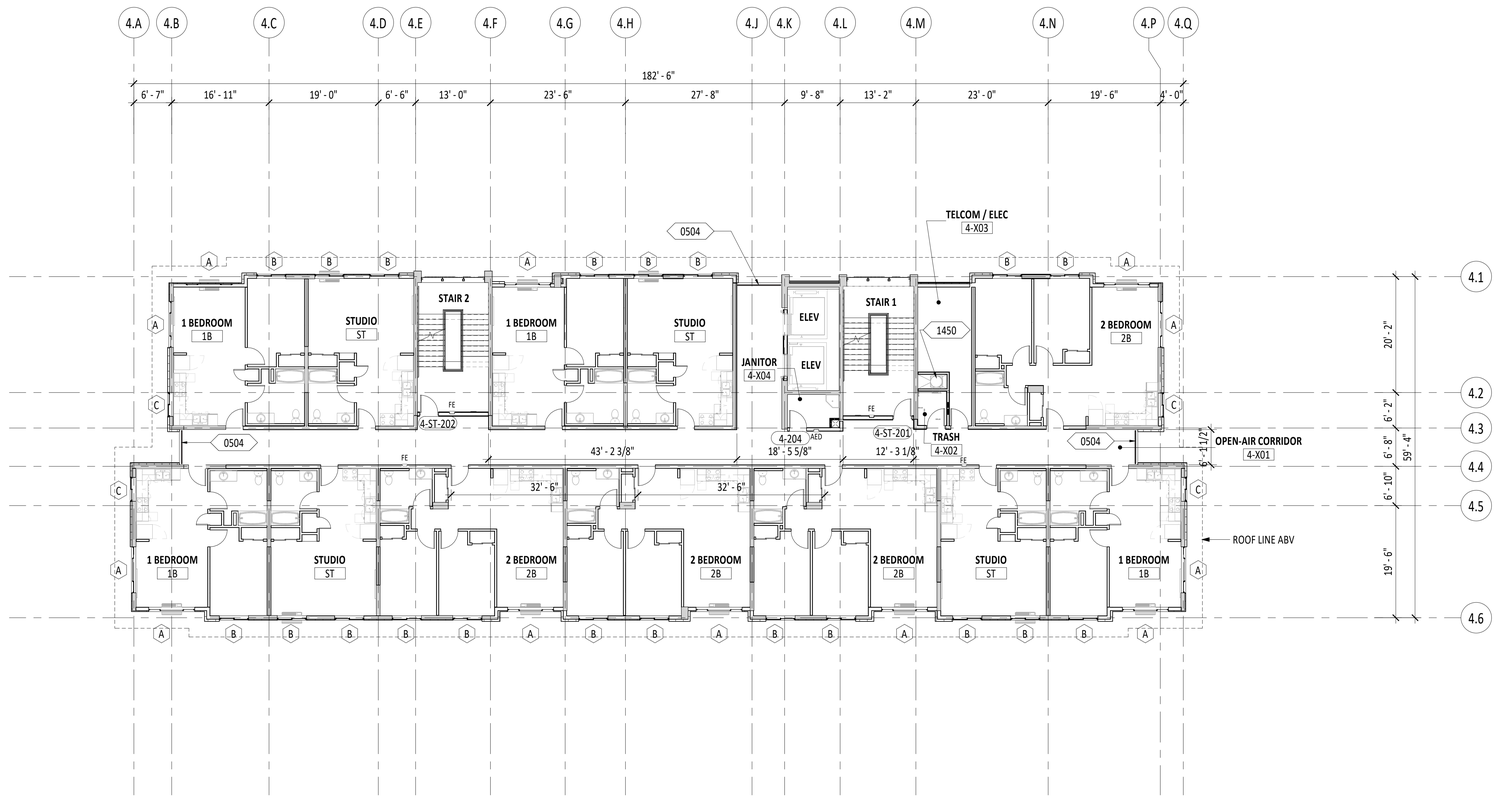
UNIT 4 - LEVEL 1 FLOOR PLAN

SHEET NUMBER

A4-201

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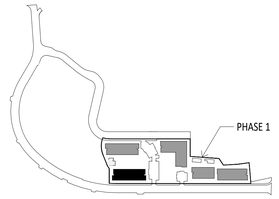


1 UNIT 4 - LEVEL 2 TO 6 FLOOR PLAN
3/32" = 1'-0"

0 4' 8' 16' 32'

9/6/2024 10:10:25 AM

KEY PLAN



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KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

N
PROJECT NORTH
TRUE NORTH

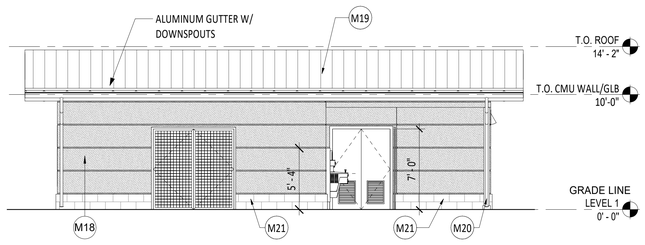
DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

UNIT 4 - LEVEL 2 TO 6 FLOOR PLAN

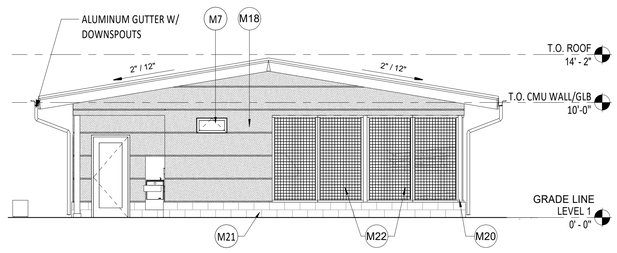
SHEET NUMBER

A4-202

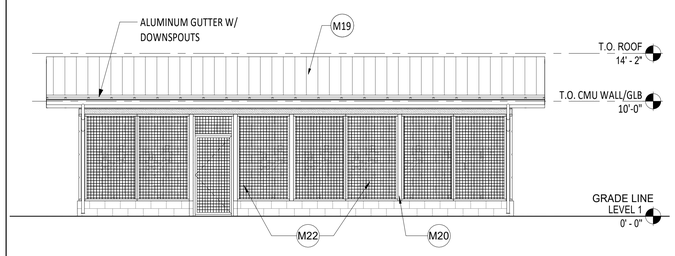
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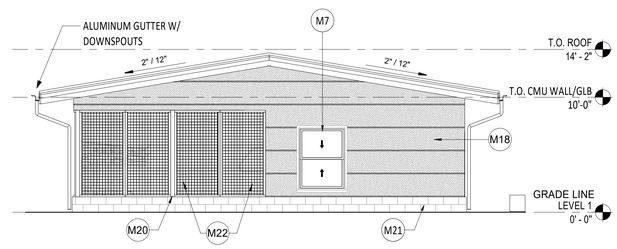
8 WASH HOUSE 1 - FRONT ELEVATION
3/16" = 1'-0"



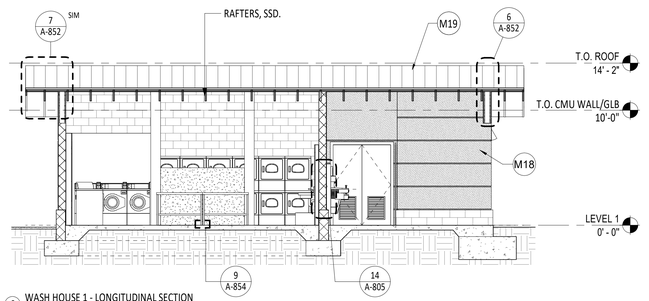
5 WASH HOUSE 1 - RIGHT ELEVATION 2
3/16" = 1'-0"



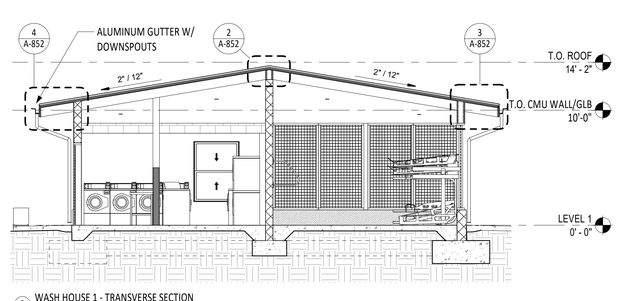
7 WASH HOUSE 1 - REAR ELEVATION
3/16" = 1'-0"



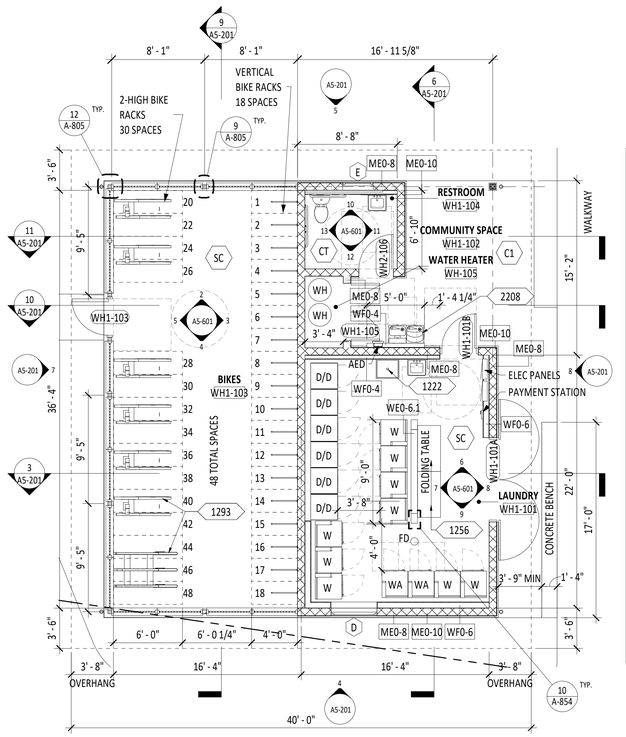
4 WASH HOUSE 1 - LEFT ELEVATION
3/16" = 1'-0"



6 WASH HOUSE 1 - LONGITUDINAL SECTION
3/16" = 1'-0"



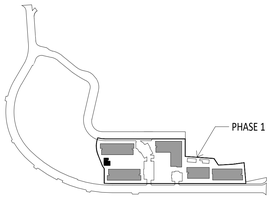
3 WASH HOUSE 1 - TRANSVERSE SECTION
3/16" = 1'-0"



1 WASH HOUSE 1 - ENLARGED PLAN
3/16" = 1'-0"

9/6/2024 10:10:57 AM

KEY PLAN



lowney arch
TEL 808.769.6808 URL lowneyarch.com
928 nu'uanu avenue | suite 400 | honolulu, hawaii 96817

KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

N
PROJECT NORTH

N
TRUE NORTH

DRAWN BY:	Author
PROJECT NUMBER:	20-410
SHEET ISSUE DATE:	09/06/24
SHEET TITLE:	

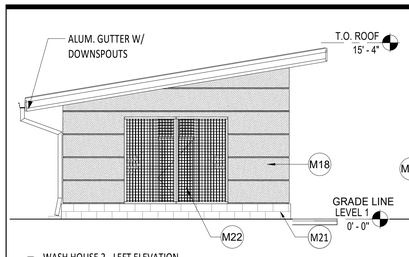
WASH HOUSE 1 - PLANS AND ELEVATIONS

SHEET NUMBER

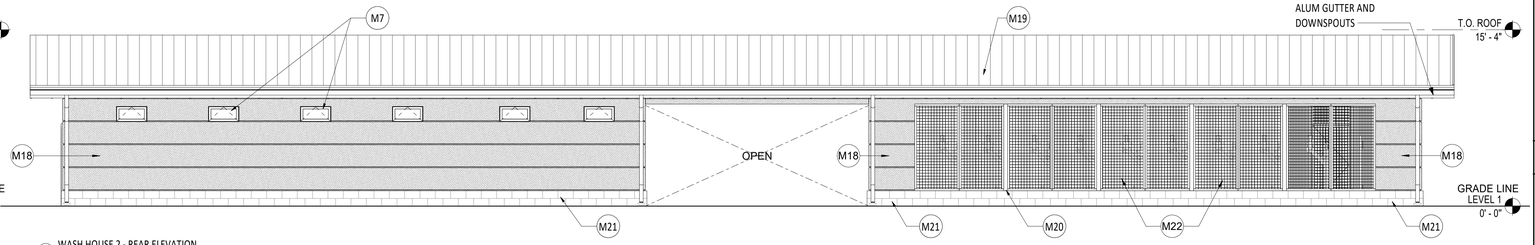
A5-201

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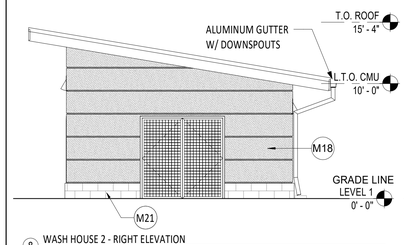
ALL DRAWINGS AND WRITTEN MATERIAL APPEARING HEREIN CONSTITUTE ORIGINAL AND UNPUBLISHED WORK OF THE ARCHITECT AND MAY NOT BE DUPLICATED, USED OR DISCLOSED WITHOUT WRITTEN CONSENT OF THE ARCHITECTS



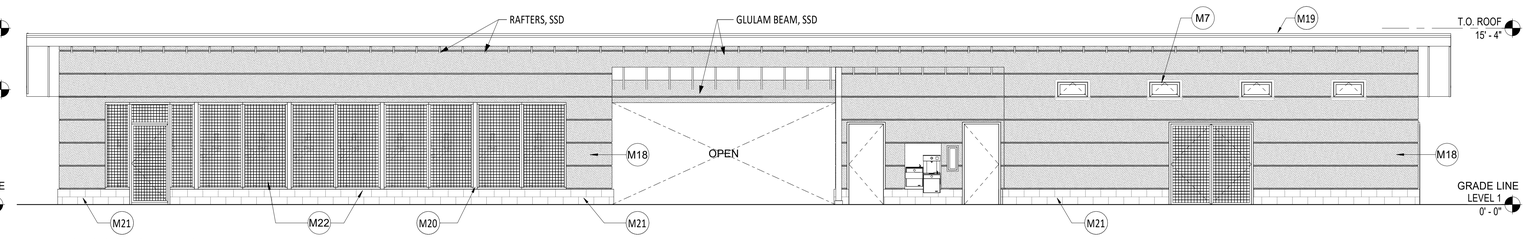
9 WASH HOUSE 2 - LEFT ELEVATION
3/16" = 1'-0"



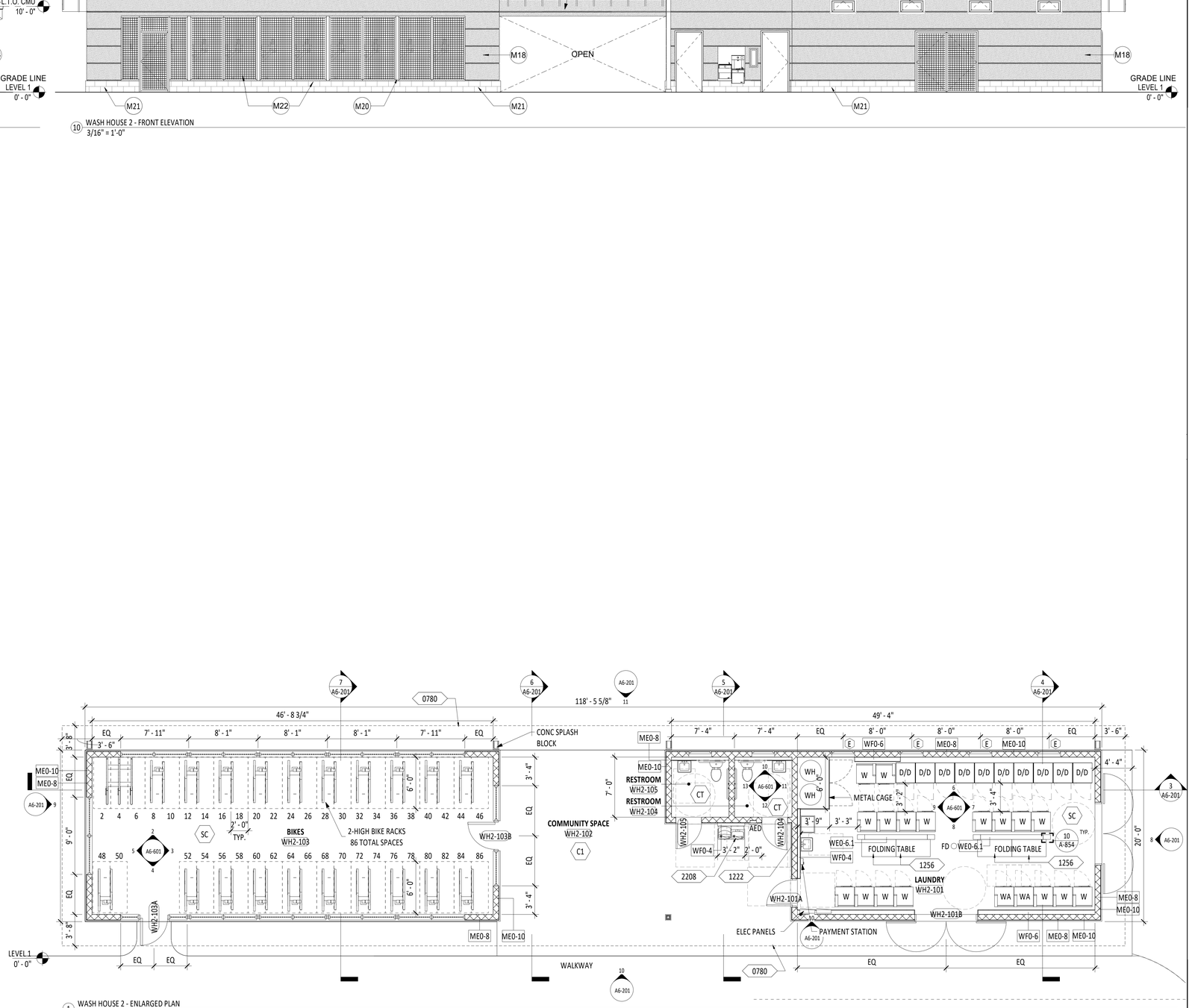
11 WASH HOUSE 2 - REAR ELEVATION
3/16" = 1'-0"



8 WASH HOUSE 2 - RIGHT ELEVATION
3/16" = 1'-0"

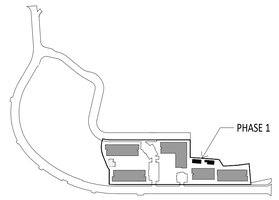


10 WASH HOUSE 2 - FRONT ELEVATION
3/16" = 1'-0"



1 WASH HOUSE 2 - ENLARGED PLAN
3/16" = 1'-0"

KEY PLAN



lowney arch
TEL 808.769.6808 URL lowneyarch.com
928 nu'uanu avenue | suite 400 | honolulu, hawaii 96817

KUHIO PARK LOW RISES PHASE 1

KPLR PHASE 1, LP

1449 AHONUI ST, HONOLULU, HI 96819
TMK: 13039006, 13039008

DESCRIPTION: AFFORDABLE MULTI-FAMILY RENTAL HOUSING PROJECT, INCLUDING FOUR RESIDENTIAL BUILDINGS AND AMENITIES

PROJECT NORTH / TRUE NORTH

DRAWN BY: Author
PROJECT NUMBER: 20-410
SHEET ISSUE DATE: 09/06/24
SHEET TITLE:

WASH HOUSE 2 - PLANS AND ELEVATIONS

SHEET NUMBER

A6-201

ALL DRAWINGS AND WRITTEN MATERIAL APPEARING HEREIN CONSTITUTE ORIGINAL AND UNPUBLISHED WORK OF THE ARCHITECT AND MAY NOT BE DUPLICATED, USED OR DISCLOSED WITHOUT WRITTEN CONSENT OF THE ARCHITECTS

0 2' 4' 8' 16'

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LAND COURT | REGULAR SYSTEM

RETURN BY MAIL [X] PICK-UP [ ] TO:

SETTLE MEYER LAW LLLC
A Limited Liability Law Company
900 Fort Street Mall, Suite 1800
Honolulu, Hawaii 96813
Phone: (808) 540-2400

TITLE OF DOCUMENT:

BYLAWS OF THE ASSOCIATION OF OWNERS OF KUHIO PARK LOW RISES PHASE 1

PARTIES TO DOCUMENT:

"DECLARANT": **HAWAII PUBLIC HOUSING AUTHORITY**, a public body and a body corporate and politic of the State of Hawaii, whose principal place of business and post office address is 1002 N. School Street, Honolulu, HI 96817

TMK Nos. (1) 1-3-039:006; (1) 1-3-039:008 No. of Pages: _____
This document affects TCT Nos. 114,462; 117,007

BYLAWS OF THE ASSOCIATION OF OWNERS
OF
KUHIO PARK LOW RISES PHASE 1

THESE **BYLAWS OF THE ASSOCIATION OF OWNERS OF KUHIO PARK LOW RISES PHASE 1** (these "Bylaws") are made this ___ day of _____, 2025, by **HAWAII PUBLIC HOUSING AUTHORITY**, a public body and a body corporate and politic of the State of Hawaii, whose business and post office address is 1002 N. School Street, Honolulu, Hawaii 96817 ("Declarant").

BACKGROUND

A. Declarant owns in fee simple, the real property identified as TMK Nos. (1) 1-3-039:006 and (1) 1-3-039:008, as more particularly described in **Exhibit A** together with all improvements currently located thereon (the "Property"). The Property is the subject of the Declaration of Condominium Property Regime of Kuhio Park Low Rises Phase 1 of even date herewith (the "Declaration"), recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Land Court") as Document No. _____ and the Bureau of Conveyances of the State of Hawaii ("Bureau") as Document No. _____, and shown on Condominium Map No. _____ (the "Condominium Map"), and noted on Transfer Certificate of Title Nos. 114,462; and 117,007.

B. Declarant has undertaken to establish that certain condominium property regime known as the "Kuhio Park Low Rises Phase 1" (the "Project") on the Property to facilitate the redevelopment of the Property, as described in the Declaration and in accordance with plans referred to in the Declaration as the Condominium Map.

NOW, THEREFORE, each Owner shall be a member of the Association, and Declarant declares that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following Bylaws, all of which are declared to be in furtherance of the plan set forth in the Declaration, and are established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of such property. These Bylaws shall constitute covenants running with the Land and the Units established thereon, and equitable servitudes, and shall be binding upon all parties having or acquiring any right, title, or interest therein.

ARTICLE I.
INTRODUCTORY PROVISIONS

1.1 Authority for Bylaws. Declarant, acting as the present Association, hereby approves and adopts these Bylaws pursuant to the Act. These Bylaws are subject to the laws of the State of Hawaii, including but not limited to, the Act and Hawaii Administrative Rules, Title 16, Chapter 107 (the "HAR"), as amended from time to time.

1.2 Purpose of Bylaws; Covenants to Run with the Land. The Land and the Improvements are held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following Bylaws, all of which are declared and agreed to be in furtherance of the plan set forth in the Declaration, to constitute a condominium property regime under the Act and for the purposes of enhancing and perfecting the value, desirability, and attractiveness of the Project. These Bylaws shall run with the Land

and Units, shall constitute equitable servitudes and liens, and shall be binding upon all parties having or acquiring any right, title or interest therein.

1.3 Definitions. The terms used herein with initial capital letters shall have the meanings given to them in **Exhibit B** of the Declaration, except as otherwise expressly provided herein.

1.4 Conflicts. These Bylaws are set forth to comply with the requirements of the Act and the HAR. In any case where any of these Bylaws conflict with the provisions of the Act, the HAR, or the Declaration, the provisions of the Act, the HAR, or the Declaration, as the case may be, shall control.

ARTICLE II.
ASSOCIATION OF OWNERS

2.1 Membership. All Owners of the Project together shall constitute the Association. The Owner of any Unit shall automatically become a member of the Association and shall remain a member until such time as his or her ownership of such Unit ceases for any reason. In the event that the Project is terminated, the Association shall consist of all former Owners who owned Units at the time of termination and who are entitled to distributions of proceeds under Section 514B-47 of the Act, or such Owners' heirs, successors or assigns. Notwithstanding anything to the contrary provided herein, during the Declarant Control Period, Declarant shall operate the Project in accordance with the Declaration and these Bylaws and, where necessary, take all actions on behalf of the Association upon such terms and conditions as they shall agree upon which are consistent with the terms of the Declaration and these Bylaws. For the duration of the Declarant Control Period, Declarant shall have the right to appoint and remove the Officers and the Directors of the Association's Board. Following termination of the Declarant Control Period and upon the first election of a replacement Board in accordance with Section 3.1 below, Declarant shall be entitled to vote the interest of each Unit that it owns or controls. Notwithstanding anything to the contrary herein, the rights of the Director and Officers to make decisions governing the Association and the Project shall be limited by the consent rights required by Section 14.6 of the Declaration.

2.2 Purpose. The Association shall be organized and operated for the purposes of administrative and fiscal management of the Project and for managing, maintaining, acquiring, constructing, and caring for the Association property, which includes the General Common Elements, any real property which is not part of the Common Elements but which the Association either owns or leases, any personal or moveable property owned or leased by the Association, and any fixtures owned or leased by the Association; provided, however, that unless otherwise provided in the Declaration or these Bylaws, Limited Common Elements shall be managed and maintained by the Owner(s) of the Unit(s) to which such Limited Common Elements are appurtenant.

2.3 Voting. Each Owner of a Unit shall be entitled to that percentage of the total vote which equals the percentage of the Common Interest appurtenant to such Unit as set forth in the Declaration. Any action to substantially amend these Bylaws must be approved by the Investor (as defined in the Declaration if and to the extent the Investor owns a partnership interest in the Lessee(s) of the Apartment Units). The respective Owners may cast votes in person or by proxy; provided that voting by acclamation is permitted for items where formal voting is not necessary. The vendee of a Unit pursuant to an agreement of sale shall have the

right to vote unless the vote is retained by the vendor as may be provided in said agreement of sale pursuant to Section 514B-124 of the Act. An executor, administrator, personal representative, guardian, or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any Unit owned or controlled by him or her in such capacity, provided that he or she shall first present evidence satisfactory to the Secretary that he or she owns or controls such Unit in such capacity not later than the commencement of the meeting. The vote for any Unit owned of record by two (2) or more Persons shall not exceed the total Common Interest appurtenant to such Unit and may be exercised by any one of them present at any meeting in the absence of protest by the other or others. If more than one (1) Owner is present, the Common Interest vote allocated to that Unit may be cast only in accordance with the agreement of the majority in interest of the Owners of the Unit. There is a majority agreement if any one (1) of the Owners casts the votes allocated to that Unit without protest being made by any of the other Owners of the Unit to the person presiding over the meeting before the polls are closed. If co-Owners do not agree on their vote, than the entire vote allocated to that Unit will not be counted. Corporations, general partnerships, limited partnerships, limited liability partnerships, and limited liability companies which are Owners shall designate a general partner, officer, member, or manager, as appropriate, for the purpose of exercising the vote; and such representative of an Owner which is a corporation, general partnership, limited partnership, or limited liability company shall present satisfactory written evidence to the Secretary of his or her designation as representative not later than the commencement of the meeting.

2.4 Quorum. The term “quorum” refers to the number or percentage of Owners who must be present at a meeting to conduct business for all Owners as follows:

A. All Owners. For all meetings of the Association with respect to all matters which may be voted on by all Owners holding no less than thirty-five percent (35%) of all Common Interests must be present to have a quorum, unless a different number is required by law, the Declaration, or another part of these Bylaws.

B. When an Owner is "Present". Owners are "present" at a meeting if: (i) they attend it in person, or (ii) their proxy holder attends it for them, or (iii) someone else permitted by these Bylaws attends it for them.

2.5 Majority Vote. A vote of the majority of the Common Interest present at a meeting at which a quorum is present shall be binding upon all applicable Owners, for all purposes, except where a higher percentage vote is required in the Declaration, these Bylaws, or by law. Notwithstanding the preceding sentence: (i) where a vote requires a Majority of Unit Owners, the term "Majority of Unit Owners"" shall mean the Owners to which are appurtenant more than fifty percent (50%) of the total Common Interest; and (ii) where a vote requires a specific percentage of Owners, the specified percentage of the Owners means Owners to which are appurtenant such percentage of the Common Interest.

2.6 Proxies. An Owner may appoint in writing a proxy to represent the Owner at meetings of the Association. An Owner may vote by mail or electronic transmission through a duly executed proxy.

A. Delivery. A proxy, to be valid, must: (i) be delivered to the Secretary or the Managing Agent no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains; (ii) contain at least the name of the Association, the date of the

meeting of the Association, the printed name(s) and signature(s) of the Person(s) giving the proxy, the Unit number for which the proxy is given, the name of the person to whom the proxy is given, and the date that the proxy is given; (iii) if it is a standard proxy form authorized by the Association, contain boxes wherein the Owner has indicated that the proxy is given: (a) for quorum purposes only; (b) to the individual whose name is printed on a line next to this box; (c) to the Board as a whole and that the vote be made on the basis of the preference of the majority of the Directors present at the meeting; or (d) to those Directors present at the meeting with the vote to be shared with each Director receiving an equal percentage. The proxy form shall also contain a box wherein the Owner may indicate that the Owner wishes to obtain a copy of the annual audit report.

B. Validity. A proxy shall only be valid for the meeting to which the proxy pertains and its adjournments, may designate any person as proxy, and may be limited as the Owner indicates; provided that no proxy shall be irrevocable unless coupled with a financial interest in the Unit.

C. Copies. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original proxy.

D. Board Rules. The Board shall not adopt any rule prohibiting the solicitation of proxies or distribution of materials relating to Association matters on the Common Elements by Owners; provided that subject to applicable approval rights of Declarant, the Board may adopt rules regulating the reasonable time, place, and manner of the solicitations or distributions, or both.

2.7 Place of Meetings. All meetings of the Association shall be held at such place within the Project, or elsewhere within the State of Hawaii, as may be designated by the Board; provided that in the event of a natural disaster, such as a hurricane, an Association meeting may be held outside the State of Hawaii.

2.8 Annual Meetings. The first annual meeting of the Association shall be held one hundred eighty (180) calendar days from the date the first Ground Lease is conveyed to a Lessee. Subject to the rights of Declarant to designate Directors contained in the Declaration and these Bylaws, at such meeting, the Owners shall elect a Board. Thereafter, the annual meetings of the Association shall be held on a date that is selected by the Board. If the Board does not choose a meeting date by the 15th of February of each year, then the meeting will be held at the Project at 6:30 p.m. on the third (3rd) Wednesday in March of each year, or at such other time the Board may determine from time to time. Declarant may set the date and time for the first annual meeting. Owners may transact other business at such meeting as may properly come before the Association.

2.9 Special Meetings. A special meeting of the Association may be called at any time for any one (1) or more purposes. It may be called by (a) the President, (b) a majority of the Directors, or (c) a petition signed by not less than twenty-five percent (25%) of the Owners and presented to the Secretary or to the Managing Agent. The Owners may transact only that business the general nature of which is stated in the notice of the special meeting. Upon receipt of such call or petition, the Secretary or the Managing Agent shall send written notice of the meeting to all Owners in the manner provided in Section 2.10, below. In the event that the

Secretary or the Managing Agent shall fail to send out notices within fourteen (14) calendar days of receipt of any petition to have such meeting, or such other period as may be required by Section 514B-121 of the Act, the petitioners calling for the meeting may send the notice in accordance with the provisions for such notice contained in these Bylaws. The meeting shall be held at the time and place specified in such call, or if unspecified, at any reasonable time within forty-five (45) calendar days from the date the call was received.

2.10 Notice of Meetings and Other Notices. The Secretary shall cause written notice of all meetings, annual or special, stating the date, time, and place of the meeting and whether it is annual or special, together with a standard proxy form authorized by the Association, if any, and any other notices permitted or required to be delivered by these Bylaws, to be given by mailing, postage prepaid to the mailing address of each Unit or any other address designated in writing by the Owner or, at the option of the Owner, expressed in writing, by facsimile or electronic mail to the electronic mailing address designated in writing by the Owner, at least fourteen (14) calendar days before the date assigned for the meeting. The notice must state the authority for holding the meeting, the items on the agenda, including the general nature and rationale of any proposed amendment to the Declaration or these Bylaws, and any proposal to remove a Director; provided that nothing herein shall preclude an Owner from proposing an amendment to the Declaration or these Bylaws or to remove a Director at any annual meeting. Upon written request for notices delivered to the Board, any Unit Mortgagee or Investor may obtain a copy of any and all notices permitted or required to be given to the Owner whose interest is subject to said mortgage or for a Unit in which Investor has invested. Notice can be considered waived as follows:

A. Anyone who attends a meeting, in person or by proxy, waives any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

B. An Owner may waive notice of any Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be filed with the Association records and made a part of the minutes of the meeting.

C. An Owner automatically waives notice of any Association meeting if he or she does not file a written objection with the Secretary or the Managing Agent within fifteen (15) calendar days after he or she receives written notice of any action taken at an Association meeting. A copy of the minutes, among other things, will be treated as written notice. Upon notice being given in accordance with the provisions hereof, the failure of any Owner to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings thereat. Each Owner shall keep the Association informed of any changes in address.

2.11 Record Date for Notices and Voting.

A. Purpose of the Record Date. The "Record Date" is the date used to determine who is entitled to receive notice and to vote at Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive failure to receive notice and exercise other such rights for or as an Owner.

B. Setting the Record Date. The Board may choose the Record Date. The Record Date for a meeting may not be more than ninety (90) calendar days before the meeting date. The Record Date for action without a meeting may not be more than thirty (30) calendar days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, then two (2) business days before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. Effect of Setting Record Date. When a Record Date is set, only the Owners of Record, as hereinafter defined, on that date (or someone authorized to act for them) have the right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of a Unit in the records of the Association after the Record Date. A Person who is the Owner of a Unit as of the Record Date is considered to be the "Owner of Record." A Person who becomes an Owner after the Record Date may act for the Owner of Record by obtaining a Proxy from the Owner of Record. When these Bylaws refer to the "Owner" with respect to notice (including waivers of notice) and voting, it means the Owner of Record or someone authorized to act for the Owner of Record.

2.12 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than thirty (30) calendar days from the time the original meeting was called, as may be determined by majority vote of the Owners present, without notice other than the announcement at such meeting. If the meeting is adjourned for thirty (30) calendar days or more, or if the law requires a new notice, then a new notice must be given pursuant to Section 2.11 herein. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

2.13 Conduct of Meetings and Order of Business. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order, Newly Revised.

2.14 Inspectors for Voting and Proxies.

A. Appointment. At least ten (10) business days before any meeting of the Association or before any ballot is sent to the Owners, the Board may appoint inspectors of the voting at the meeting, including voting for the election of Directors. The Board may appoint either one (1) or three (3) inspectors of voting. If the Board fails or chooses not to do so, then the Managing Agent will be the inspector of the voting.

B. Duties. The voting inspectors will: (i) determine the authenticity, validity, and effect of proxies, pledges, and other documents purporting to give any person the right to represent, act, and vote for an Owner; (ii) receive votes, ballots, and consents; (iii) hear and determine all challenges, questions, and conflicts relating in any way to the right to cast votes; (iv) count and tabulate all votes and consents; (v) decide when the polls will close; (vi) determine the results of all votes and elections; and (vii) do anything else appropriate to conduct the vote or election fairly as to all Owners. The decision, act, or certificate of a majority of inspectors, if there are three (3), or of a single inspector, if there is only one (1), will be effective. Any facts stated in any effective report or certificate is presumed to be accurate.

2.15 Minutes of Association Meetings. Minutes of meetings of the Association shall be approved at the next succeeding regular meeting or by the Board, within sixty (60) calendar days after the meeting, if authorized by the Owners at an annual meeting. Minutes of all meetings of the Association shall be available within seven (7) calendar days after approval and unapproved final drafts of minutes shall be available within sixty (60) calendar days after the meeting. If approved by the Board, Owners shall be given a copy of the approved minutes or notified of the availability of the minutes within thirty (30) calendar days after approval. An Owner shall be allowed to offer corrections to the minutes at an Association meeting.

2.16 Association Powers. Except as otherwise provided herein, and subject to the provisions of the Declaration and these Bylaws, the Association, even if unincorporated, shall have those powers set forth in Section 514B-104 of the Act, as limited by Section 514B-105 of the Act. The Association delegates its powers to the Board, unless such delegation is prohibited by the Act.

ARTICLE III.
BOARD OF DIRECTORS

3.1 Number and Qualification. The affairs of the Association shall be governed by the Board. During the Declarant Control Period, Declarant shall have the right to appoint Officers and Directors and shall, from time to time, appoint at least one (1) Director. From and after the Transition Date on which the Declarant Control Period ends, the Board shall consist of three (3) Directors who meet the qualifications set forth herein, unless the number of Board members is changed pursuant to these Bylaws. Prior to termination of the Declarant Control Period, an annual or special meeting of the Association shall be called and held at which the Owners shall elect a board of three (3) Directors. No Managing Agent or employee of the Association shall serve on the Board. Notwithstanding anything to the contrary herein, the rights of the Director and Officers to make decisions governing the Association and the Project shall be limited by the consent rights required by Section 14.6 of the Declaration.

3.2 Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Project in compliance with all governmental requirements and the Declaration. The Association may delegate, all rights, powers, and duties to the Board, except those rights, powers, and duties that cannot be delegated to the Board by law, the Declaration, or these Bylaws. The Board shall have all rights, powers, and duties to act on behalf of the Association other than those requiring the vote of the Association set forth in the Act and subject to all rights and approval requirements set forth in the Declaration and these Bylaws, including without limitation, Declarant's Reserved Rights or any approval rights of Declarant.

3.3 Election and Term of Office. During the Declarant Control Period, the Board shall be appointed as set forth in Section 3.1, and the Directors so appointed shall serve until removed by Declarant. Election of Directors shall be by secret ballot at each annual meeting and each special meeting called for that purpose. Directors shall hold office for a period not to exceed three (3) years and until their respective successors have been elected, subject to removal as herein provided. Where applicable, Directors shall be elected at each annual meeting to fill the vacancy in the office of Directors occurring as of the time of such meeting. An Owner shall provide notice of his or her intent to cumulatively vote before voting commences. The term "cumulative voting" as used herein means that each Owner may cast for any one (1) or more nominees to the Board a vote equivalent to the vote which such Owner is entitled to

multiplied by the number of Director positions to be elected and for whom the Owner is entitled to vote, and each Owner shall be entitled to cumulate his or her votes and give all thereof to one nominee or to distribute his or her votes in such manner as he or she shall determine among any or all of the nominees for whom such Owner is entitled to vote, and the nominees receiving the highest number of votes on the foregoing basis, up to the total number of Directors to be elected, shall be deemed elected. A vote to fill Director positions may be done through a motion passed by acclamation in situations where a formal vote is not necessary (i.e., where there are four (4) vacant Director seats and there are only four (4) candidates).

3.4 Removal of Members of the Board. At any annual or special meeting of the Association duly called, Directors may be removed and successors shall then and there be elected for the remainder of the term to fill the vacancies. During the Declarant Control Period, Declarant may remove and replace the Directors. In addition, notwithstanding anything to the contrary herein, if during the Declarant Control Period, the managing member of any Owner is removed by an Investor pursuant to the terms of the operating agreement governing such Owner, then such Investor shall have the right to request any Director or Officer appointed by the Declarant be replaced if such Director or Officer is either the Owner or managing member related to such Investor. If, from and after the Transition Date on which the Declarant Control Period ends, the managing member of any Owner is removed by an Investor pursuant to the terms of the operating agreement governing such Owner, then such Investor shall have the right to request that all or a portion of the Directors or Officers be removed and new Directors and/or Officers be appointed by a special meeting duly called in accordance with Section 3.3.

3.5 Vacancies.

A. Vacancy Trigger Events. A Director's office shall become vacant in the event of such Director's death, incapacity, or resignation or if such Director shall cease to be an Owner of a Unit.

B. During Declarant Control Period. Any vacancies during the Declarant Control Period shall be filled by Declarant.

C. After Declarant Control Period. Any vacancies of a Director after the end of the Declarant Control Period, other than a vacancy caused by the natural expiration of the term of such Director or the removal of such Director, shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board held for that purpose, even though the Directors present at such meeting may constitute less than a quorum. An individual vacancy of the Board may also be filled, and multiple vacancies on the Board shall be filled, at a special meeting of the Association whether or not called for that purpose. Each person so elected shall be a Director for the remainder of the term of the Director whose vacancy is filled (unless sooner removed) or until a successor is elected at the next annual meeting of the Association. The death, incapacity, or resignation of any Director, or such Director's ceasing to be qualified to serve as a Director in accordance with Section 3.1 of these Bylaws shall cause such office to be vacant.

3.6 Organizational Meeting. The first meeting of the Board shall be held immediately after the first annual meeting of the Association and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided that a majority of the Board shall be present thereat. At such meeting, the Board shall elect the Officers for the ensuing year.

3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar year.

3.8 Executive Session. The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in private in executive session to discuss and vote upon matters (a) concerning personnel; (b) concerning litigation in which the Association is or may become involved; (c) necessary to protect the attorney-client privilege of the Association; or (d) necessary to protect the interests of the Association while negotiating contracts, leases, and other commercial transactions. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.9 Special Meetings. Special meetings of the Board may be called by the President on three (3) business days' notice to each Director, given personally or by mail, facsimile transmission, or electronic mail transmission (which notice shall state the time, place and purpose of the meeting), and on posting of notice, if practicable, as provided in Section 3.11; provided, however, that in the case of emergency situations, as determined by the President, a special meeting of the Board may be called by the President on eight (8) hours' notice to each Director. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice, if practicable, on the written request of at least two (2) Directors.

3.10 Conduct of Meeting. All meetings of the Board, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board votes otherwise. All meetings of the Board (whether organizational, regular or special) shall be conducted in accordance with the most current edition of Robert's Rules of Order, Newly Revised.

3.11 Notices; Waiver of Notice. Notice of all Board meetings and other notices to the Directors shall be given to each Director and Owner by the Secretary or the person or persons calling the meeting. Notice of regular meetings of the Board shall be given to each Director and Owner personally or by first class mail, facsimile, or electronic mail at least seven (7) calendar days, if practicable, prior to the day named for such meeting. Notice of all Board meetings shall also be posted by the Managing Agent, if any, or a member of the Board, in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board. Before or at any meeting of the Board, any Director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice to him or her of such meeting. If all the Directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

A copy of any notice provided hereunder to the Owner of any Apartment Unit shall be delivered to the Lessee of such Apartment Unit (if there is an applicable Ground Lease) and the Lessee's Unit Mortgagee and Tax Credit Investor at the addresses set forth in the Declaration so long as the Investor is the investor limited partner of the Lessee. Notwithstanding anything to the contrary contained herein, any cure or any default made or tendered by the Unit Mortgagee and/or Investor shall be deemed to be a cure by Lessee (and by extension, the Owner) and shall be accepted or rejected on the same basis as if made or tendered by the Lessee and/or Owner.

3.12 Compensation. No Director shall receive any compensation from the Association for travel expenses, Directors' fees and *per diem* expenses; provided that, with the approval of the Board, Directors may be reimbursed for actual expenditures incurred on behalf of the Association. The minutes of the meeting shall reflect in detail the items and the amounts of the reimbursements. The Directors may expend Association funds, which shall not be deemed to be compensation to the Directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as Directors; provided that the approved annual operating budget shall include these expenses as separate line items. These expenses include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for travel expenses on the island of Oahu, all reimbursement for other travel expenses shall be subject to pre-approval by the Board and shall be reflected in the minutes as discussed above.

3.13 Quorum of Board. At all meetings of the Board, a majority of the total number of Directors established by these Bylaws shall constitute a quorum for the transaction of business, and action by a majority of the Directors present at any meeting at which a quorum is present shall constitute action by the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those Directors present may adjourn the meeting and call an additional meeting at which a majority of the total number of Directors can attend.

3.14 No Proxy Vote; Conflict of Interest. A Director shall not cast any proxy vote at any Board meeting, nor shall a Director vote at any Board meeting on any issue in which the Director has a conflict of interest. In the event of a conflict of interest, the Director shall disclose the nature of such conflict prior to a vote at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made. For the purposes of this Section, "conflict of interest" means an issue in which a Director has a direct personal or pecuniary interest not common to other members of the Association. Ownership and use of a Unit by a Director for the purposes permitted by the Declaration and these Bylaws do not, by themselves, create a conflict of interest. If abstentions for such a reason would result in less than a majority being able to vote, the Directors who do not abstain shall appoint one or more persons as temporary Directors to vote on the matter in question.

3.15 Employees; Background Check. Upon written authorization of an applicant for employment as a security guard, or a position that would allow the employee access to the keys of or entry into Units or access to Association funds, the Board and the Managing Agent are empowered to conduct a background check or direct another responsible party to conduct the check as provided in Section 514B- 133 of the Act. This information shall be used only for the purpose of conducting the criminal history check authorized by this Section and the Act. The failure of the Association, the Board, and the Managing Agent to conduct or verify a background check shall not give rise to a private cause of action against the Board or the Managing Agent for acts and omissions of the employee or vendor hired.

3.16 Minutes of Board Meetings. The minutes of the meetings of the Board shall: (a) include the recorded vote of each Director on all motions except motions voted on in executive session; (b) be approved no later than the second succeeding regular meeting; (c) be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) calendar days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.

3.17 Action by Directors Without Meeting. Any action required or permitted to be taken at any meeting of the Board or of a committee of the Board may be taken without a meeting if all of the Directors authorized to vote on such matter or all of the members of the committee, as the case may be, sign a written consent setting forth the action taken or to be taken at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the Board meetings or committee meetings as the case may be and shall have the same effect as a unanimous vote.

3.18 Remote Meetings. Subject to the notice requirements contained in these Bylaws, members of the Board or any committee designated thereby may participate in a meeting of such Board or committee by means of a telephone conference or similar communication equipment through which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. If permitted by the Board, any Owner may participate in a meeting conducted by a means of communication through which all participants may simultaneously hear each other during the meeting, provided that the Board may require that the Owner pay for the costs associated with the participation.

3.19 Duty of Directors. In the performance of their duties, each Director shall owe the Association a fiduciary duty and exercise the degree of care and loyalty required of a director of a nonprofit corporation organized under Chapter 414D of the Hawaii Revised Statutes, as amended.

3.20 Copies of Documents. The Association at its expense shall provide all Directors with a current copy of the Declaration, Bylaws, and, annually, a copy of the Act, with amendments, and the HAR.

ARTICLE IV.
OFFICERS

4.1 Designation. The principal Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint an assistant treasurer, an assistant secretary, and such other Officers as in its judgment may be necessary. All Officers shall be members of the Board. Except as specifically authorized by the Association at an annual or special meeting, no Officer shall receive any compensation from the Association for acting as such but may be reimbursed for actual expenses incurred in the course of acting as such Officer. An Owner shall not act as both an Officer of the Association and an employee of the Managing Agent.

4.2 Election and Term. The Officers of the Association shall be elected annually by the Board at its organizational meeting or any special meeting called for such purpose and shall hold office at the pleasure of the Board.

4.3 Duty of Officers. In the performance of their duties, each Officer of the Association shall owe to the Association a fiduciary duty and exercise the degree of care and loyalty required of an officer of a corporation organized under Chapter 414D of the Hawaii Revised Statutes.

4.4 Removal. Any Officer may be removed either with or without cause by vote of a majority of the members of the Board, and his or her successor shall be elected at any regular meeting of the Board or any special meeting called for such purpose.

4.5 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. He or she shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. He or she shall also have such other powers and duties as may be provided by these Bylaws or assigned to him or her from time to time by the Board.

4.6 Vice President. The Vice President shall perform all the duties and exercise all the powers and rights of the President provided by these Bylaws or otherwise during the absence or disability of the President, or whenever the office of President is vacant, and shall perform all other duties assigned by the Board.

4.7 Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board, give all notices thereof as provided by these Bylaws, maintain and keep a continuous and accurate record of ownership of all Units, maintain and keep the minute book wherein resolutions shall be recorded, have charge of such books, documents and records of the Association as the Board may direct, and in general perform all the duties incident to the office of Secretary and all other duties assigned by the Board.

4.8 Treasurer. The Treasurer shall maintain and keep the financial records and books of account of the Association, prepare regular reports thereof and be responsible for the proper deposit and custody in the name of the Association of all its funds and securities. The Treasurer shall, in general, perform all the duties incident to the office of Treasurer and all other duties assigned by the Board.

4.9 Execution of Agreements, Contracts, Deeds, Checks, etc. After the first annual meeting of the Association, all agreements, contracts, deeds, leases, checks, and other instruments of the Association, including any amendments to the Declaration or these Bylaws, shall be executed by any two (2) of the President, Vice President, Secretary or Treasurer, or by such other person or persons (including the Managing Agent) as may be designated in writing by the Board.

4.10 Liability and Indemnity of the Board and Officers. The Directors and Officers shall not be liable to the Association for any mistake of judgment or otherwise except for their own individual gross negligence or willful misconduct. The Association shall obtain and maintain at the Association's expense a policy of Directors' and Officers' liability insurance covering the Directors and Officers as provided in Section 9.3 of the Declaration.

When liability is sought to be imposed on a Director, an Officer, committee member, employee or agent of the Association, the Association shall indemnify him or her for his or her losses or claims, and undertake all costs of defense, unless and until it is proven that he or she acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense due to the willful or wanton misfeasance or gross negligence of such person indemnified by the Association, the Association may recover indemnification costs expended from the individual who so acted. Punitive damages may not be recovered against the Association, but may be recovered from persons who activity gave right to the damages. This paragraph shall be construed to authorize payments and indemnification

to the fullest extent now or hereafter permitted by Applicable Law. The entitlement to indemnification hereunder shall inure to the benefit of the estate, administrator, heirs, legatees, or devisees or any person entitled to such indemnification.

ARTICLE V.
MANAGEMENT

5.1 Management and Operation of the Project. Subject to the limits described in Sections 5.3 and 5.4, the Board shall manage and operate the Project, and shall be delegated to it by the Association the powers and duties to do so, which include, but are limited to, the following:

A. Operation and Maintenance of the Common Elements. Subject to limitations in the Declaration and these Bylaws, the Board will operate, maintain, repair, replace, and make improvements to the Common Elements.

B. Maintenance and Repair of Units. The Board may perform maintenance and repairs on any Unit or Limited Common Element in the Project if;

(i) It is necessary to protect the Common Elements, and,

(ii) The Owner(s) of the Unit fails or refuses to perform the maintenance or repair within a reasonable time after the Board delivers written notice to him or her describing the maintenance and repairs needed.

The Board will charge a special assessment to that Unit for the cost of the maintenance or repair and any attorneys' fees and other expenses incurred in charging and collecting the special assessment.

C. Restoration of Project. The Board will rebuild, repair, and restore the Project in accordance with the provisions of the Declaration and these Bylaws after it is damaged or destroyed by a fire or other casualty or as a result of a condemnation.

D. Employment of Personnel. The Board may hire employees, including a Resident Manager and operational and maintenance staff, and may designate, employ, train, supervise, and dismiss any personnel necessary or useful to maintain, repair, replace, rebuild, or restore the Common Elements or to operate the Project.

E. Delegation of Powers. The Board may delegate its powers to committees, agents, officers, representatives, and employees at the Board's discretion.

F. Enforcement of Condominium Documents; Law. The Board will enforce the Condominium Documents, the Act, the HAR, and any other laws applicable to the operation of the Project.

G. Penalties and Fines. The Board may set penalties and fines, and charge interest on them if they are not paid, as it deems appropriate to enforce the Condominium Documents, the Act, the HAR, and any other laws applicable to the operation of the Project. This includes, for example, penalties and fines, and any interest on them, for failure or refusal to pay to the Association on demand all costs, expenses, common expenses (special or otherwise)

required to be paid by law or under the Condominium Documents. Any penalties and fines must not be inconsistent with law or the Condominium Documents. The Board may, to the extent permitted by Section 6.9 and applicable law, also terminate an Owner's access to the Common Elements and stop supplying such Unit with any and all services normally supplied by or paid for by the Association.

(i) Monetary Fine. A monetary fine may be charged for any violation of the Condominium Documents, the Act, the HAR, and any other laws applicable to the operation of the Project.

(ii) Hearing. If requested by the Owner, the Board must hold a meeting and permit any Owner that receives a warning to present his or her case before it fines such Owner or imposes a penalty or takes any other disciplinary action. This provision does not apply, however, when an Owner is fined or penalized for failing to pay any common expenses or limited common expenses on time. An Owner must submit an appeal to the Board within twenty (20) business days after the date of delivery or mailing to the Owner of the written warning. The delivery of notice to appeal shall not halt the accrual of any ongoing fine imposed for the violation, which is the subject of the appeal. The Board may waive or rescind all or a part of such fine for good cause at any time after the hearing.

All appeals shall be reviewed by the Board either by electronic mail, conference call, or at a physical meeting of the Board within ninety (90) calendar days after the notice of appeal has been delivered to the Board. A statement of facts upon which the fine and/or penalty was based should be delivered or mailed to the Owner at least ten (10) business days before the meeting. The Owner has the right to appear and to explain why the fine or penalty should not be imposed or why access and services should not be terminated. The Board and Owner may ask other persons to attend and present testimony at the hearing. A majority of the Directors present will decide whether to impose the fine or penalty or to terminate access and services, if permitted pursuant to Section 3.13 above. The Directors, however, cannot act unless a quorum is present and the meeting is held as provided in these Bylaws.

(iii) When the Fine or Suspension Takes Effect. The Board must give the Owner written notice of any disciplinary action taken and the reasons for such action. Any disciplinary action will take effect within twenty (20) business days of the date that the notice is delivered to the Owner.

(iv) When Services Will Be Restored. The Board will restore an Owner’s access and services when the Owner pays all amounts due.

(v) The Managing Agent’s Role. The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board.

H. Budget. Each year, the Board must prepare and adopt a budget of common expenses of the Association and determine the amount of Assessments.

I. Assessments. The Board must charge and collect the common expenses and other charges payable by the Owners.

J. Bank Accounts. The Board must open bank accounts on behalf of the Association; it must also designate who must sign checks and other documents relating to the accounts.

K. Association Funds. The Board has custody and control of all funds of the Association. It must keep full and accurate books of account and records of the Association's funds. It must also prepare regular financial reports.

L. Borrowing Money. Subject to the notice and Owner approval requirements of Section 514B-105 of the Act and any approval requirements and spending limitations contained in these Bylaws or in the Declaration, the Association may authorize the Board to borrow money to be used for the repair, replacement, maintenance, operation, or administration of the Common Elements of the Project, or to make any additions, alterations, and Improvements to them. The cost of borrowing including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to this borrowing, with respect to the Common Elements will be a Common Expense, and with respect to the Limited Common Elements, will be an expense charged to the Unit Owners that requested and/or primarily benefits from the borrowed funds.

M. Payment of Common Expenses. As agent of the Owners, the Board will pay all common expenses authorized by the Board.

N. Insurance and Bonds. The Board will buy and keep in effect any insurance and bonds required or permitted by the Declaration or these Bylaws.

O. Services. The Board will obtain any legal, accounting, and consulting services necessary or proper for the administration and operation of the Project or to interpret, enforce, or implement the Act, the HAR, the Condominium Documents, and any other material documents or decisions affecting the Project.

P. Purchase of Goods. Subject to any limitations contained within the Condominium Documents or by law, and if required by the Condominium Documents or by law, or if it is necessary or proper, in the Board's opinion, to operate the Project or to enforce the Condominium Documents, the Board may:

(i) Buy, lease, or otherwise procure any other materials, equipment, supplies, furniture, labor and services,

(ii) Make repairs and structural alterations, and

(iii) Pay taxes and assessments and other common expenses.

If any materials, equipment, supplies, furniture, labor, services, repairs, structural alterations, insurance, taxes, or assessments are required because of the acts, misuse, or negligence of the Owners or Occupants of a particular Unit, the Board will charge the costs of it as a special assessment to that Unit to the extent permitted by Section 6.3 of these Bylaws.

Q. Discharge of Liens. The Board may pay any amount necessary to discharge, directly or by bond, any item or encumbrance levied against the entire Project or any

part of it that may, in the Board's opinion, constitute a lien against the Project or against the Common Elements rather than merely against the interest of particular Owners. If one (1) or more Owners is/are responsible for the existence of any such lien, they will be jointly and severally liable for the cost of discharging it or bonding against it, and the costs incurred by the Board by reason of such lien.

R. Purchasing Units. Except as otherwise caused by the exercise of a Declarant's reserved right to transfer Units to the Association, with the affirmative vote of eighty five percent (85%) of the Association (together with their Unit Mortgagees), the Board may buy, lease, or otherwise acquire any Unit on behalf of the Association, the cost of which shall be a Common Expense. It may take title in the name of the Association or the Board may have someone else, such as a trustee, hold title.

S. Legal Proceedings. The Board may begin, defend, settle, or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceedings in matters relating to: (i) enforcement of the Condominium Documents; (ii) damage to the Common Elements to the extent that the Association is obligated to maintain and repair them; (iii) damage to any part of any Unit to the extent that the Association is obligated to maintain and repair it; or (iv) damage to the Units which arises out of, or is integrally related to, damage to any of the Common Elements or to any part of any Unit to the extent that the Association is obligated to maintain and repair them. Except as otherwise provided in Section 514B-161(b) of the Act, if the Board or an Owner requests mediation of a dispute, the other party in the dispute shall be required to participate in mediation. Each party shall be wholly responsible for its own costs of participating in mediation, unless at the end of the mediation process, both parties agree that one (1) party shall pay all or a specified portion of the mediation costs. If the Board or an Owner refuses to participate in the mediation of a particular dispute, a court may take this refusal into consideration when awarding costs and attorneys' fees. Notwithstanding the foregoing, all claims regarding the design or construction of any part of the Project shall be resolved pursuant to Article 16 of the Declaration, and in no event may the Association begin, defend, settle, or intervene on behalf of any one (1) or more Owners in litigation, arbitration, mediation, or administrative proceedings in matters for which only the Owner(s) has (have) standing to assert.

5.2 Managing Agent.

A. Managing Agent. No later than after the termination of the Declarant Control Period: (i) the Association shall hire and at all times have a Managing Agent to perform the fiscal and administrative management of the Project and physical management of the Common Elements.

B. Qualifications. The Managing Agent must be properly registered with the Real Estate Commission of the State of Hawaii and meet all of the requirements specified in Section 514B-132 of the Act. The Managing Agent may be Declarant or a Declarant Affiliate.

C. Selection. Declarant shall have the right to choose, and employ the first Managing Agent for the Project. Upon the expiration of the Declarant Control Period, the Board may retain the Managing Agent or choose a replacement Managing Agent. The Board must use its best efforts to hire and keep a reputable, qualified, corporate company as the Managing Agent.

D. Removal. From and after the Transition Date following the termination of the Declarant Control Period, the Board shall have the right to replace the Managing Agent from time to time in accordance with the management contract entered into between the Managing Agent and Association. Notwithstanding the foregoing, if the managing member of an Owner is removed by an Investor pursuant to the terms of its operating agreement, then such Investor shall have the right to require the Association remove and replace any Managing Agent with a new Managing Agent selected by the Board at a special meeting duly called.

5.3 Limitations on Authority to Enter into Contracts. Neither the Association nor the Managing Agent may enter into a contract to furnish goods or services for the Common Elements or to the Association for a period longer than one (1) year unless authorized by the vote or written consent of a Majority of the Owners voting. This rule does not apply, however, to:

A. A contract with a public utility company if the rates charged by it are regulated by the Public Utilities Commission. The term of the contract, however, must be the shortest term the supplier will accept at the regulated rate;

B. Prepaid casualty and/or liability insurance policies not lasting more than three (3) years, provided that the policy permits “short-rate cancellation” by the insured;

C. Agreements for cable or satellite television, internet, elevator and refuse services and equipment for ten (10) years or less provided that neither Declarant, nor Managing Agent owns, directly or indirectly, ten percent (10%) or more of the provider or supplier;

D. Agreements for sale or lease of burglar alarm and fire alarm equipment. Installation, and services for ten (10) years or less provided that neither Declarant, nor Managing Agent owns, directly or indirectly, ten percent (10%) or more of the supplier; and,

E. Any other contract for three (3) years or less so long as the Association can cancel it after no more than one (1) year without cause, penalty or other obligation upon not more than ninety (90) calendar days written notice of termination to the other party.

5.4 Limits on Association Authority. The Association shall not:

A. Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; and,

B. Take any action which is inconsistent with any and all limitations imposed upon the Association by the Condominium Documents.

5.5 Stopping Violations by Owners.

A. The Board May Stop Certain Activities. In addition to any other rights they may have the Board and the Managing Agent may take action to stop any activity or condition that violates the law or the Condominium Documents or in emergency situations as defined in Section 514B-148(d) of the Act (an "Emergency").

B. The Board May Enter a Unit. The rights of the Board and the Managing Agent under Section 5.5 (A) include the right and power, with reasonable notice, to enter any

Unit at any time and to use any reasonable means under the circumstances in an Emergency, and neither the Board nor the Managing Agent will be liable to the Owner for trespass for such entry.

C. The Board May File a Lawsuit. The rights of the Board and the Managing Agents under Section 5.5(A) also include the right and power to file a lawsuit or other legal proceedings. For example, the Board may obtain a court order ordering the Owner to stop its activity or to abate any unsafe condition. The Owner must pay to the Association on demand all costs of any such lawsuit or other legal proceedings, including attorneys' fees.

D. Abandoned Property. If anyone abandons any personal property in or on the Common Elements of the Project, the Board may sell it in a commercially reasonable manner, store it at the expense of its Owner, donate it to a charitable organization, or otherwise dispose of it as the Board chooses. However, the Board must do so in keeping with any legal requirements in the Act. The Association may keep any money from sale of the personal property except as otherwise provided by law.

ARTICLE VI.
COMMON EXPENSES

6.1 Designation of Common Expenses. The term "common expenses" means all charges, costs and expenses as described in Section 8.2 of the Declaration.

6.2 Budget and Reserves. The Board must prepare and adopt an annual operating budget and provide copies of such budget to the Owners. The budget must contain any information required by the Act and the HAR.

A. Budget. The annual operating budget shall be prepared in accordance with the requirements set forth in Section 514B-148 of the Act and the HAR.

B. Reserve Funds.

(i) Replacement Reserves. The Association must establish replacement reserve funds for capital upgrades, as required by law. The Association may set up any additional replacement reserve funds that the Board determines to be necessary or prudent. As required by the Act and the HAR, the Board shall calculate the Association's estimated replacement reserves based on a reserve study developed in compliance with the Act. The term, "Association Property" as used in the HAR governing the reserve study shall refer to all Common Elements with the responsibility for the Common Elements divided according to whether the Common Element is a General Common Element or Limited Common Element. The Association must compute the estimated replacement reserves in the manner required by the Act and the HAR and shall set up separate replacement reserves. The annual operating budget must include all sums required to fund the replacement reserves funds in accordance with the Declaration, the Act, and the HAR. It may also include any greater amounts that the Board chooses in the exercise of its reasonable business judgment. Reserves may be used for those purposes required by the Act and the HAR. Neither the Association, nor any Owner, Director, Officer, Managing Agent, or employee of the Association who makes a good faith effort to calculate the estimated replacement reserves for the Association will be liable if that estimate later proves incorrect. Replacement reserves for the General Common Elements shall be assessed as a common expense. As permitted by Section 514B-148 of the Act, the

requirements of Section 514B-148 of the Act shall override any requirements in the Declaration or these Bylaws with the exception of: (a) any provision in the Declaration, these Bylaws, or any other Condominium Documents that require the Association to collect more reserves than are required under Section 514B-148 of the Act; or (b) any provisions in the Declaration, these Bylaws, or any other Association documents that relate to upgrading the Common Elements, such as additions, improvements, and alterations to the Common Elements. Replacement Reserves for Limited Common Elements shall be assessed to the Owner of Units to which they are appurtenant in accordance with Section 6.3.

(ii) Budget Limitation. The Board may not exceed its total adopted annual operating budget by more than twenty percent (20%) during the fiscal year to which the budget relates, except in an Emergency, without the prior written consent of all the Owners, together with their Unit Mortgagees and Investors (which consent shall not be unreasonably withheld, conditioned or delayed). Prior to the imposition or collection of an assessment under this Section, the Board shall adopt a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Owners with the notice of assessment.

(iii) Operating Reserves. Subject to Section 6.4 of these Bylaws, the Board may, but is not required to, establish and maintain an operating reserve by monthly assessment against (and payment by) all Owners for operating expenses in proportion to their respective Common Interests. Neither the Association, nor any Owner, Director, Officer, Managing Agent, or employee of the Association who makes a good faith effort to calculate the estimated operating reserves for the Association will be liable if that estimate later proves incorrect. The reserves shall be set forth in the Association budget.

(iv) Other Reserves. The Association may, but is not required to, establish working capital reserve improvement funds and other reserve funds that the Board deems necessary.

(v) Owners' Interest in Reserves. Except upon termination of the condominium property regime created by the Declaration, the interest of any Owner in the reserves of the Association:

1. Cannot be withdrawn or assigned separately; and,

2. Will be transferred automatically with each transfer of the Unit, whether or not the deed or other transfer document expressly says so.

6.3 Allocation of Common Expenses.

A. Common Expenses. All common expenses shall be set forth in the Association budget in accordance with the Declaration.

B. Common Expenses and Common Interests. Common expenses shall be allocated in accordance with Units' Common Interests. Such Common Interest is a fair and equitable apportionment of Common Expenses pursuant to the provisions of Section 514B-41 of the Act.

C. Special Assessments Against Owners at Fault. The Association will charge a special assessment to a Unit to pay for all charges, costs, and expenses incurred by the Association due to the negligence, misuse, or neglect of the Owner or his or her tenants, guests, invitees, or licensees. The Association will not charge a special assessment if the cost and expense is reimbursed or paid by insurance proceeds but may charge as a special assessment the deductible amount, subject to the notice and hearing requirements of Section 514B-143 of the Act. Any special assessment charged under this section will be secured by the lien of the Association described in Section 6.9. Special assessments may be included in common expenses if the special assessment is for the purchase or lease of any Unit by the Association, as permitted under the Act or the Bylaws.

6.4 Assessments.

A. When Assessments Begin. Assessments for common expenses shall be made based on a budget initially prepared by Declarant and adopted by the Board during the Declarant Control Period. The budget shall be distributed or made available to each Owner at least annually by the Board. Each Owner shall become obligated for the payment of the share of common expenses allocated to the Owner's Unit from and after a specified date to be set forth in a written notice from Declarant as permitted by Section 514B-41(b) of the Act. Declarant shall mail the written notice to the Owners, the Association, and the Managing Agent, if any, at least thirty (30) calendar days before the specified date. Prior to the specified date, Declarant shall assume all the actual expenses in the Project pursuant to the provisions of Section 514B-4l(b) of the Act and state in Declarant's public report for the Project that the Owners shall not be obligated for the payment of the common expenses assessable against the Units until such time as Declarant sends the Owners written notice, that after a specified date, the Owners shall be obligated to pay for the portion of the common expenses that is allocated to their respective Units. After the specified date, Assessments will be payable in advance in monthly installments on the first day of each month, or at any other time that the Board chooses.

6.5 Amount of Assessments.

A. Regular Assessment. Each year the Board will set the amount of the "Regular Assessments" based on the common expenses for each Unit based on the budget and the requirements of the Condominium Documents. The Board may increase the amount of the Regular Assessments during the year.

B. Special Assessments. If for any reason the Regular Assessments are or will be inadequate to pay the expenses for which such Regular Assessment is designated, the Board must estimate the shortfall. The Board must then (i) increase the next year's budget, or (ii) charge a "special assessment." The Board may also charge a special assessment in any other circumstances permitted by law or by these Bylaws or the Declaration.

C. Notice of Assessments. Any time that the Board increases the Regular Assessment or charges a special assessment, it must give written notice of the increase or special assessment to each Owner. The notice must state the amount of the increase or of the special assessment for the Owner or the Owner's Unit. The Board must send the notice at least thirty (30) calendar days before the increase or special assessment takes effect.

D. Limits on Assessments.

(i) Assessments are limited by the budget limitation set forth in Section 6.2 herein.

(ii) Any Special Assessments shall be allocated equitably and fairly based on use between the Units.

E. Treatment of Assessments. Any part of Assessments used or to be used by the Association for any capital expense or major repairs or remodeling, including, but not limited to replacement of the roof, exterior painting of the building, and resurfacing of parking areas, will be treated as a capital contribution by the Owner that was assessed and paid for such items. It will be credited by the Association on its books as paid in surplus. It will not be treated as income to the Association or to the Owners.

6.6 Handling and Payment of Association Funds.

A. The funds in the general operating account of the Association must not be commingled with funds of other activities such as lease rent collections and rental operations (except to the extent permitted by Section 514B-149 of the Act). The Managing Agent must not commingle any Association funds with the Managing Agent's own funds.

B. All funds collected by the Association or by the Managing Agent, must be deposited, held, transferred, invested, and paid out in accordance with the requirements of the Act.

6.7 Payment as Agent. Each Owner, as principal, is liable for and must pay his or her share of the Common Expenses. The amount an Owner must pay will be set in accordance with the Declaration and these Bylaws. Except as otherwise provided in these Bylaws or in the Declaration, on behalf of the Owners the Board may pay all common expenses or cause them to be paid. The Board may require the Managing Agent to assist in these duties. The Board and the Managing Agent will transmit the payments made by the Owners to third persons to whom the payments must be made by the Owner. Neither the Board nor the Managing Agent, however, is liable for payment of the Common Expenses of any Owner.

6.8 Duty to Pay; Interest and Late Charges.

A. Personal Obligation to Pay. Each Owner, is personally obligated to pay, on time, all applicable Assessments charged to the Owner, or to his or her Unit. If a Unit is owned by more than one Person, each of them will be jointly and severally liable for the Assessments. The amount of an Assessment will become the personal debt of the Owner as of the date when it is assessed. By acquiring a Unit, an Owner promises to pay all applicable Assessments charged to him or her, or to his or her Unit.

B. Interest and Late Charges. All sums not paid within thirty (30) calendar days after the due date will be subject to (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date until paid; and (ii) a late charge equal to the greater of Fifty Dollars ($50.00) or ten percent (10%) of the amount due. An Owner must also pay all costs of collection, including reasonable attorneys' fees.

C. How Payments Will Be Applied. Payments will be applied first to legal fees, costs and expenses, then to late charges, then to interest, then to the principal amount of the Assessment.

6.9 Enforcement.

A. Association Lien. The Association has a lien on each Unit for all Assessments charged to that Unit or to its Owner, including late charges, interest, costs of collection and reasonable attorneys' fees. If the Owner fails to pay these amounts, the Association may foreclose its lien in accordance with applicable law and the Condominium Documents. The Association's lien is prior to all other liens, except only:

(i) Liens for taxes and assessments lawfully imposed by governmental authorities against the Unit and which, by law, have priority over the Association's lien; and,

(ii) The lien for sums unpaid (plus costs and expenses including attorneys' fees provided in the mortgage) on any mortgage that is recorded before the Association records a Notice of Lien.

B. Association Remedies. If an Owner fails to pay any amount assessed to him or her, or to his or her Unit, then in addition to any other remedies the Board may have, the Board may enforce the obligation to pay those amounts as follows:

(i) Notice of Lien. At any time after an Owner defaults, the Board or the Managing Agent may give a written notice to the defaulting Owner. A copy of any such written notice shall be delivered to Unit Mortgagee and Investor. No action to enforce a lien may be taken by the Board until and unless written notice thereof is delivered to the defaulting Owner and its Unit Mortgagee and Investor. The notice must state the amount owed and the date when it became due. If this amount is not paid within ten (10) business days after the notice is delivered, the Board or the Managing Agent may record a "Notice of Lien" against the Owner. The Notice of Lien must be signed and acknowledged by any two (2) or more Directors or Officers of the Association, the attorney for the Association, or the Managing Agent. So long as a Notice of Lien has been properly delivered to Owner, Investor and Unit Mortgagee and recorded, the Board will have all remedies provided in these Bylaws, the Declaration and the Act on account of the default. Each default will be a separate basis for a Notice of Lien. But a single Notice of Lien may cover more than one default and may include defaults between the date of the Notice of Lien and the date of the sale.

(ii) Foreclosure of Lien. The Board or the Managing Agent, acting on behalf of the Association, may foreclose the Association's lien in a manner like a Mortgage foreclosure. They may do so by filing a lawsuit for foreclosure. They may also foreclose using the non-judicial or power of sale foreclosure procedures as authorized by law. The Owner shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure shall be entitled to the appointment of a receiver to collect the rental owed. The Board or the Managing Agent must give to an Owner at least ten (10) business days prior written notice of the Association's intent to foreclose. It must send this notice by registered mail. The Managing Agent, acting on behalf of the Association and as directed by the Board, may bid on the Unit at the foreclosure sale and may acquire, hold, of the Association and as directed by the Board, may bid on the Unit at the foreclosure sale and may acquire, hold, lease, Mortgage, and convey

the Unit. The Association may offset the Owner debt against the amount bid at the sale. The Association may also accept a deed of the Unit to the Association (or to a trustee holding title for the Association) in place of foreclosure. Notwithstanding anything to the contrary or otherwise set forth in this paragraph, no action to enforce a lien may be taken by the Board until and unless written notice thereof is delivered to a defaulting Owner and its Unit Mortgagee and Investor and after all notice and cure periods have expired.

(iii) Lawsuits. The Association may file one or more lawsuits to enforce an Owner obligation to pay Assessments. The Association may file a lawsuit to recover a money judgment for the unpaid Common Expenses without foreclosing or waiving its lien for those expenses. The Association may not file a lawsuit unless a majority of the Board authorizes it at a regular or special Board meeting. The Board may file the suit on behalf of the Association. The Managing Agent may file the suit on behalf of the Association if the Board authorizes it to do so in writing. Notwithstanding anything to the contrary or otherwise set forth in this paragraph, no lawsuit may be filed by the Board until and unless written notice thereof is delivered to a defaulting Owner and its Unit Mortgagee and Investor and after all notice and cure periods have expired.

(iv) Cancellation of Notice of Lien. On behalf of the Board, any two (2) Directors or Officers of the Association or the Managing Agent, will sign, acknowledge, and deliver to the Owner a document canceling a Notice of Lien if the Board receives payment in full of the amount claimed to be due and owing (including interest, late fees, and any costs of enforcement and attorneys' fees) and the Owner asks for the cancellation document and pays a reasonable fee for such document.

(v) Termination of Right to Use Common Elements. Pursuant to the procedures, requirements and rights specified in Section 514B-146(e) and (f) of the Act, the Association may terminate a defaulting Residential Unit Owner's right of access to and use of the Common Elements other than as may be strictly required for access to the Unit and may also stop supplying any defaulting Owner with any and all services normally supplied or paid for by the Association.

6.10 Waiver. In one or more cases, the Board may not insist on strict performance of or compliance with the covenants of an Owner under the Condominium Documents or may not use some or all of the rights and powers that the Board has to enforce compliance. This does not mean, however, that the Board has waived the right to do so. Instead, the covenants of each Owner will remain in full force and effect and the Board will continue to have all of its rights and powers to enforce them despite any failure to do so in the past. Whether or not the Board knows that an Owner has violated the Condominium Documents, it may receive and accept any money paid by the Owner without waiving the Owner's breach. The Board will not be deemed to have waived any provision of the Condominium Documents, expressly or by implication, unless the Board expressly states the same in a document that is signed by an Officer pursuant to authority contained in a resolution of the Board.

6.11 Assessment Disputes.

A. Statement of Unpaid Amounts. No Owner may withhold any Assessment claimed by the Association. An Owner who disputes the amount of an Assessment may request a written statement clearly indicating (1) the amount of Common Expenses included in the Assessment, including the due date of each amount claimed; (2) the amount of any penalty, late

fee, lien filing fee, and any other charge included in the Assessment; (3) the amount of attorneys' fees and costs, if any, included in the Assessment and (4) other such matters as provided in Section 514B-146(c) of the Act. Upon receipt of such a request, the Association, or the Managing Agent on behalf of the Association, must provide a written statement disclosing this information and anything else required by the Act or the HAR.

B. Assessment Disputes. An Owner who pays the Association the full amount claimed by the Association may still contest the Assessment in the manner provided in the Act.

6.12 Liability of Anyone Who Acquires Title Through Foreclosure. In this Section, "New Owner" means a lender or anyone else who obtains title to a Unit as a result of the foreclosure of a mortgage. A New Owner and its successors and assigns are not liable for the share of the common expenses or Assessments charged to the Unit and which became due before the New Owner took title. Instead, those unpaid amounts will be common expenses collectible from the Owners, including the New Owner and his or her successors and assigns. A New Owner will be deemed to acquire title and is required to pay the Unit's share of common expenses and Assessments beginning at the time stated in the Act or, if not stated, then, the earlier of: (1) thirty-six (36) calendar days after the order confirming the sale to the purchaser has been filed with the court; (2) sixty (60) calendar days after the hearing at which the court grants the motion to confirm the sale to the purchaser; (3) thirty (30) calendar days after the public sale in a nonjudicial power of sale foreclosure, pursuant to Section 667-5 of the Act; or (4) the date when the deed is recorded.

6.13 Taxes and Assessments.

A. Each Owner (i) must take reasonable steps to see that the government assesses any taxes on his or her Unit and its Common Interest and on any personal property or any other interest of the Owner separately from taxes on other Units or other Owners, and (ii) must pay those taxes.

B. If, in the opinion of the Board, any taxes or assessments may be a lien on all or any part of the Common Elements, the Board may pay those taxes or assessments as part of the common expenses. Any such taxes or assessments which may be a lien on the General Common Elements shall be Common Expense, any such taxes or assessments which may be a lien on any other Limited Common Elements shall be an expense on that Unit. Each Owner must pay to the Board his or her proportionate share of any Assessment by the Board for any such taxes or assessments paid by the Board. The Owners must make these payments at the time and in the manner that the Board directs. Any Assessments charged by the Board under this Section will be secured by the Association's lien under Section 6.9 and the non-paying Owner shall be required to reimburse the Board for any amount paid by the Board in connection therewith, including, without limitation, attorneys' fees and other expenses incurred in charging and collecting the amount owed.

Each Owner must sign any documents and take any action that the Board reasonably requires to facilitate dealing with the proper governmental authority regarding taxes and assessments.

6.14 Utility Expenses. All utilities serving the Units or Limited Common Elements shall be separate from each other whenever possible. If not possible, then calculations shall be made

pursuant to the provisions of the Declaration. The cost of utility services for the Common Elements is a common expense.

6.15 Audits. Except as otherwise permitted by the Act, each year the Association must have a public accountant or accounting firm conduct an audit of the Association's financial accounts and at least one (1) unannounced verification of the Association's cash balance. The Association will furnish to the Owners copies of the audit and any other financial statements at the times and in the manner stated in the Act.

6.16 Financial Reports.

A. Financial Statements. The Association must prepare and send the following statements to each Owner:

(i) The Budget. At least (30) calendar days before the fiscal year starts the Association must send to the Owners and Investors the approved budget for that year.

(ii) The Annual Report. The Association must send an annual report to each Owner within ninety (90) days after the end of each fiscal year. The annual report must include:

1. A balance sheet showing the assets, liabilities and net worth of the Association at the end of the fiscal year;

2. An operating (income) statement for the fiscal year;

3. A statement of the net changes in the financial condition of the Association for the fiscal year; and

4. Any other information required by the law of any jurisdiction (for example, another state) where the Project is registered for public sale.

B. Reports. The association will provide information and reports as required by Section 514B-154 of the Act and may utilize an internet site as permitted by such law.

ARTICLE VII.
MAINTENANCE AND REPAIR AND USE

7.1 Maintenance and Repair of Units. Except as otherwise provided by law or in these Bylaws or in the Declaration:

A. Owners' Responsibilities. At his or her own expense, the Owner must maintain and repair his or her Unit, and the Limited Common Elements appurtenant thereto, and keep them in good order and condition at all times.

B. Damage to Common Property. Every Owner:

(i) Must reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the Common Elements or any furniture, furnishings, and equipment owned by the Association caused by that Owner or

by any person under either of them to the extent permitted under Section 8.3 of the Declaration, and;

(ii) Must give to the Managing Agent notice of any such loss or damage or other defect in the Project promptly after discovering it.

7.2 Limited Common Elements. Subject to any approvals required under the Declaration, the Board may arrange for the maintenance or repair of the Limited Common Elements including, but not limited to, repaving or repaving parking stalls which are Limited Common Elements. The Board shall assess each applicable Unit Owner for his or her proportionate share of the painting and repairs or the Board may pay for it using the reserve funds designated for such purpose. However, the cost of work and repairs due to negligence, misuse, or neglect of an Owner or other Occupant, or someone under either of them, may be charged as a special assessment.

7.3 Owner Approval. Maintenance, repair or replacement of any portion of the Project for which the Association is responsible costing in excess of TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00) in any one instance may be made by the Board only after obtaining approval of Owners holding a majority of the Common Interest for all or any portion of such maintenance, repair or replacement. This rule does not apply to maintenance, repairs or replacements:

A. Required by law or by the Declaration or these Bylaws;

B. Required due to an emergency threatening immediate and substantial damage to person or property;

C. Required to maintain or repair the Project as originally designed or constructed, or in accordance with any duly authorized changes to the Project or required by law;

D. For which replacement reserve funds have been established and substantially funded to cover at least ninety percent (90%) of the cost; or

E. Made by Declarant when exercising Declarant’s Reserved Rights.

ARTICLE VIII.
ASSOCIATION RECORDS

8.1 Condominium Documents. The Association must keep at the Managing Agent's office an accurate copy of the Declaration and these Bylaws. The Managing Agent must provide copies of those documents to Owners, prospective purchasers, and their prospective agents during normal business hours, upon payment to the Managing Agent of a reasonable charge to defray any administrative or duplicating costs.

8.2 Membership List.

A. The Association Must Keep a List. The Resident Manager or Managing Agent or Board must keep an accurate and current list of names, addresses, mobile phone

numbers, and email addresses of the Owners, and of any other party or person that has managerial control of the Unit, or who serves as the point of contact for such Unit. It must also include the names and addresses of each lender whose name and address is furnished to the Association. The list will be maintained at a place designated by the Board.

B. Release of List. The Association will make the list of Owners available, at cost, to any Owner who asks for it.

8.3 Notice to Board of Directors/Unit Mortgagees. An Owner who mortgages his or her interest in a Unit shall notify the Board of the name and address of his or her Unit Mortgagee and within ten (10) business days after the recordation of the mortgage shall provide the Board with a true copy of the mortgage as recorded in the Land Court. The Board shall maintain such documents in a file entitled "Mortgages of Units." An Owner may also provide written notice to the Board of the name and address of its Investors. All notices permitted or required to be given to an Owner pursuant to these Bylaws or the Declaration shall also be given to the Unit Mortgagee if such Unit Mortgagee has delivered to the Board written request for such notices and shall also be given to the Investors of which the Board has received notice.

8.4 Unit Mortgagee Protection. Notwithstanding any provisions to the contrary contained herein:

A. At all times, all taxes, assessments, and charges which may become liens under the laws of the State of Hawaii shall relate only to the individual Units and their appurtenant Common Interest in and to the Common Elements and the rights of the individual Units to the exclusive use of appurtenant Limited Common Elements, but not to the Common Elements in themselves as a whole.

B. The Declaration and these Bylaws shall not give an Owner or any other party priority over any rights of Unit Mortgagees pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards.

C. No amendment to this Section shall affect the rights of any Unit Mortgagee whose mortgage is recorded prior to the recordation of such amendment and who does not consent thereto.

D. Any Investor and any holder, insurer, or guarantor of the mortgage on any Unit in the Project shall be provided with written notice of the following: (i) any proposed termination of the Project; (ii) any actual or threatened condemnation or eminent domain proceeding or any casualty loss affecting a material portion of the Project or any portion thereof; (iii) any delinquency of sixty (60) calendar days in the payment of assessments or charges owed by an Owner whose Unit is subject to such Mortgage or for which an Investor has been identified; (iv) any significant damage or destruction to the Common Elements or to a Unit covered by the first mortgage held or insured by such party or for which an Investor has been identified; (v) other than in connection with the express rights reserved in the Declaration, any proposal to subdivide, encumber, sell, or transfer the Common Elements or any part thereof; provided, however, that the granting of easements for public or private utilities or for public purposes consistent with the intended use of the Common Elements of the Project and the relocation of any easements appurtenant to the Project over other lands, pursuant to the exercise of any right to relocate such easements by the owner of such other lands, shall not be deemed a transfer within the meaning of this clause; (vi) any lapse, cancellation, or material

modification of any insurance policy maintained by the Association; and (vii) any proposed action that requires the consent of a specified percentage of Unit Mortgagees.

E. Upon written request to the Association, any holder, insurer or guarantor of a duly recorded first mortgage of a Unit, whose request states the requesting party's name and address and the number of the mortgaged Unit, shall also be entitled to a copy of all pleadings filed in any lawsuit, administrative proceeding, or other action affecting the Project or any portion thereof, at such party's expense for reproduction costs.

8.5 Release of Information. The Board may provide any information available to it pertaining to a Unit or the Project to a Unit Mortgagee and Investor and such Unit Mortgagee may provide any information to the Board regarding the mortgagor, the mortgagor's loan and the status of such loan, without liability to the Owner of the mortgaged Unit.

8.6 Minutes and Records; Examination.

A. Current Financials and Board Minutes. The Association's most current financial statements and minutes of the Board meetings, once approved, will be available to any Owner at no cost on twenty-four (24) hour loan, at a convenient location designated by the Board.

B. Minutes. Minutes of all meetings will be available within seven (7) calendar days after approval by the Board, and unapproved final drafts of the minutes of a meeting will be available within sixty (60) calendar days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session. Minutes of meetings of the Board and the Association for the current and prior year will be available for examination by Owners at convenient hours at a place designated by the Board. Minutes of meetings must include the recorded vote of each Director on all motions except motions voted on in executive session. If notice of a Board meeting was properly given but a Director is absent, the minutes must say so. Copies of meeting minutes will be provided to any Owner upon the Owner’s request provided that the Owner pays a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

C. Financial Records. Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers (or other comparable lists or schedules), insurance policies, contracts, and invoices of the Association for the current and prior year and delinquencies of ninety (90) calendar days or more will be available for examination by Owners at convenient hours at a place designated by the Board; provided that:

(i) The Board must require Owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or Owners or both; and

(ii) Owners pay for administrative costs in excess of eight (8) hours per year. Copies of these items will be provided to any Owner upon such Owner's request, provided that the Owner pays a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

D. Voting Records. Owners have the right to view proxies, tally sheets, ballots, Owners' check-in lists, and the certificate of election for a period of thirty (30) calendar days following any meeting of the Association; provided that:

(i) The Board must require Owners to furnish the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or Owners or both; and

(ii) Owners pay for administrative costs in excess of eight (8) hours per year.

Proxies and ballots may be destroyed following the thirty (30) calendar day period. Copies of tally sheets, Owners' check-in lists, and the certificate of election from the most recent meeting of the Association will be provided to any Owner upon such Owner's request, provided that the Owner pays a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling such request.

F. Other Records. Owners may file a written request with the Board to examine other documents. The Board must give written authorization or written refusal with an explanation of the refusal within thirty (30) calendar days of receipt of the request.

8.7 Records; Examination; Disposal.

A. Receipts, Expenditures, and Delinquencies. The Managing Agent or Board must keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. The Managing Agent or Board must also keep monthly statements indicating the total current delinquent dollar amount of any unpaid Assessments for Common Expenses.

B. Location of Records. All records and the vouchers authorizing the payments and statements will be kept and maintained at the address of the Project, or elsewhere within the State of Hawaii as the Board chooses. The records may be kept and maintained on paper or in electronic, magnetic, or other form accessible using electronic data processing equipment.

C. Disposal of Records. The Managing Agent may dispose of records of the Association at the times and under the conditions stated in the Act or, if it does not address it, then at the times and under the conditions that the Board chooses.

ARTICLE IX.
GENERAL PROVISIONS

9.1 Who Can Sign Checks. All checks, drafts or other orders for payment of money, notes, or similar documents issued by or payable to the Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary, or Treasurer. The same rule applies to signing and delivering other documents authorized by the Condominium Documents or by action of the Board or the Association.

9.2 Who Can Sign Contracts and Other Documents. Except as otherwise provided in these Bylaws, the Board may authorize any Officer or Officers, agent or agents, to enter into any contract or sign any document for the Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no Officer, agent, or employee has any power or authority to bind the Association or to pledge its credit or to make it liable for any purpose or for any amount.

9.3 Amendment.

A. Amendment By Vote Or Written Consent. The Bylaws may be amended at any time by the vote or written consent of eight-five percent (85%) of all Owners (together with the consent of their Unit Mortgagees and Investor), provided that:

(i) Each item required by the Act to be set forth in these Bylaws must always be included in these Bylaws; and

(ii) Such amendment shall be subject to all limitations and requirements regarding amendments to the Condominium Documents contained in the Declaration, including, but not limited to Article 17 of the Declaration.

B. Declarant's Reserved Rights to Amend. Notwithstanding anything set forth in this Section to the contrary, Declarant (pursuant to its Declarant's Reserved Rights) has the right to amend these Bylaws at any time to the extent set forth in the Declaration.

C. Recording. A duly authorized amendment to these Bylaws will take effect only after it is signed by the proper Officers of the Association and it is recorded in the Land Court.

D. Proposal of Amendments. Any proposed amendment to these Bylaws with the rationale for such proposal may be submitted by the Board or by a volunteer Owners' committee. If submitted by the volunteer Owners' committee, it must be accompanied by a petition signed by not less than twenty-five percent (25%) of the Owners as shown in the Association's records of ownership maintained by the Board as provided in Section 8.2. The proposed amendment, the rationale, and the ballots for voting on the amendment must be mailed by the Board to the Owners at the expense of the Association for vote or written consent without change within thirty (30) calendar days after the Board receives the petition. The vote or written consent required to adopt the proposed amendment to these Bylaws will be as set forth in Section 9.3, above; provided that the vote or written consent must be obtained within three hundred sixty-five (365) calendar days after mailing for a proposed bylaw submitted by either the Board or a volunteer Owners' committee. If the proposed amendment is duly adopted, the Board must then record the amendment. The volunteer Owners' committee cannot submit a petition for a proposed amendment to these Bylaws that is substantially similar to the amendment previously mailed to the Owners within one (1) year after the original petition was submitted to the Board. This Section does not preclude any Owner or voluntary Owners' committee from proposing any amendment to these Bylaws at any annual meeting of the Association.

E. Restatement of Bylaws. Notwithstanding anything set forth in the Condominium Documents to the contrary, the Association has the authority under the Act:

(i) To restate these Bylaws to set forth all amendments to them; and

(ii) To amend these Bylaws as required to conform to the provisions of the Act or any other law or regulation adopted by a governmental authority.

The Association may amend or restate these Bylaws if the Board adopts a resolution authorizing it. No restated or amended Bylaws will be effective unless they are recorded at the Bureau.

9.4 Notice. Except as otherwise expressly provided in these Bylaws, all notices must be given as follows:

A. Notice to the Association must be given to each Director and Owner. The notice may be given personally or by mail or messenger service. The notice must be mailed or delivered to the Board members at their addresses as shown on the membership list, or to any other address that the Board designates by notice to all Owners and Lenders.

B. Notice to an Owner may be given by delivering such notice in person, by messenger service or by mail to his or her address as it is shown on the membership list or by electronic mail or facsimile if such Owner has authorized transmission to the electronic mail address or facsimile number designated by the Owner for delivery of notices of meetings pursuant to Section 2.10 of these Bylaws. A copy of any such notice shall be delivered to Investor at the address set forth in the notice from the Owner to the Association or Board identifying the address of such Investor. Notice to an Investor shall be given in the same manner as given to an Owner.

C. Notice to a Unit Mortgagee may be given by delivering such notice in person or by mail or messenger service. The notice must be mailed or delivered to the Unit Mortgagee's address as it is shown on the membership list, or to any other addresses that the Unit Mortgagee designates by notice to the Board.

D. All notices must be in writing. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If sent by electronic mail or facsimile to the electronic mail address or facsimile number designated by the Owner for notices of meetings pursuant to Section 2.10 of these Bylaws the notice will be deemed given upon electronic confirmation of delivery. Notwithstanding the prior sentence to the contrary, notices of addresses and changes of addresses will be deemed given only when they are actually received.

9.5 Captions. The captions describing each Section are for convenience only and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

9.6 Pronouns. Pronouns (for example, "his" or "her") used in these Bylaws include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

9.7 Interpretation. The provisions of these Bylaws will be interpreted to carry out the purpose of creating a mixed use condominium in accordance with the Declaration and the Act.

9.8 Effect of Invalid Provisions. The provisions of these Bylaws are severable. Invalidation of any part of these Bylaws by judgment, decree, or order shall in no way affect any other provisions of these Bylaws, each of which shall remain in full force and effect.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, Declarant, acting as the initial Association, hereby adopts the foregoing Bylaws as the Bylaws of the Association of Owners of Kuhio Park Low Rises Phase 1 on behalf of the Association this _____ day of _____, 2025.

APPROVED AS TO FORM:

_____
Linda L.W. Chow
Deputy Attorney General

HAWAII PUBLIC HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii

By _____

Hakim Ouansafi

Its: Executive Director

"Declarant"

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this _____ day of ___, 2025, before me personally appeared _____, to me personally known, 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

Printed Name:

My commission expires: _____

NOTARY CERTIFICATION STATEMENT

Document Identification or Description:

Bylaws of the Association of Unit Owners of Kuhio Park Low Rises Phase 1

_____

_____

Doc. Date: _____ or __ Undated at time of notarization.

No. of Pages:____

Jurisdiction:
(in which notarial act is performed)

_____
Signature of Notary

Date of Notarization and Certification Statement

Printed Name of Notary

Attachment D

After Recordation, Return By Mail (x) Pick Up ( )

Department of the Attorney
General, State of Hawai‘i
425 Queen Street
Honolulu, Hawai‘i 96813
Attention: Linda L.W. Chow

Tax Map Key Nos.: 1-1-3-039:006 and 1-1-3-039:008 Total Pages: (17)

USE AGREEMENT

KUHIO PARK LOW RISES PHASE 1

THIS USE AGREEMENT (this "**Agreement**") dated as of _____, 2025, is by and between the HAWAII PUBLIC HOUSING AUTHORITY ("**HPHA**"), a public body corporate and politic organized and existing pursuant to Chapter 356D of the Hawaii Revised Statutes ("**HPHA**"), with a chief executive office located at 1002 N. School Street, Honolulu, Hawai‘i 96817, and **KPLR PHASE 1, LP**, a Hawaii limited partnership ("**Owner**"), with a principal executive office located at 330 West Victoria Street, Gardena, California 90248, Attention: Mohannad H. Mohanna (collectively, Owner and HPHA are referred to herein as the "**Parties**").

RECITALS

WHEREAS, HPHA owned and operated thirteen (13) dwelling buildings containing sixty (60) units on 3.66 acres of underlying land at Kuhio Park Terrace, HI001000040, described in those certain Declarations of Trust recorded in the Bureau of Conveyances of the State of Hawai‘i (collectively, the "**Declaration of Trust**"), which is to be redeveloped and is more particularly described in Exhibit A, attached hereto and incorporated herein (the "**Disposition Property**");

WHEREAS, HPHA owned and operated the Disposition Property as low-rent public housing with financial assistance provided by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ("**HUD**") under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 et. seq. (the "**Act**");

WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD;

WHEREAS, HPHA requested HUD approval of the conveyance of the Disposition Property for less than fair market value under a 70-year ground lease with an annual base rent payment supported by an appraisal evidenced by that certain Ground Lease Agreement by and between Owner and HPHA dated as of substantially even date herewith (the "**Ground Lease**") and HUD has, as documented in the letter from HUD to HPHA dated August 12, 2024 (collectively the "**Approval Letter**"), agreed to such conveyance on the terms and conditions set forth in the Approval Letter, that certain Disposition Agreement between HUD and HPHA dated concurrently herewith (the "**Disposition Agreement**"), both attached hereto as Exhibit B and incorporated herein, and this Agreement (collectively, the "**HUD Disposition Approval**");

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval, including the condition that of the three hundred four (304) dwelling units (including two manager's units) to be constructed on the Disposition Property, at least 60 dwelling units (the "**Restricted Units**") shall be operated exclusively as dwelling units reserved for, and affordable to households earning no more than eighty percent (80%) of the Area Median Income at admission for thirty (30) years following issuance of a certificate of occupancy or the equivalent for the dwelling units at the Disposition Property by the local jurisdiction, provided that, unless there is evidence to the contrary, such as issuance of certificate of occupancy or equivalent shall be deemed to have occurred no later than three (3) years from the date of this Agreement (the "**Restricted Period**"); and

WHEREAS, as required by HUD, this Agreement must be recorded in a first priority position against the Disposition Property.

AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Use Requirement. Owner, for itself and for its successors and assigns, hereby covenants and agrees for the benefit of HPHA and HUD that the Restricted Units shall be used exclusively as dwelling units reserved for, and affordable to households earning no more than eighty percent (80%) of the Area Median Income at admission to a Restricted Unit (the "**Use Requirement**") for the duration of the Restricted Period. The rents of the Restricted Units will be affordable to the foregoing individuals or households (i.e., through low-income housing tax credit, Housing Choice Vouchers, or other programs, or through a cap on rents at 30% of 80% of

Area Median Income. The Owner shall maintain ownership and operation of the Disposition Property during the Restricted Period. Every contract, deed or other instrument covering or conveying the Disposition Property or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the terms and restrictions of this Agreement are set forth in such contract, deed or other instrument.

2. Exceptions to the Use Requirement. The following events shall not constitute a breach of the Use Requirement:

A. Vacant Units. If one or more of the Restricted Units are left vacant for a commercially reasonable period (i) while one tenant is moving out of a Unit and before another has moved in to such Unit, (ii) while waiting for a new qualifying tenant for a Restricted Unit in the event there are no tenants immediately available to move in after the previous qualifying tenant vacates, or (iii) while a Unit is being renovated and/or repaired.

B. Casualties. If one or more of the Restricted Units are damaged or destroyed by fire or other casualty and the use of such Restricted Unit(s) in conformance with the Use Requirement ceases during a period of repairs and/or reconstruction; provided that (i) HPHA is timely notified of the casualty; (ii) Owner uses commercially reasonable efforts to cause the Restricted Units to be repaired or restored to substantially the same condition as existed prior to the event causing damage or destruction, (iii) the Restricted Units are actually repaired or restored within two (2) years after the date of the casualty, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the Restricted Units are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

C. Takings. If the Restricted Units are taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**"), or if any other portion of the Disposition Property in which one or more of the Restricted Units are located, which property is necessary for a tenant's occupancy of one of the Restricted Units, has been subject to a Taking; provided that (i) HPHA is timely notified of the Taking; (ii) Owner applies funds received as a result of the Taking to the acquisition and development of replacement Restricted Units that will be operated in accordance with the Use Requirement, (iii) the new units are acquired or developed within two (2) years after the date of the Taking, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iii) the new Restricted Units are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period. In the event any Restricted Unit is not replaced, then Section 4 of this Agreement shall apply.

3. HPHA's Monitoring Responsibility. During the Restricted Period, HPHA shall monitor Owner's use of the Disposition Property, and HPHA shall enforce this Agreement, including, without limitation, the Use Requirement. If Owner or any successor fails to use any portion of the Disposition Property in accordance with this Agreement, and/or as required by the HUD Disposition Approval, HPHA shall within five (5) business days of issuing a Notice of

Violation in accordance with Section 4(A) of this Agreement, notify HUD's San Francisco Regional Office in writing of such violation.

4. Events of Default. In the event the Use Requirement ceases to be satisfied prior to the expiration of the Restricted Period:

A. Notices of Violation. HPHA shall give to Owner written notice of the failure (a "**Notice of Violation**"). Owner shall have sixty (60) calendar days after the date on which a Notice of Violation is received in accordance with Section 9 below to cure the failure; provided that, if such Owner uses commercially reasonable efforts to cure the failure within the prescribed sixty (60) day period and is unable to do so, but is continuing to diligently pursue commercially reasonable efforts, such cure period shall be extended by such additional time as is reasonably necessary to cure the failure. Nothing in the foregoing shall serve to limit HPHA's rights or remedies under the Ground Lease.

B. Events of Default. HPHA is hereby authorized and shall take whatever investigative steps it deems necessary to ensure compliance. If, after receiving a Notice of Violation, the failure is not corrected to the satisfaction of HPHA and HUD within the prescribed time period, HPHA and/or HUD may declare a default under this Agreement (an "**Event of Default**") without further notice.

C. Remedies. In an Event of Default by Owner, to the extent permitted by applicable law, HPHA and/or HUD shall have the right to seek specific performance of the Use Requirement and/or to enjoin any violation of the Use Requirement in a court in the jurisdiction where the Disposition Property is located. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law, or in equity.

D. Federal Funds. In the event that any Restricted Unit ceases to be used in accordance with the Use Requirement prior to the expiration of the Restricted Period, any federal funds applied to that Restricted Unit (or those Restricted Units) shall be returned by the Owner to the HPHA and subject to the restrictions set forth in the Disposition Agreement, PIH Notice 2020-23 and as determined by HUD.

E. Rights of Equity Investors. HPHA and/or HUD, as applicable (each, an "**Agency**"), shall endeavor as a courtesy to each party providing equity financing to the Disposition Property, as set forth in the notice provisions in Section 9 below (collectively, the "**Equity Investors**," or singularly, an "**Equity Investor**"), to deliver to the Equity Investors a copy of any written notice provided to Owner and/or assignee or successor thereto under this Agreement; provided, however, that the failure to provide such notice shall not subject such Agency to any liability or result in the derogation of any rights of either Agency to enforce the terms of this Agreement. Each Equity Investor shall have the right, but not the obligation, to cure any default identified in such notice within sixty (60) days after the date on which the original Notice of Violation is received by Owner in accordance with this Section 4; provided that, if such Equity Investor uses commercially reasonable efforts to cure the failure within the prescribed sixty (60) day period and is unable to do so, such cure period shall be extended by such additional time as is reasonably necessary to cure the failure, such approval not to be

unreasonably withheld, conditioned, or delayed. Any cure of any default by Owner under this Agreement by an Equity Investor shall be treated the same as if offered by Owner.

5. Actions Requiring the Prior Written Approval of HUD and HPHA. Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the Restricted Period without the prior, jointly-executed, written approval of HUD and HPHA. Notwithstanding the foregoing, Owner need not obtain the prior written approval of HUD for (i) the conveyance or dedication of land for use as streets, alleys, or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, cable, and internet, or (iii) easements or access, leases, and similar arrangements that are customary in the operation of residential rental properties and do not negatively impact the Units, including but not limited to, cell towers, parking, community space, vending machines, laundry or laundry facilities, or similar uses of non-residential areas, or (iv) Deed of trust, regulatory agreements, financing agreements and other instruments described in a priority and subordination agreement approved by HUD to be recorded with respect to the Disposition Property, and transfer of the Property to the beneficiary under any such approved deeds of trust, by foreclosure or deed-in-lieu of foreclosure, or to a third-party purchaser at a foreclosure sale, provided that the Property shall remain subject to the terms of this Agreement and notice of the foreclosure and transfer is reported to HUD in writing. In addition, Owner need not obtain the prior written approval of HUD and HPHA for (i) entering into residential agreements with tenant families, or (ii) executing deeds of trust and financing arrangements, and transfer of the Project to the beneficiary under any such arrangements.

6. Third-Party Beneficiary. Notwithstanding any other provision in this Agreement, HUD, its successors and assigns, shall be deemed a third-party beneficiary of this Agreement and may enforce its terms and provisions against the Parties. Other than HUD and the Parties, no other person or entity may bring an action pursuant to this Agreement.

7. Termination of Use Requirement. Upon the expiration of the Restricted Period, the Use Requirement shall automatically cease and terminate, and the Disposition Property shall be deemed released of the Use Requirement and this Agreement without the requirement of any further writing between the Parties. Notwithstanding the foregoing, upon expiration of the Restricted Period, HPHA agrees, with the prior written consent of HUD, to execute and deliver to Owner such documents as Owner shall reasonably request releasing and confirming the release of the Use Requirement and this Agreement from title to the Disposition Property and clearing title to the Disposition Property from any cloud created by the Use Requirement or this Agreement.

8. Successors and Assigns. Recordation of this Agreement shall constitute the agreement by HPHA and Owner to be bound by and to comply with the restrictions set forth in this Agreement. The benefits and burdens of this Agreement touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the Parties. Wherever the term "Owner" is used herein such term shall be construed to include any successor owner to title to the Disposition Property (each, a "**Successor Owner**").

Notwithstanding the foregoing, no party other than HPHA or HUD shall exercise the rights and privileges reserved herein to HPHA, or bear the obligations imposed herein on HPHA, unless such party shall receive and record in the official records of the county where the Disposition Property is located a written assignment of all or a portion of such rights, privileges and obligations. Notwithstanding the foregoing, in no event shall the beneficiary of any deed of trust encumbering the Disposition Property or any other purchaser at foreclosure (the "**Holder**") have any liability for sums which are due and payable under this Agreement prior to such Holder's acquisition of title to the Disposition Property. This Agreement shall extend to and be binding upon the Holder only in the event that the Holder acquires ownership of the Disposition Property.

9. Notices. All notices under this Agreement shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to HUD, HPHA and/or Owner, as appropriate, at the addresses stated below. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause (b) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 9.

HPHA:	Hawaii Public Housing Authority 1002 N. School St. P.O. Box 17907 Honolulu, Hawai'i 96817 Attn: Executive Director Fax: (808) 832-4679
With copies to:	Reno & Cavanaugh, PLLC 455 Massachusetts Avenue, NW Suite 400 Washington, DC 20001 Attn: Megan Glasheen, Esq. Fax: (202) 783-0550
and to:	Department of the Attorney General, State of Hawai'i 425 Queen Street Honolulu, Hawai'i 96813 Attn: Linda L.W. Chow
Owner:	**Via Regular and Certified Mail:** KPLR PHASE 1, LP c/o Highridge Costa Development Company, LLC

330 West Victoria Street
Gardena, CA 90248
Attn: Mohannad H. Mohanna, President

Via Overnight Mail

With copies to: Settle Meyer Law LLLC
Pioneer Plaza
900 Fort Street Mall, Suite 1800
Honolulu, Hawai‘i 96813
Attn: Scott W. Settle

and Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
Attn: Christian D. Dubois

HUD: U.S. Department of Housing and Urban Development
451 Seventh St., SW, 4th Floor
Washington, DC 20410
Attn: Office of Public Housing

Equity Investors may be provided courtesy copies of notices under this Agreement in accordance with the delivery methods of this Section 9. Equity Investors' respective address(es) for such notice purposes are:

Equity Investors: c/o RBC Community Investments, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

and Berkadia Affordable Tax Credit Solutions
Two Liberty Place
50 South 16th Street, Suite 2825
Philadelphia, PA 19102
Attention: Managing Director

10. Business Day. A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of California. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

11. Amendments. This Agreement may be amended only by a written instrument signed by the Parties. Notwithstanding the foregoing, the Parties may not amend, modify, rescind, revoke and/or terminate this Agreement without the prior written approval of HUD.

12. Subordination. This Agreement shall be recorded against the Disposition Property in a first-lien position, with the exception of (i) property taxes and assessments not yet due and payable, (ii) easements for the establishment, operation and maintenance of public utilities, and (iii) encumbrances that do not constitute a lien or other security interest on the Disposition Property or grant any party the right to a lien or security interest on the Disposition Property. All mortgage liens shall be subject and subordinate to this Agreement. This Agreement shall survive foreclosure and bankruptcy.

13. Fair Housing and Civil Rights Requirements. With regard to the Disposition Property, Owner shall comply with all applicable fair housing and civil rights requirements, including the obligations to affirmatively further fair housing and adhere to the site selection and neighborhood standards set forth in 24 CFR §§ 1.4(b)(3) and 941.202, as applicable.

14. Federal Accessibility Requirements. With regard to the Disposition Property, Owner shall comply with all applicable federal accessibility requirements under the Fair Housing Act and the implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and the implementing regulations at 28 CFR Parts 35 and 36, respectively.

15. Impairment of HAP Contract. The terms and provisions of this Agreement shall continue in full force and effect except as expressly stated herein. Any conflicts between this Agreement and any HAP Contract shall be resolved by HUD, at its sole and absolute discretion.

16. Execution of Other Agreements. HPHA and Owner each covenant and agree that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements; provided, however, HPHA, HUD, and the Owner have authorized the recordation of (a) that certain Declaration of Restrictive Covenants for Affordable Housing as of substantially even date herewith in favor of the City and County of Honolulu (the "**City Affordable Housing Declaration**") and (b) that certain Declaration of Land Use Restrictive Covenants (Rental Housing Revolving Fund) in favor of the Hawaii Housing Finance and Development Corporation (the "**HHFDC Declaration**") as of substantially even date herewith. The City Affordable Housing Declaration and the HHFDC Declaration each require the Project to be restricted to households at or below sixty percent (60%) of Area Median Income. HUD and HPHA have agreed that the stricter income limits of the City Affordable Housing Declaration and/or the HHFDC Declaration control as long as either the City Affordable Housing Declaration or the HHFDC Declaration is in effect.

17. Subsequent Federal Statutory Amendments. If revisions to the provisions of this Agreement are necessitated by subsequent federal statutory amendments, HPHA and Owner each agree to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

18. Reimbursement of Attorney Fees. Owner shall reimburse HPHA for all attorneys' fees and expenses reasonably incurred by HPHA in connection with the enforcement of HPHA's rights under this Agreement, including, but not limited to, all such fees and expenses for trial, appellate proceedings, out-of-court workouts, mediation and settlements, and for enforcement of rights under any state or federal statute, including, but not limited to, all such fees and costs relating to any bankruptcy and/or insolvency proceedings of such Successor Owner, such as in connection with seeking relief from stay in a bankruptcy proceeding or negotiating and documenting any amendment or modification of this Agreement.

19. Incorporation of Recitals. The above recitals are incorporated herein by reference.

20. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Hawai‘i without regard to its conflict of laws principles, and the laws of the United States of America.

21. No Negotiation. This Agreement is not subject to negotiation by HPHA, Owner or any lender with a secured interest in the Disposition Property.

22. Severability. The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

23. Authority to Enter Agreement. The Parties to this Agreement have the authorized authority to enter and bind their respective party to the terms and conditions stated herein.

24. Counterpart Signatures. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

25. Attached Exhibits. The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property
Exhibit B – Disposition Agreement and Approval Letter

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto, on the first date herein above written.

HPHA and Owner each hereby certify that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

HPHA:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic, existing
under the laws of the State of Hawaii

Approved as to Form:

_____
Linda L.W. Chow
Deputy Attorney General

By: _____
Hakim Ouansafi
Executive Director

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared Hakim Ouansafi, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Declaration of Restrictive Covenants and Use Agreement is dated _____ and contained ____ pages at the time of this acknowledgement/certification in the First Circuit of the State of Hawaii.

_____
Name: _____
Notary Public, State of Hawaii
My commission expires: _____
Date: _____

OWNER:

KPLR PHASE 1, LP,
a Hawaii limited partnership

By: HCDC Kuhio Park 1 LLC,
a Hawaii limited liability company
Its General Partner

By: HCDC Hawaii Development LLC,
a Hawaii limited liability company
Its Manager

By: Highridge Costa Development Company, LLC,
a Delaware limited liability company
Its Manager

By: _____
Mohannad H. Mohanna
Its: President

STATE OF NEW JERSEY)
) ss.
COUNTY OF CAMDEN)

On this ____ day of _____, 2025, before me appeared Mohannad H. Mohanna, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Declaration of Restrictive Covenants and Use Agreement is dated _____ and contained ____ pages at the time of this acknowledgement/certification in the _____ Circuit of the State of Hawaii.

_____
Name: _____
Notary Public, State of _____
My commission expires: _____

Date: _____

SIGNATURES MUST BE NOTARIZED

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

EXHIBIT A
DISPOSITION PROPERTY

HUD Project No.: HI001000040

HUD AMP No.: DDA0012818

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua,

unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal

Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888, Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT A-1

CPR UNIT NO. & COMMON INTEREST PERCENTAGE

UNIT NO.	PERCENTAGE INTEREST (%)
1	33.86%
2	19.41%
3	23.36%
4	23.36%
5	0.01%

EXHIBIT B
DISPOSITION AGREEMENT AND APPROVAL LETTER

[See Attached]

DISPOSITION AGREEMENT

This Disposition Agreement (this "**Agreement**") dated as of [_____], 2025, is by and between the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, acting by and through the Secretary, his or her successors, assigns or designates ("**HUD**") and HAWAII PUBLIC HOUSING AUTHORITY, a public body corporate and politic organized and existing pursuant to Chapter 356D of the Hawaii Revised Statutes ("**HPHA**").

RECITALS

A. WHEREAS, HPHA owned and operated thirteen (13) dwelling buildings containing sixty (60) units and 3.66 acres of underlying land at Kuhio Park Terrace, HI001000040, (AMP No. DDA0012818), more particularly described in those certain Declarations of Trust recorded in the Bureau of Conveyances of the State of Hawai'i (collectively, the "**Declaration of Trust**") and as more particularly described in Exhibit A, attached hereto and incorporated herein (the "**Disposition Property**");

B. WHEREAS, HPHA owned and operated the Disposition Property as low-rent public housing with financial assistance provided by HUD under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 *et. seq.* (the "**Act**");

C. WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD; and

D. WHEREAS, HPHA requested HUD approval of the conveyance of the Disposition Property for less than fair market value under a 70-year ground lease with an annual base rent payment evidenced by that certain Ground Lease Agreement (the "**Ground Lease**") and HUD has, as documented in that certain letter from HUD to HPHA dated August 12, 2024 (the "**Approval Letter**"), attached hereto as Exhibit B and incorporated herein, agreed to such conveyance on the terms and conditions set forth in the Approval Letter and this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Use of Disposition Property.

A. Use Agreement. HPHA shall encumber the Disposition Property with a use agreement ("**Use Agreement**") between HPHA and KPLR Phase 1, LP, a Hawaii limited partnership ("**Owner**") requiring the following:

i. Three hundred four (304) of the dwelling units (including two manager's unites) to be constructed on the Disposition Property, at least 60 dwelling

units shall be operated exclusively as dwelling units reserved for, and affordable to households earning no more than eighty percent (80%) of the Area Median Income at admission to a Restricted Unit for thirty (30) years following the issuance of a certificate of occupancy or the equivalent for the dwelling units at the Disposition Property by the local jurisdiction, provided that, unless there is evidence to the contrary, such issuance of certificate of occupancy or equivalent shall be deemed to have occurred no later than three (3) years from the date the Use Agreement.

ii. The Use Agreement shall be recorded against the Disposition Property in a first-lien position, with the exception of (i) property taxes and assessments not yet due and payable, (ii) easements for the establishment, operation and maintenance of public utilities, and (iii) encumbrances that do not constitute a lien or other security interest on the Disposition Property or grant any party the right to a lien or security interest on the Disposition Property.

iii. The Use Agreement shall be a covenant that runs with the land and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof.

iv. Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the term of the Use Agreement without the prior, jointly executed, written approval of HUD and HPHA. Notwithstanding the foregoing, Owner need not obtain the prior written approval of HUD and HPHA for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) entering into residential agreements with tenant families, or (iv) Deed of trust, regulatory agreements, financing agreements and other instruments described in a priority and subordination agreement approved by HUD to be recorded with respect to the Disposition Property, and transfer of the Property to the beneficiary under any such approved deeds of trust, by foreclosure or deed-in-lieu of foreclosure, or to a third-party purchaser at a foreclosure sale, provided that the Property shall remain subject to the terms of this Agreement and notice of the foreclosure and transfer is reported to HUD in writing.

2. Use of Disposition Proceeds. Any and all sums obtained and/or received by HPHA in connection with and/or related to the Disposition Property are deemed disposition proceeds ("**Disposition Proceeds**"), and HPHA must follow the requirements set out in Section 18 of the Act, 24 CFR Part 970 and PIH Notice 2020-23 in regards thereto. Within five (5) business days after obtaining and/or receiving any Disposition Proceeds, HPHA shall deposit such Disposition Proceeds into an account subject to the HUD General Depository Agreement HUD-51999.

3. Duty of HPHA. HPHA is responsible for monitoring and enforcing the Owner's compliance with the Use Agreement during its term and shall provide written notice to HUD within five (5) business days of issuing a Notice of Violation (as defined herein). HUD shall be deemed a third-party beneficiary of the Use Agreement and have the right to seek specific performance of the Use Agreement and/or to enjoin any violation of the Use Agreement in a forum of its choice. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law and in equity.

4. Violation of Agreement. In the event the HPHA is not in compliance with any term of this Agreement, the following will apply:

A. Notice. HUD shall provide written notice of any violation pursuant to this Agreement to HPHA ("**Notice of Violation**"). HPHA shall have sixty (60) days after the date on which the notice is received, or as determined by HUD, to ensure the violation is cured. HUD may take any and all investigative steps it deems necessary in order to ensure compliance. If after the HPHA has received written Notice of a Violation, the failure is not corrected to the satisfaction of HUD within the prescribed amount of time, HUD may declare a default ("**Event of Default**") without further notice.

B. Default. In the Event of Default, to the extent permitted by applicable law, HUD shall have the right to seek specific performance of this Agreement and/or the Use Agreement to enjoin any violation in a forum of its choice. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law and in equity.

C. Rights of Equity Investors. HPHA and/or HUD, as applicable (each, an "**Agency**"), shall endeavor as a courtesy to each party providing equity financing to the Disposition Property, as set forth in the notice provisions in Section 10 below (collectively, the "**Equity Investors**," or singularly, an "**Equity Investor**"), to deliver to the Equity Investors a copy of any written notice provided to Owner and/or assignee or successor thereto under this Agreement; provided, however, that the failure to provide such notice shall not subject such Agency to any liability or result in the derogation of any rights of either Agency to enforce the terms of this Agreement. Each Equity Investor shall have the right, but not the obligation, to cure any default identified in such notice within sixty (60) days after the date on which the original Notice of Violation is received by Owner in accordance with this Section 4; provided that, if such Equity Investor uses commercially reasonable efforts to cure the failure within the prescribed sixty (60) day period and is unable to do so, such cure period shall be extended by such additional time as is reasonably necessary to cure the failure, such approval not to be unreasonably withheld, conditioned, or delayed. Any cure of any default by Owner under this Agreement by an Equity Investor shall be treated the same as if offered by Owner.

5. Title and Other Documents. Within ten (10) business days following the transfer of the Disposition Property, HPHA shall provide to HUD copies of the recorded Memorandum of Ground Lease, Use Agreement and (Partial or Full) Release of Declaration Trust showing the recording information, as well as any other documents requested by HUD.

6. Request and Response of Use Agreement Default. HUD may at any time request from HPHA, and HPHA shall within ten (10) business days of HUD's request, execute, acknowledge and deliver to HUD a statement in writing certifying whether a default exists under the Use Agreement and, if such a default exists, specifying the nature of the default.

7. Reporting Requirements. Until directed otherwise by HUD in writing, HPHA shall submit to HUD reports in the number and form required by HUD, but at least on an annual basis as part of HPHA's audited financial statements, indicating the amount of the Disposition Proceeds, if any, HPHA has both received and expended, along with any additional information that HUD may require. Such reports shall include without limitation the following information: (i) whether HPHA realized any of the Disposition Proceeds in the twelve (12) months preceding submission of the report to HUD, and if so, the exact dollar amounts; (ii) evidence that HPHA maintains separate accounting for the Disposition Proceeds; and (iii) a detailed description, including the exact amount in dollars, of the use of any of the Disposition Proceeds in the twelve (12) months preceding submission of the report to HUD. Upon written request, HPHA shall submit to HUD copies of invoices and/or receipts for all expenditures of the Disposition Proceeds within thirty (30) days of receipt of such request.

8. Third Party Beneficiaries. This agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the parties to this Agreement.

9. Successors and Assigns. Wherever referenced in this Agreement, the terms "HUD" and "HPHA" shall include the respective successors and assigns of each party; provided, however, that in no event will successor owners of properties containing units to which the Disposition Proceeds are applied be deemed to be successors to HPHA under this Agreement by virtue of such fact.

10. Notices. All notices and/or reporting under this Agreement shall be in writing and shall be served by (i) personal service or receipted courier service, (ii) by registered or certified first-class mail, return receipt requested, or (iii) nationally recognized overnight delivery service, addressed to HUD or HPHA, as appropriate, at the addresses for such parties set forth below in this Section 10. Any notice or other communication sent pursuant to clause (i) hereof shall be deemed received upon such personal service, if sent pursuant to clause (ii) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (iii) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this section.

HPHA:	Hawaii Public Housing Authority 1002 N. School St. P.O. Box 17907 Honolulu, Hawai'i 96817 Attn: Executive Director
With copies to:	Department of the Attorney General, State of Hawai'i

425 Queen Street
Honolulu, Hawai‘i 96813
Attn: Linda L.W. Chow, Esq.

and to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW
Suite 400
Washington, DC 20001
Attn: Megan Glasheen, Esq.

HUD: U.S. Department of Housing and Urban Development
451 Seventh St., SW, 4th Floor
Washington, DC 20410
Attn: Office of Public Housing

Owner: KPLR PHASE 1, LP
c/o Highridge Costa Development Company, LLC
330 West Victoria Street
Gardena, CA 90248
Attn: Mohannad H. Mohanna, President

With copies to: Settle Meyer Law LLLC
Pioneer Plaza
900 Fort Street Mall, Suite 1800
Honolulu, Hawai‘i 96813
Attn: Scott W. Settle

and Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
Attn: Christian D. Dubois

Equity Investors may be provided courtesy copies of notices under this Agreement in accordance with the delivery methods of this Section 10. Equity Investors' respective address(es) for such notice purposes are:

Equity Investors: c/o RBC Community Investments, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

and Berkadia Affordable Tax Credit Solutions
Two Liberty Place

50 South 16th Street, Suite 2825
Philadelphia, PA 19102
Attention: Managing Director

11. Business Day. A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of Hawai‘i. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

12. Amendments. This Agreement may be amended only by a written instrument signed by the parties to this Agreement.

13. Execution of Other Agreements. HPHA covenants and agrees that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements; provided, however, HPHA and HUD have authorized the recordation of (a) that certain Declaration of Restrictive Covenants for Affordable Housing as of substantially even date herewith in favor of the City and County of Honolulu (the "**City Affordable Housing Declaration**") and (b) that certain Declaration of Land Use Restrictive Covenants (Rental Housing Revolving Fund) in favor of the Hawaii Housing Finance and Development Corporation (the "**HHFDC Declaration**") as of substantially even date herewith. The City Affordable Housing Declaration and the HHFDC Declaration each require the Project to be restricted to households at or below sixty percent (60%) of Area Median Income. HUD and HPHA have agreed that the stricter income limits of the City Affordable Housing Declaration and/or the HHFDC Declaration control as long as either the City Affordable Housing Declaration or the HHFDC Declaration is in effect.

14. Subsequent Statutory Amendments. If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, HPHA agrees to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

15. Incorporation of Recitals. The above recitals are incorporated herein by reference.

16. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning set forth in the Use Agreement.

17. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Hawai‘i without regard to its conflict of laws principles, and the laws of the United States of America.

18. No Negotiation. This Agreement is not subject to negotiation by HPHA or any

lender with a secured interest in the Disposition Property.

19. Severability. The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

20. Counterpart Signatures. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

21. Attached Exhibits. The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property
Exhibit B – Approval Letter

[Signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have each caused their names to be subscribed hereto, on the date first herein above written.

HPHA hereby certifies that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

HPHA:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic, existing
under the laws of the State of Hawaii

Approved as to Form:

_____
Linda L.W. Chow
Deputy Attorney General

By: _____
Hakim Ouansafi
Executive Director

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

HUD:

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, acting by and through the Secretary

By: _____
(name of OPH director)
Its: Director and Authorized Agent
(City) Office of Public Housing

[This space intentionally left blank.]

EXHIBIT A
DISPOSITION PROPERTY

HUD Project No.: HI001000040

HUD AMP No.: DDA0012818

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to

Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
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FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888,

Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT B
APPROVAL LETTER

[See Attached]

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 913-8892

OFFICE OF PUBLIC AND INDIAN HOUSING

August 12, 2024

Mr. Hakim Ouansafi
Executive Director
Hawaii Public Housing Authority
1002 N. School Street
Honolulu, HI 96817

Subject: Approval of Disposition Application DDA0012818

Dear Mr. Ouansafi,

The U.S. Department of Housing and Urban Development (HUD) Special Applications Center (SAC) hereby approves the disposition Application, DDA0012818 submitted by the Hawaii Public Housing Authority (HPHA). The Application includes 13 dwelling buildings containing 60 dwelling units and 3.66 acres of underlying land at a development known as Kuhio Park Terrace, HI001000040 (Property), (Legal Descriptions attached as Exhibit A).

SAC has determined that HPHA's proposed Property disposition is consistent with the U.S. Housing Act of 1937 (42 U.S.C. 1437p) (the Act) and 24 C.F.R. 970. The SAC approves the Application as summarized below, subject to the conditions contained in this letter.

Kuhio Park Terrace, HI001000040 **Approved for Disposition:** Buildings: 13; Units: 60; Acres: 3.66				
Total Units to be Redeveloped 302	Less than 80% of Area Median Income			
	ACC	Non-ACC	PBV*	Market Rate (Manager)
Rental	-	242	60	2
Acquiring Entity	Kuhio Park 2, LLC			
Acquiring Method	Ground lease for 65-year at less than FMV			
Lease Price	FMV for leasehold acquisition fee interest with promissory note for $16,570,000. Annual base lease payment TBD			
Commensurate Public Benefit	Redevelopment of affordable housing			
Approved Building Number Per PIC: 001, 002, 003, 004, 005, 006, 031, 032, 033, 034, 035, 036, 037				

Approval Conditions

- HPHA must comply with all requirements of the Act, 24 C.F.R. part 970, and this approval letter in carrying out the disposition action.
- HPHA shall not dispose of the Property until all residents have been relocated, all previously HUD approved demolition actions at the development are complete, and the Public Housing Field Office Field Office) releases the Declaration of Trust (DOT).

- The Field Office is authorized to release the DOT from the Property in accordance with this approval. Prior to DOT release, the Field Office must confirm that the disposition transaction terms conform to this approval's requirements. The Field Office may request confirmation from HPHA that relocation is complete in accordance with applicable requirements prior to releasing the DOT. HPHA must submit a draft DOT release to the Field Office, along with any other documents requested by the Field Office.

- If the HPHA materially changes the plan for the Property, after receiving this approval (but prior to DOT release), SAC approval of the material change is required. Material changes include a different method of disposition, proposed commensurate public benefit justifying a below fair market value (FMV) disposition. HPHA must request SAC approval by emailing SACTA@hud.gov with information about the change. **See "PHA's Next Steps" enclosure for directions regarding an application with material changes.**

- If the HPHA is disposing of the Property via ground lease (not deed of sale), HUD maintains interest in the fee title of the Property under 2 C.F.R. Part 200. Therefore, if the ground lease terminates (regardless of the reason for termination—i.e., natural expiration of term, early voluntary or involuntary termination), this approval requires HPHA to immediately record a HUD DOT/Declaration of Restrictive Covenants (DOT/DORC) (Form HUD-52190 or subsequent HUD form) on the Property and contact its Field Office in writing. HPHA should explain the termination reason and its plans for the Property. HUD will then determine what HUD approvals and/or repayments are required under 2 C.F.R. Part 200.

- Below FMV transactions require the Property be encumbered by use restriction covenants. Under the use restriction term, the HPHA and its successors agree for the benefit of HUD that the Property must be used for the "commensurate public benefit" as approved by the SAC in this letter. If the Property will be operated as affordable rental units to families at or below 80% of Area Medium Income (AMI), units must be maintained in a condition that meets housing quality standards (HQS) for HUD's Section 8 program (or replacement standard), the rents must be affordable to these families (i.e., through LIHTC, HCV or other programs; or through a use restriction capping rents at 30% of 80% of AMI). The units must be operated and maintained as decent, safe, sanitary, and in good repair. The required term of the use restriction must be at least 30 years from the date of disposition (removal of DOT) (the Use Restriction Term). **See "PHA's Next Steps" enclosure for more directions regarding "Use Restriction".**

Tenant Protection Vouchers (TPVs)

The date of this approval determines HPHA's maximum TPV eligibility based on current appropriations laws, and not the HPHA's actual TPV award. Rather, HPHA's actual TPV award is based on the current Housing Choice Voucher (HCV) Funding Notice (PIH Notice 2023-07) at the time the TPV application (HUD-52515) is submitted to HUD, and the availability of TPV funding.

On the date of this approval, 60 units were occupied. HPHA's Application reflects that no replacement public housing units will be developed on the Property. Therefore, HPHA's maximum TPV award is as follows:

Type of TPVs	Relocation TPVs	Replacement TPVs
Maximum TPV Award	0	60

This maximum TPV is subject to change if redevelopment plans change, and contingent on HUD approval before the HPHA applies for TPV assistance.

Estimated Timetable (Impact on Operating Funds)

In accordance with 24 C.F.R. 970.7(a)(4) and 24 C.F.R. 970.21(d), PHA submitted an estimated timetable for the proposed disposition as follows:

	Milestone	Number of Days after Approval
A	Begin Relocation ("Days to Relocation" field)	91
B	Complete Relocation	270
C	Execute Disposition Document	290
D	Dispose of Property/HUD Releases DOT	300

The Field Office has been informed of this approval and will assist HPHA in its implementation. SAC recommends maintaining an open dialogue with your Field Office, residents and local officials. If PHA has any questions about this approval, please contact SACTA@hud.gov.

Sincerely,

Jane B. Hornstein
Director

CC: Honolulu Field Office

Enclosures:
Considerations in SAC's Review
PHA's Next Steps
Exhibit A: Legal Description
Exhibit B: Rehab Cost Estimate

Considerations in SAC's Review

On March 7, 2024, HPHA submitted this Application via HUD's Inventory Management System/PIH Information Center (IMS/PIC) system via DDA0012752. According to HUD's and PHA's records, the Property was developed, acquired, or assisted with funding from the Act. In accordance with 24 CFR 970.7(a)(17), HPHA submitted supplemental information through August 5, 2024.

Previous Removals at the Development

HPHA has received the following previous HUD approvals for removing property from the development known as Kuhio Park Terrace, HI001000040:

PIC Application	Removal Type	Units Approved	Acres Approved	Date of Approval
IBSHI00110	Demolition	4	0	04/16/1997
DDA0004254	Disp. Subpart F	569	11.00	04/25/2011

Description of Proposed Disposition

HPHA's Application described the Property based on building, unit, and acreage information in IMS/PIC. Details of the proposed disposition of the Property at the development are as follows:

Kuhio Park Terrace, HI001000040DOFA DOFA: 03/21/1963						
Bedroom Size	**0-BR**	**1-BR**	**2-BR**	**3-BR**	**4+BR**	**Total**
Existing Units	0	20*	32	37	85	174
Proposed Units	0	0	12	12	36	60
Number of Dwelling Buildings Existing						33
Number of Dwelling Buildings Proposed						13
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments						4397
Existing Land				9.78 Acres		
Proposed Land				3.66 Acres		
Proposed Building Number Per PIC: 001, 002, 003, 004, 005, 006, 031, 032, 033, 034, 035, 036, 037						

* Includes 1 non-dwelling unit.

Future Use of the Property

HPHA proposes that, after removal, the property will be conveyed to the acquiring entity to facilitate the on-site redevelopment of 302 affordable units.

PHA Plan Compliance

HPHA certified and the Field Office confirmed that HPHA submitted a Significant Amendment to the PHA Annual Plan under 24 CFR part 903 that described the disposition, and that the description in the Significant Amendment is identical to the Application and otherwise complies with Section 18. The Field Office approved the Amendment on August 2, 2023.

Civil Rights Compliance

In accordance with 24 CFR 970.7(a)(16), HPHA submitted a certification that it will carry out the removal action in compliance with all applicable civil rights requirements, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, all regulations implementing these authorities, other applicable Federal, State, and local civil rights laws, and the duty to affirmatively further fair housing. HPHA was not operating under a remedial civil rights order or agreement, voluntary compliance agreement, final judgment, consent decree, settlement agreement, or other court order or agreement.

Environmental Review

The Field Office certified on January 19, 2024, that, in accordance with 24 C.F.R. 970.13, an Environmental Review (ER) was performed under 24 C.F.R. part 58 for the disposition action and any known re-use. The Field Office indicated a Request for Release of Funds/Environmental Certification (RROF/C) (form HUD-7015.15) was submitted to the FO on January 19, 2024, and the Field Office signed an Authority to Use Grant Funds (form HUD-7015.16) on March 12, 2024.

Justification

HPHA has determined the disposition to be appropriate for reasons that are in the best interests of the residents and the PHA; consistent with the PHA goals and plans; and otherwise, consistent with the Act and PIH Notice 2021-07. Specifically, HPHA proposed the disposition because the Property is obsolete as to physical condition and no reasonable program of modifications is cost-effective to return it to useful life. The existing unit structures are in poor physical condition and require significant rehabilitation and retrofit to render the structures viable for unhealthy and unsafe housing. HPHA has determined via a physical needs assessment (PNA) that there are systemic problems with the primary building systems which includes electrical, mechanical, plumbing lines (sewer and water), and gas distribution lines. Additionally, the buildings present design flaws related to density, community amenities, general site accessibility and lack of air conditioning.

The Total Development Cost (TDC) limit for the units proposed for disposition is calculated below. HUD used the TDC applicable at the time of submission of this disposition application.

TDC per Notice PIH-2011-38; Year: 2023 Type of Structure: Row Dwelling /Detached/Semi-Dwelling*; Locality: Hilo, Hawaii			
Bedroom Size	**Number of Units**	**TDC/Unit**	**Total Cost**
2-BR	12	$393,751	$4,725,012
3-BR	12	$498,498	$5,981,976
4-BR (detached/semi-detached)	4	$637,405	$2,549,620
4-BR (row)	32	$604,772	$19,352,704
TOTAL	**60**		**$32,609,312**

HPHA provided an itemized rehabilitation cost estimate of $21,290,163. SAC has determined that the rehabilitation cost estimate for the Property is $19,314,666, which is 59.23 percent of the applicable TDC, and therefore meets the applicable criteria for disposition of PIH Notice 2021-07. See Exhibit B for HPHA's itemized rehabilitation cost estimate, as modified by the SAC.

Property Valuation

In accordance with 24 C.F.R. 970.19, HPHA procured an independent appraisal of the Property. The Property's FMV was estimated at $16,570,000, as of February 2, 2024.

Method of Disposition

HPHA proposed the disposition via a negotiated lease at less than FMV to Kuhio Park 2, LLC via a ground lease of approximately 65 years. HPHA will hold a promissory note from Kuhio Park 2, LLC in the amount of $16,570,000 that will be secured by a deed of trust against the property. There will also be an annual base rent payment to HPHA to be determined.

HPHA has determined the disposition of the property via ground lease to an entity created to obtain the necessary financing including low-income housing tax credits (LIHTC), is necessary in order to complete the redevelopment. The new entity, Kuhio Park 2, LLC, will leverage over $214 million in non-HUD funds primarily using tax-exempt bonds, LIHTC and a Rental Housing Revolving Fund Loan. HPHA has secured a 4-percent-percent tax-credit to result in a reinvigorated community that is walkable; incorporates community-friendly recreational spaces; and incorporates green building and sustainability concepts. The first phase of development will include 302 affordable housing units including 60 project-based voucher units and 242 tax credit units, and 2 manager's units.

In accordance with 24 CFR 970.19(a), HUD authorizes the disposition at less than FMV, based on commensurate public benefits to the community, the PHA, or the federal government justifying such an exception. HPHA's Application establishes a commensurate public benefit based on the future use of the Property as affordable housing units.

Proceeds

In accordance with 24 C.F.R. 970.7(a)(10), HPHA indicated it did not expect to receive any gross or net proceeds from the disposition. However, if PHA does realize proceeds (i.e., unexpected payments from cash-flow/seller-financing), PHA must comply with Section 18(a)(5) of the 1937 Act, 24 CFR 970.19(e), PIH Notice 2020-23 for holding, expending, and reporting on proceeds.

Relocation

In accordance with 24 C.F.R. 970.7(a)(6), HPHA submitted a plan for the relocation of residents who would be impacted by the proposed disposition. The relocation plan included a certification that PHA would comply with the relocation requirements of 24 C.F.R. 970.21, an estimated relocation timetable, ("Estimated Timetable") planned sources of comparable housing, estimated relocation/moving costs, description of planned counseling, and a summary of how HPHA planned to relocate persons with disabilities requiring reasonable accommodations.

When the Application was submitted, 60 units proposed for disposition were occupied. HPHA estimated the relocation costs to be $806,025, which includes moving expenses and counseling/advisory services. HPHA anticipated that it would use non-federal funds for relocation costs. NOTE: The housing resources offered will be public housing units and housing choice vouchers (newly awarded TPVs).

Details of the relocation plan are as follows:

Relocation Begins After Approval in Days	Relocation Cost	Anticipated Funding Source	Anticipated source of comparable housing offered
91	$806,025	Development Budget	PH and TPV

Resident Consultation

In accordance with 24 CFR 970.7(a)(7) and 24 CFR 970.9(a), HPHA submitted evidence that it consulted with residents and the Resident Advisory Board (RAB) on June 8, 2022, and June 9, 2022. Additional sessions were held on June 30, 2023; July 24, 2023; August 28, 2023; September 25, 2023; and October 23, 2023. HPHA included sign-in sheets, presentation materials, and frequently asked questions in the application package. HPHA's Application indicated it did not receive written comments from residents.

Offer for Sale to Resident Organizations

In accordance with 24 CFR 970.7(a)(8), HPHA submitted evidence that it complied with the requirements of 24 CFR 970.9(b)(3). HUD has determined that the offer of sale requirements do not apply because HPHA proposes disposing of the Property to privately finance or otherwise develop a facility to benefit low-income families.

Local Government Consultation

As required by 24 C.F.R. 970.7(a)(14), the application package includes a letter of support from the Honorable Rick Blangiardi, Mayor of the City and County of Honolulu, dated November 1, 2023.

Board Resolution

In accordance with 24 CFR 970.7(a)(13), HPHA submitted a copy of a resolution by the HPHA's Board of Commissioners approving the submission of the Application to HUD. The resolution is signed and dated on November 16, 2023, after all resident and local government consultation was completed.

Capital Fund Financing Program (CFFP)

As of August 9, 2024, HPHA does not operate a Capital Fund Financing Program (CFFP).

CSS Program

- **Family Self Sufficiency (FSS)**

  Please refer to the CSS Repositioning matrix at **https://www.hud.gov/sites/dfiles/PIH/documents/CSS%20Matrix.pdf** for implications and responsibilities of repositioning of properties that house FSS participants. Please note that in call cases, as long as the participant is in HUD-assisted housing (PH, HCV/PBV/TPV, PBRA) the PHA/owner entity is REQUIRED to continue to serve the participant until their Contract of Participation is completed or terminated. Please direct all questions about FSS grants to **FSS@hud.gov**

- **ROSS**

  According to HUD's records, the PHA operates a ROSS program. Please be aware that this disposition action may make the PHA out of compliance with its ROSS Grant Agreement. A repayment of grant funds to HUD or recapture of the grant may be required. The PHA should not move forward with removing the units from the public housing inventory until it has consulted with its HQ ROSS Program Manager about the repositioning/unit removal action and would like to move forward with the repositioning. Please direct all questions about ROSS grants to **ROSS-PIH@hud.gov**.

PHA's Next Steps

Material Changes to Application

Email SACTA@hud.gov, SAC will advise the HPHA of next steps (i.e., technical correction to the approval, or rescind the approval and a new application to be submitted). PIH Notice 2021-07 provides that written SAC approval is required if the changes to the disposition are "material". SAC understands that details of the disposition transaction may change between the time of HPHA's Application submission and the time of the disposition transaction.

SAC considers the following material changes to the Application:

- If the sales proceeds change more than 20%, HPHA must request approval from the SAC.

- Changes in the future use of the Property. If the HPHA's plans for the future use is substantially different from the project scope reflected in Environmental Review (ER) that was done pursuant to 24 C.F.R. 970.13, then a re-evaluation of ER may be required.

- Since the ER was done under 24 CFR part 58, HPHA must inform the Responsible Entity (RE) and permit the RE to re-evaluate the ER. It is up to the RE to decide if the ER will need updating or a new ER is required (based on the updated project description, project scope, and environmental conditions) (refer to 24 CFR 58.47 for a complete description of the re-evaluation criteria). If a new ER is required, the RE may choose to use the past ER to guide completion of the new ER. Note: HPHA must submit evidence of ER compliance with the new proposed future use as part of the request to the SAC.

SAC does NOT consider the following to be material changes to the terms of the disposition and HPHA can proceed with the disposition without receiving further written SAC approval:

- Future use remains the same, but there is a change in Acquiring Entity (name or ownership structure).

- Change no more than 20 percent in sales proceeds that HPHA will receive (i.e., based on more recent appraisal or changes in negotiated sale terms) as indicated in the Application and SAC Approval. If a below FMV transaction is approved, the future use remains the same. HPHA must use and report and use all proceeds in accordance PIH Notice 2020-23.

- Change in ground lease term (i.e., 50-years to 75-years), provided the ground lease term is at least 30-years.
- Change in the amount of ground lease payments received (if based on more recent appraisal for FMV transactions or if the future use remains the same for below FMV transactions).

Use Restriction

The Use Restriction document must take a form acceptable to the Field Office and must comply with the following**:**

- HUD must be a party to the Use Restriction Document.

- All use restriction benefits and burdens must touch, concern, and run with the land, and are binding upon successors and assigns of the parties, including any HUD-approved transferee.
- The use restrictions covenants must be evidenced by a written Use Restriction Document that must be recorded against the Property in the first-priority position (immediately after the release of the DOT and before the recordation of any ground lease). Any foreclosure, bankruptcy, or mortgage liens must be subject and subordinate to the Use Restriction Document.
- The Use Restriction Document shall indicate that prior written HUD approval is required for the following:

1. **Conveyance and Other Transfers.** To convey, assign, transfer, lease, sublease, or otherwise dispose of the Property or any interest therein or permit such a voluntary conveyance or transfer. Certain involuntary transfers of the Property (e.g., a secured lender upon default under the security documents or foreclosure) are subject to the Use Restriction.

2. **Mortgages, Encumbrances, Liens.** To mortgage, pledge, hypothecate, or otherwise encumber the Property. Notwithstanding this requirement, HUD approval is not required for (a) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (b) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (c) the documentation of residential leases or other occupancy arrangements in the normal course of operation of the Property.

3. **Demolition.** To demolish the existing structures and redevelop the Property with new construction units (i.e., after receiving a LIHTC award), even if all affordable units will be replaced.

4. **Releases and/or Amendments Prior to Expiration of Term.** HUD will not agree to release the use restriction, HUD will evaluate on a case-by-case basis for extraordinary circumstances.

5. **LIHTC Transactions.** If the disposition and DOT release will occur in conjunction with a Low-Income Housing Tax Credit (LIHTC) financial closing, the LIHTC Land Use Restriction Agreement (LURA) can be the Use Restriction Document, despite the fact that HUD is not a party. If the LIHTC units will be developed (new construction or rehabilitation) after the disposition and the LIHTC LURA can't be recorded at the time of the disposition, HUD will require that an alternative use agreement be recorded. If requested by the parties and acceptable to the Field Office, the Field Office may release that first use agreement when the LIHTC LURA is recorded against the Property.
6. **Expiration.** Upon the expiration of the term, the Use Restriction shall cease and terminate, and the Property shall be deemed automatically released of the Use Restriction Document and the covenants without the requirement of any further writing between the parties herein. Upon expiration of the Use Restriction Term, HUD agrees to execute and deliver such documents that the owner shall reasonably request to release the Use Restrictions from the Property title, thereby clearing the Property.

7. **Events of Default and Notices.** HPHA shall be primarily responsible for enforcing and monitoring the Acquiring Entity's compliance with the Use Restriction, although the Use Restriction Document must provide HUD with the same enforcement rights as the HPHA. Upon an Event of Default, in addition to any remedies specified in the Use Restriction Document, HPHA and/or HUD shall have all other remedies available under statute, at law or in equity. Further, HPHA and/or HUD may take whatever investigative steps it deems necessary to ensure compliance with the Use Restriction. Upon an Event of Default, to the extent permitted by applicable law, HPHA and/or HUD shall have the right to seek specific performance of the Use Restriction and/or to enjoin any violation of the Use Restriction. The right to specific performance and injunction shall be in addition to all other remedies available to HPHA and/or HUD under statute, at law or in equity.
8. **Governing Law.** The Use Restriction Document shall be governed, construed and interpreted in accordance with the laws of the state in which the Property is located, without regard to its conflict of laws principles, and the laws of the United States of America.
9. **Records and Reporting.** For the duration of the Use Restriction Term, HPHA shall retain records and annually report to its board of directors to confirm the Property is in compliance with the Use Restriction Document. HPHA shall provide such records to HUD whenever HUD approval is needed under the terms of this approval (see above) as outlined in the Use Restriction Document, or upon request.

PHAs or owners should submit requests for these HUD approvals to the Field Office, with a courtesy copy to **SACTA@hud.gov**. Note that after the disposition occurs, SAC will not issue any amendments or changes to its approval and the HUD approvals will come from the Assistant Secretary of PIH, or their designee with delegated authority.

Requirements for Updating Timetable--"Days to Relocation" Field

The disposition and removal of the Property will impact the PHA's Operating Fund Subsidy. Unless the units are part of a building that contains ineligible units or HA rejects the fee, the PHA will receive Asset Repositioning Fee (ARF) under 24 C.F.R. 990.190(h). See PIH Notice 2021-37 at **https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-37.pdf**. The ARF timeline is determined, in part, based on the "Days to Relocation" field in the timeline of the Application.

The PHA must comply with regulatory requirements at 24 C.F.R. 990.190(h) and PIH Notice 2021-37 to ensure that ARF-related data in the IMS/PIC Application is accurate. If the PHA's timeline to begin relocation changes to be materially delayed, or to start materially early, the IMS/PIC DDA Application must be updated. This is important because units eligible for ARF are not eligible for `regular' Operating Subsidy and funding for units essentially stops at the end of the ARF timeline. See PIH Notice 2021-37 for detailed instructions. A summary for how PHAs request changes to the start of relocation field in the Application are as follows:

1. PHA sends an email to the Field Office Director (adding PH staff assigned to the PHA) with the subject line: "PHA Code, SAC application DDAP Number, Modification to Days to Relocation". The PHA includes the new estimated number for the Days to Relocation, along with a brief explanation of the reason for the change and a revised form HUD-52723 for the current year.
2. Field Office reviews the justification for consistency (e.g., information from residents that relocation has started) and that the new estimated Days to Relocation is not past the

Operating Fund subsidy revisions deadline in the first year of ARF eligibility. The Operating Fund subsidy revisions deadline is the date after which HUD no longer accept PHAs' requests for revisions to the form HUD-52723.

3. If PHA's request is acceptable, SAC modifies the Days to Relocation in the IMS/PIC DDA Application and emails the PHA confirming the change. HUD processes these modifications as technical corrections to approved Applications without a formal amendment of the Application. Field Office processes the revised form HUD-52723.
4. If PHA's request is not accepted (e.g., the requested new Days to Relocation is past the Operating Fund subsidy revisions deadline), the Field Office denies the change in writing and rejects the revised form HUD-52723.

Note that PHA is only required to request updates to the Days to Relocation (relocation start) field in the timetable. If PHA's plans change on its estimated timetable for completing relocation, executing the disposition document, or disposing of the Property (requesting release of DOT from HUD), PHA is not required to request that HUD update these fields in the IMS/PIC DDA Application. However, PHA should keep its Field Office up to date on its progress of the implementation, including any unexpected delays and/or substantial deviations from the estimated timetable in the Application.

See also DDTF and ARF Summary Repositioning document at **https://www.hud.gov/sites/dfiles/PIH/documents/DDTF%20and%20ARF%20Summary%20.pdf**

90-Day Minimum for Relocation and Impact on Operating Funds

Note a 90-day minimum is required for the start of relocation. Because the "days to relocation" data in the PHA's estimated timetable impacts PHA's Operating Fund Subsidy, PHA must ensure its accuracy. If plans change, the PHA must take steps to update this estimated start of relocation. See section in this approval titled "*Impact on Operating Funds (Requirements for Updating Timetable--"Days to Relocation" Field)"* for requirements and instruction on when and how PHA must request changes to the estimated start of relocation.

HUD reminds the PHA that the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) does not apply to relocations done pursuant a Section 18 disposition approval. Instead, PHA must relocate families in accordance with the requirements of 24 C.F.R. 970.21. Key requirements of relocation include:

- PHAs are responsible for providing each family residing in a unit approved for disposition (impacted families) a written "90-day" notice. PHAs cannot issue the notice until after HUD issues the approval letter. PHAs must provide the notice at least 90-days prior to the displacement date, except in cases of imminent threat to health and safety (in which case, PHAs can relocate the families prior to 90-days). The notice must include statements that:
    - The development or portion of the development will be disposed of;
    - The PHA will not dispose of any building until all residents are relocated;
    - The PHA will offer comparable housing to each family/resident;
    - The PHA will pay actual and reasonable relocation expenses; and,

- The PHA will provide necessary counseling for residents.

- Comparable housing may include:
  - Tenant-based assistance, through a PHA's existing Section 8 Housing Choice Vouchers (HCV), or through a new HCV allocation of Tenant Protection Vouchers, except that such assistance will not be considered "comparable housing" until the family is actually relocated into such housing;
  - Project-based assistance, such as a unit in project-based RAD project or a units assisted by an HCV Project-Based Voucher (PBV) contract; or
  - Occupancy in a unit operated or assisted by the PHA at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated.

  - PHAs may offer families any or all of the above comparable housing, including the ability to use these forms of comparable housing at their current public housing units (after disposition) or at an off-site unit. If families are offered and accept the use of tenant-based or PBV assistance in their current units, there may be no moving expenses. A PHA may offer families only comparable housing in the form of a PBV lease in their current units, provided those families qualify for HCV assistance (i.e., are not over-income) and the unit meets Housing Quality Standards (HQS) and other HCV requirements. PHAs offering families the ability to remain in their units with a PBV lease may, but are not required, to offer families a one-time opportunity to move with tenant-based assistance.

- If families will be offered comparable housing in their current units with tenant-based HCV assistance but will be displaced (temporarily or permanently) after the disposition (i.e., due to rehab or demo/new construction of the property), PHAs should fully inform families of this, including any offer to pay moving expense (must be with non-Federal funds since after disposition), and any offer of a right-of-return. Note that if families are offered PBV units in their current units, such PBV leases cannot be terminated due to rehab, demo/new construction, or another business reason. See 24 C.F.R. part 983 and other applicable PBV requirements.

- PHA may not complete the disposition of a building until all residents in a building are relocated.

- If assistance under the Community Development Block Grant (CDBG) program or HOME program is used in connection with the demolition or conversion of housing (including demolition or conversion by the acquiring entity after the disposition occurs), the project may be subject to section 104(d) of the Housing and Community Development Act of 1974, including the one-for-one replacement provisions and the anti-displacement provisions (see 24 C.F.R. part 42).

- PHAs have flexibility in implementing their relocation plans, provided they comply with 24 C.F.R. 970.21. Except for changes to the estimated start of relocation, PHAs are not required to obtain HUD approval for changes to their relocation plans that are different from those described their Application, provided those changes otherwise comply with 24 C.F.R. 970.21, However, PHAs should keep their Field Offices updated on their relocation plans.

- PHAs include in their Applications an estimated budget for relocation expenses and their expected source of funds to pay for such expenses. PHAs are reminded that HUD's approval of the Application does not approve PHA to use the Act Public Housing funds (i.e., Capital or Operating Funds) for relocation expenses. PHA must comply with all applicable requirements of 24 C.F.R. 905 and 24 C.F.R. 990 for using those funds for relocation. HUD's approval of the

Application may include approval PHAs to use gross or net disposition proceeds to pay for relocation.

- HUD encourages PHAs to provide the Field Office with information on the status of its relocation plan at least 30 days prior to the date it anticipates it will request a release of the Declaration of Trust (DOT) release of the Property. The Field Office may request information from the PHA about its relocation prior to releasing the DOT.
- PHAs should also note that if it is combining the use of RAD and Section 18 disposition at a Converting Project (as defined by RAD) where all units will be operated under RAD or non-RAD project-based assistance, pursuant to Section I (1.5)(B)(2) of **PIH Notice 2019-23** (RAD Notice), the RAD relocation requirements described in **PIH Notice 2016-17** (RAD Fair Housing, Civil Rights, and Relocation Notice) at https://www.hud.gov/sites/documents/16-17HSGN_16-17PIHN.PDF shall apply to residents of the Section 18 units, in lieu of the relocation requirements at 24 C.F.R. 970.21.

PHAs may request technical assistance on relocation by contacting the Field Office, **SACTA@hud.gov**. See also Appendix 33 to the Tenant Assistance, Relocation and Real Property Acquisition Handbook (1378.0) at https://www.hud.gov/sites/documents/1378X33CPDH.PDF

IMS/PIC Reporting

In accordance with 24 C.F.R. 970.35, the PHA must ensure the Property is "Removed from Inventory" ("RMI") status in IMS/PIC within seven (7) days of disposition (i.e., transfer of warranty deed or execution of ground lease).
Specific instructions for completing the removal in IMS/PIC are as follows:

1. Select the "Development Number", then select "Add Transaction"
2. Select the appropriate "Application (DDA) Number" from the drop-down menu
3. In the "Action/Closing Date" box, enter the removal (demolition) date If the properties in a DDA application were demolished/disposed of (phased) on multiple dates, a separate transaction is needed for each action date
4. Use "Remove Residential Inventory by Building" section, select the appropriate building(s) available in the "Complete Buildings Available" box and transfer them to the "proposed Buildings" box
5. Save the information using the "Save" button. The status of this information is then displayed as "Draft"
6. The PHA supervisory staff submits the information to the PHA Executive Director, or the designated final reviewer at PHA, using the Submission sub tab. The status becomes "Submitted for Review"
7. The PHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status
8. The Field Office reviews the request, and once the Field Office approves it, the status of the units in IMS/PIC permanently changes to RMI.

Use of Public Housing Funds for Disposition-Related Costs

Section 18 of the Act authorizes HUD to approve unfunded applications. Therefore, HUD's approval of the Application does not approve PHAs to use Public Housing Capital and/or

Operating Funds to pay for disposition-related costs (i.e., relocation costs, environmental review costs, consultation costs, appraisals costs). Many of these costs are eligible uses of Public Housing Funds, but HPHA must comply with all applicable public housing requirements (including 5-Year CFP Action Plan requirements) regarding the use of Public Housing Funds CFR 905.500(j), which can be used for eligible Capital Fund purposes.

Project-Based Vouchers (PBVs) at the Property

If HPHA proposes to develop/operate PBV (at the Property or off-site), HPHA must independently and separately comply with all applicable PBV program requirements including section 8(o)(13) of the Act (as amended by HOTMA, Public Law114-201, 130 Stat.782), HUD regulation at 24 C.F.R. part 983, and other applicable HUD guidance. These include, but are not limited to, HOTMA Federal Register (FR) Implementation Notice at 82 FR 5458 (January 18, 2017), 82 FR 32461 (Jul. 14, 2017) (HOTMA Correction), 85 FR 12001 (Feb. 28, 2020) (SLR), **PIH Notice 2017-21 (HA)** and environmental requirements outlined in PIH Notice 2016-22 (HA). Note that if the property will be operated as a federally assisted project (e.g., PBV) following disposition, that generally requires a separate Environmental Review (ER) (unless both the disposition and PBV use are contemplated in the same ER and the ER completed satisfies the requirements of both programs).

Impact on Capital Funds

HPHA will not receive "normal" Capital Funds for the next FYI for units in "Removed from Inventory" (RMI) status with removal dates on or before June 30th. Instead, PHA may be eligible for Demolition and Disposition Transitional Funding (DDTF) under 24 905.400. See also DDTF and ARF Summary Repositioning document at **https://www.hud.gov/sites/dfiles/PIH/documents/DDTF%20and%20ARF%20Summary%20.pdf**

Compliance with Public Housing Requirements Until Disposition

HPHA must operate and maintain the Property in accordance with all applicable public housing requirements under its Annual Contributions Contract (ACC) up until disposition (DOT release), including, but not limited to:

- Environmental Requirements (ER) for public housing property. See PIH Notice 2016-22 (HA).

- Expenditure of Public Housing Funds (for Operations and Modernization) at the Property. Generally permitted consistent with Capital and Operating Funds rules. See the Public Housing Funds and Repositioning document at www.hud.gov/sites/dfiles/PIH/documents/Repositioning%20and%20Public%20Housing%20Funds.pdf. However, if HUD's approval of the Application was supported by PHA's certification and supporting evidence of physical obsolescence (and the cost-test for rehab), HPHA may not expend Public Housing Funds at the Property to the extent that the Property would no longer be obsolete.
- Re-occupancy of Units at the Property. HPHA may decide it is in the best interests of the PHA, its residents, and the community to re-occupy vacated units up until disposition. In accordance with **PIH Notice 2017-21 (HA)**, if PHA proposed the disposition because the

units are structurally unsound, located in a floodway, or otherwise uninhabitable,_HPHA cannot reoccupy the units. PHA cannot re-occupy units after issuance of the 90-day relocation notice. PHAs must provide the newly occupied families with the relocation benefits and comparable housing resources required by 24 C.F.R. 970.21. HUD recommends HPHA provide new families with a move-in notice explaining that the Property will be disposed of (including an estimated timeframe) and that the family will be provided with relocation benefits.

Resources

HUD's Public Housing Repositioning website at **www.hud.gov/repositioning**

SAC's website at **www.hud.gov/sac**

Section 18 Application Checklist. Includes an Order of Operations that includes post-approval steps (See Exhibit C of Checklist)
https://www.hud.gov/sites/dfiles/PIH/documents/Section18ApplicationChecklist.pdf

Post-Closing Asset Repositioning Videos (for operating PBV projects post-closing) PHA Asset Repositioning Post-Closing How-To Videos - HUD Exchange

PBV FAQs **https://www.hud.gov/sites/dfiles/documents/PBV_FAQs.pdf**

Exhibit A
Legal Description

Situate at Kalihi, Honolulu, Oahu, Hawaii.

Beginning at the Northwest corner of this parcel of land, being also the Northeast corner of Phase 2 Future Development Unit, along the Southwest side of Ahonui Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9,725.80 feet North and 9,287.41 feet West, thence running by azimuths measured clockwise from true South:

1. Along the Southeast side of Ahonui Street, on a curve to the left with a radius of 90.00 feet, the chord azimuth and distance being: 240° 40' 08.5" 27.52 feet;

2. 231° 52' 30" 454.37 feet along the Southeast side of Ahonui Street;

3. 321° 52' 30" 97.59 (calc.) feet along Lot 13 of Takara Tract, being a portion of Grant 3293 to Aiona;

4. 236° 06' 40" 156.56 (calc.) feet along Lot 13 and portions of Lots 12, 11 and 10 of Takara Tract, being portions of Grant 3293 to Aiona;

5. 288° 11' 42.80 feet along Lot 5 as shown on Map 9 of Land Court Application 1331;

6. 228° 27' 79.12 feet along Lot 5 as shown on Map 9 of Land Court Application 1331;

7. 224° 13' 40" 62.02 feet along Lot B, being a portion of Land Commission Award 1216, Apana 2 to Ohia, and Lot 8-A of Takara Tract, being a portion of Land Commission Award 1216, Apana 2 to Ohia;

8. 317° 03' 105.40 feet along Lots 2 and 1, being portions of Grant 3280 to Kekuewa;

9. 220° 08' 114.00 feet along Lot 1, being a portion of Grant 3280 to Kekuewa;

10. 323° 11' 30" 5.00 feet along the Southwest side of North School Street;

11. Thence along the Northwest side of Linapuni Street, on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being: 7° 33' 15" 41.95 feet;

12. 51° 55’ 807.19 feet along the Northwest side of Linapuni
Street;
13. Thence along the Northwest side of Linapuni Street, on a curve to the right with a radius of 630.10 feet, the chord azimuth and distance being: 54° 00’ 43.5” 46.08 feet;

14. 141° 55’ 70.54 feet along Phase 2 Future Development Unit;

15. 119° 55’ 56.17 feet along Phase 2 Future Development Unit;

16. 60° 54’ 27” 37.80 feet along Phase 2 Future Development Unit;

17. 150° 54’ 27” 122.78 feet along Phase 2 Future Development Unit
to the point of beginning and containing
an area of 159,555 square feet.

Total Development Cost
(TDC) Addendum

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

OMB Approval No. 2577-0075
(exp. 10/31/2010)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required to as a supplement to the HUD-52860 for all inventory removal actions that involve a demolition action or a disposition action justified by obsolescence based on requirements of Section 18 of the United States housing Act of 1937 as amended ("Act") and 24 CFR Part 970. HUD will use this information to determine whether, and under what circumstances, to permit PHAs to remove from their inventories all or a portion of a public housing development, as well as to track removals for other record keeping requirements. Responses to this collection of information are statutory and regulatory to obtain a benefit. Please refer to the instructions for each section for additional guidance on how to complete this application. HUD approval of the proposed removal from inventory action in this application does not constitute HUD approval for funding of the proposed action. All capitalized terms not defined in this form have the meanings as defined in the Act and the HUD Regulations. The information requested does not lend itself to confidentiality.

1. Inventory Removal Application Number DDA0012818
Development Name & Number _Kuhio Park Low Rises - Phase I, HI001000040_

2. Total Development Cost Calculation

Based on HUD Notice _PIH-2011-38 (HA)_ For Locality: Hilo, Hawaii 2023

If Justification is based upon obsolescence of the units/buildings, complete the applicable calculation below for the unit proposed for demolition for each project

Size - Type	Number of units	Times	TDC Per Unit	= TDC
0 - Bdr Detached and Semi detached		X	$ -	$ -
0 - Bdr Row Dwelling		X	$ -	$ -
0 - Bdr Walk-Up		X	$ -	$ -
0 - Bdr elevator		X	$ -	$ -
1 - Bdr Detached and Semi detached		X	$ -	$ -
1 - Bdr Row Dwelling		X	$ -	$ -
1 - Bdr Walk-Up		X	$ -	$ -
1 - Bdr elevator		X	$ -	$ -
2 - Bdr Detached and Semi detached		X	$ -	$ -
2 - Bdr Row Dwelling	12	X	$ 393,751.00	$ 4,725,012.00
2 - Bdr Walk-Up		X	$ -	$ -
2 - Bdr elevator		X	$ -	$ -
3 - Bdr Detached and Semi detached		X	$ -	$ -
3 - Bdr Row Dwelling	12	X	$ 498,498.00	$ 5,981,976.00
3 - Bdr Walk-Up		X	$ -	$ -
3 - Bdr Elevator		X	$ -	$ -
4 - Bdr Detached and Semi detached	4	X	$ 637,405.00	$ 2,549,620.00
4 - Bdr Row Dwelling	32	X	$ 604,772.00	$ 19,352,704.00
4 - Bdr Walk-Up		X	$ -	$ -
4 - Bdr Elevator		X	$ -	$ -
5 - Bdr Detached and Semi detached		X	$ -	$ -
5 - Bdr Row Dwelling		X	$ -	$ -
5 - Bdr Walk-Up		X	$ -	$ -
5 - Bdr Elevator		X	$ -	$ -
6 - Bdr Detached and Semi detached		X	$ -	$ -
6 - Bdr Row Dwelling		X	$ -	$ -
6 - Bdr Walk-Up		X	$ -	$ -
6 - Bdr Elevator		X	$ -	$ -
TOTAL				$ 32,609,312

3. Estimated Cost of Rehabilitation $ 19,314,666

Provide an attachment showing cost breakdown and reference it as Addendum to 52860-B – Rehabilitation Cost Breakdown

4. Rehabilitation Cost % (Estimated Cost of Rehabilitation/Total TDC) x 100 = **59.23%**

Provide attachments as needed.
All attachments must reference the Section and line number to which they apply. Previous versions obsolete.

3-Year Physical Needs Estimate

RS Means 2023 4th Quarter Costs - 2023 HUD TDC Limits - Hilo, Hawaii

Date: 11/8/2023
Project: Kuhio Park Low Rises - Phase I
Address: 1449 Ahonui Street
City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
1	**3**	**Concrete**					**$ 347,325.18**			
			Concrete Repair/ Replacement							
	030505100150	Demolition	Selective concrete demolition, up to 2 tons, remove whole pieces, incl loading, excludes shoring, bracing, saw or torch cutting, hauling, dumping (25% replacement dwelling unit porches)	EA	$172.49	30	$ 5,174.70		$5,175	
	D3G Estimate	Concrete	Concrete Repair, per unit - Interior cutting and patching - sewer line replacement	Apt	$1,750.00	60	$ 105,000.00		$105,000	
	030130711140	Concrete	Concrete crack repair, structural repair by epoxy injection (ACI RAP-1), manual injection 1/32" wide x 10" deep	LF	$9.12	3,200	$ 29,184.00		$29,184	
	033053404535	Concrete	Handicapped ramp - with 6" curb, railing both sides, 5' wide, includes forms	LF	$1,392.17	60	$ 83,530.20		$83,530	
	031113651000	Concrete	Concrete forming, slab on grade, bulkhead forms (25% replacement dwelling unit porches)	LF	$9.59	378	$ 3,625.02		$3,625	
	033053404650	Concrete	Concrete slab on grade, (3500 psi) (25% replacement dwelling unit porches)	CY	$426.47	20	$ 8,529.40		$8,529	
	033053404710	Concrete	Thickened slab edge, 8" x 8" reinforced (25% replacement dwelling unit porches)	LF	$19.62	378	$ 7,416.36		$7,416	
	033113704300	Concrete	Placing concrete, slab on grade direct chute(25% replacement dwelling unit porches)	CY	$43.84	20	$ 876.80		$877	
	033513300150	Concrete	Finishing floors, float, broom finish (25% replacement dwelling unit porches)	SF	$1.36	750	$ 1,020.00		$1,020	
	321123230100	Concrete	Base course, drainage layer, crushed 3/4" stone, 6" deep (25% replacement dwelling unit porches)	SY	$13.33	85	$ 1,133.05		$1,133	
	320610102165	Concrete	Load, dump, and spread stone w/skid steer, 200' haul (25% replacement dwelling unit porches)	CY	$135.53	20	$ 2,710.60		$2,711	
	031113651000	Concrete	Concrete forming, slab on grade, bulkhead forms (construction of mechanical rooms)	LF	$9.59	900	$ 8,631.00		$8,631	
	033053404650	Concrete	Concrete slab on grade, (3500 psi) (construction of mechanical rooms)	CY	$426.47	74	$ 31,558.78		$31,559	
	033053404710	Concrete	Thickened slab edge, 8" x 8" reinforced (construction of mechanical rooms)	LF	$19.62	900	$ 17,658.00		$17,658	
	033113704300	Concrete	Placing concrete, slab on grade direct chute (construction of mechanical rooms)	CY	$43.84	74	$ 3,244.16		$3,244	
	033513300150	Concrete	Finishing floors, float, broom finish (construction of mechanical rooms)	SF	$1.36	3,000	$ 4,080.00		$4,080	
	321123230100	Concrete	Base course, drainage layer, crushed 3/4" stone, 6" deep (construction of mechanical rooms)	SY	$13.33	333	$ 4,438.89		$4,439	
	320610102165	Concrete	Load, dump, and spread stone w/skid steer, 200' haul (construction of mechanical rooms)	CY	$135.53	74	$ 10,029.22		$10,029	
	033053403250	Concrete	Structural concrete, in place, elevated slab (4000 psi), floor fill, 2-1/2" thick (portland cement), placing and finishing, excl forms,reinforcing (mechanical room roofs)	SF	$4.33	3,000	$ 12,990.00		$12,990	
	033053403250	Concrete	Structural concrete, in place, elevated slab (4000 psi), floor fill, 2-1/2" thick (portland cement), placing and finishing, excl forms,reinforcing (filling holes in concrete roof)	SF	$4.33	1,500	$ 6,495.00		$6,495	
2	**4**	**Masonry**					**$ 1,113,470.40**			
	040120300300	Masonry	Pointing masonry, cut and re-point block, hard mortar, running bond (20%)	SF	$ 5.68	12,240	$ 69,523.20		$69,523	
	040505100330	Demolition	Selective demolition, masonry, condrete block walls, unreinforced, 8" thick (mechanical rooms)	SF	$ 1.39	5,280	$ 7,339.20		$7,339	
	042210240200	Masonry	Concrete block, exterior, C90, 2000 psi, normal weight, 8" x 16" x 8" thick	SF	$ 13.17	19,200	$ 252,864.00		$252,864	
	B20101525270	EIFS	E.I.F.S., Exterior Insulation Finish System (construction of	SF	$ 40.82	19,200	$ 783,744.00		$783,744	
3	**5**	**Metals**					**$ -**			
			None Included							
4	**6**	**Rough Carpentry**					**$ 140,689.60**			
			Interior Framing							

3-Year Physical Needs Estimate

RS Means 2023 4th Quarter Costs - 2023 HUD TDC Limits - Hilo, Hawaii

Date: 11/8/2023
Project: Kuhio Park Low Rises - Phase I
Address: 1449 Ahonui Street
City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
	D3G Estimate	Rough Carpentry	Blocking @ kitchens & baths	Apt	$ 350.00	60	$ 21,000.00		$21,000	
	061110420300	Rough Carpentry	Furring, wood, on walls, on masonry, 1" x 2", 24" O.C.	LF	$ 2.26	52,960	$ 119,689.60		$119,690	
5	**6**	**Finish Carpentry**					**$ 162,912.48**			
	062213505950	Finish Carpentry	Units - Moldings, window & door, window trim sets, 2-1/2" wide, includes casings, header, stops, stool & apron, pine	Opng.	$ 183.46	888	$ 162,912.48		$162,912	
6	**7**	**Waterproofing**					**$ 3,825,224.48**			
	070505100020	Demolition	Caulking, sealant removal, to 1"	LF	$ 1.20	20,244	$ 24,292.80		$24,293	
	079213203900	Moisture Protection	Joint sealants, caulking and sealants, polyurethane, bulk, in place, 1 or 2 component, 1" x 1/2"	LF	$ 5.72	20,244	$ 115,795.68		$115,796	
			EIFS Veneer							
	090505303500	Demolition	Walls and partitions demolition, stucco, on masonry	SY	$ 5.33	72,800	$ 388,024.00	8089	$43,114	62,200/9
	040120520320	EIFS / Stucco	Cleaning masonry, heavy restoration, heavy soil, biological and mineral staining, paint, by chemical, high pressure wash, brush and rinse, excludes scaffolding	SF	$ 7.15	72,800	$ 520,520.00		$520,520	
	072413100105	EIFS	Polymer based exterior insulation and finish system, field applied, 2" EPS insulation		$ 12.97	72,800	$ 944,216.00	$10.18	$944,216	
	072413100145	EIFS	Polymer based exterior insulation and finish system, field applied, drainage and ventilation cavity, add		$ 2.29	72,800	$ 166,712.00		$166,712	
	072413100170	EIFS	Polymer based exterior insulation and finish system, field applied, 3.4#/S.Y. metal lath substrate add		$ 20.11	72,800	$ 1,464,008.00	8089	$162,670	Sq-yds instead of Sq-ft
	072413100190	EIFS	Polymer based exterior insulation and finish system, field applied, for color or texture change with substrate leveling base coat, 1" EPS insulation		$ 2.77	72,800	$ 201,656.00		$201,656	
7	**7**	**Insulation**					**$ 886,759.88**			
	070505102520	Demolition	Selective demolition, thermal & moisture protection, roof insulation board, up to 2" thick	SF	$ 0.94	33,102	$ 31,115.88		$31,116	
	072216101920	Insulation	Roof deck, Extruded polystyrene 2" thick, R-10 per layer. (3 layers)	SF	$ 2.13	171,600	$ 365,508.00		$365,508	
	072113101940	Insulation	Furred walls above grade, rigid, expanded polystyrene insulation, rigid, for walls, 2" thick, R10	SF	$ 3.91	62,200	$ 243,202.00		$243,202	
	061613100090	Insulation	Insulating sheathing, polyisocyanurate, 1-1/2" thick, 2#/CF density, fastening excluded	SF	$ 2.56	62,200	$ 159,232.00		$159,232	
	072116200020	Insulation	Blanket insulation for walls, kraft faced fiberglass, 3-1/2" thick, R11	SF	$ 1.41	62,200	$ 87,702.00		$87,702	
8	**7**	**Roofing**					**$ 279,752.24**			
			Flat Roof Replacement							
	070505104420	Demolition	Selective demolition, thermal & moisture protection, single ply membrane, fully adhered	SQ	$ 93.23	572	$ 53,327.56		$53,328	
	075323204800	Roofing	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	SQ	$ 321.34	572	$ 183,806.48		$183,806	
	075323204850	Roofing	Ethylene-propylene-diene-monomer roofing, (EPDM), seam tape for membrane, 3" x 100' roll (5 rolls / bldg)	EA	$ 53.46	80	$ 4,276.80		$4,277	
	076523104820	Roofing	EPDM flashing, flexible, 90 mils, 2" diameter pipe flashing (1 per unit)		$ 30.87	60	$ 1,852.20		$1,852	
	076523104840	Roofing	EPDM flashing, flexible, 90 mils, 4" diameter pipe flashing (2 per unit)		$ 41.91	120	$ 5,029.20		$5,029	
	072216103010	Roofing	Roof deck insulation, fastening alternatives, coated screws 4", 1 per SF	EA	$ 0.55	57,200	$ 31,460.00		$31,460	
9	**7**	**Roof Accessories**					**$ 26,886.08**			
	077143100500	Roof Flashing	Drip edge, galvanized, mill finish, 8" wide	LF	$ 3.74	3,292	$ 12,312.08		$12,312	
	076510100100	Roof Flashing	Sheet metal flashing, aluminum, mill finish, .32" thick, inc. up to 4 bends	SF	$ 12.14	800	$ 9,712.00		$9,712	
	221316802060	Roof Flashing	Vent flashing, glavanized, 4" pipe, includes neoprene ring	EA	$ 93.50	52	$ 4,862.00		$4,862	
10	**7**	**Sheet Metal**					**$ 50,055.80**			
	077123300100	Gutters	Aluminum gutters, stock, enameled, 5", .027 thick	LF	$ 12.41	2,476	$ 30,727.16		$30,727	
	077123100100	Gutters	Aluminum downspouts, enameled, 2"x3", .020 thick	LF	$ 7.74	1,920	$ 14,860.80		$14,861	
	077123200300	Gutters	Aluminum downspout elbows, aluminum, enameled, .025" thick, 3"x4"	EA	$ 17.35	156	$ 2,706.60		$2,707	
	077123305220	Gutters	Gutter outlets, aluminum, 3"x4"	EA	$ 3.92	52	$ 203.84		$204	
	077123305020	Gutters	Gutter end caps, K Type, aluminum, 5"	EA	$ 7.20	52	$ 374.40		$374	

3-Year Physical Needs Estimate

RS Means 2023 4th Quarter Costs - 2023 HUD TDC Limits - Hilo, Hawaii

Date: 11/8/2023
Project: Kuhio Park Low Rises - Phase I
Address: 1449 Ahonui Street
City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
	320610100850	Gutters	Splash block, precast concrete	EA	$ 22.75	52	$ 1,183.00		$1,183	
11	**8**	**Doors**					**$ 912,171.93**			
			Entry Doors							
	080505100202	Demolition	Door demolition, single, 3' - 6" x 6' - 8" high, 1-3/4" thick, remove (entry and mechanical room doors)	EA	$ 62.10	180	$ 11,178.00		$11,178	
	080505102200	Demolition	Door demolition, door frames, wood, remove (entry and mechanical room doors)	EA	$ 57.75	180	$ 10,395.00		$10,395	
	081313200040	Doors	Residential steel door, prehung, insulated, exterior, 3-0 x 6-8 (entry and mechanical room doors)	EA	$ 1,081.97	180	$ 194,754.60		$194,755	
	081163230440	Doors	Aluminum screen and storm door and frame, 3-0	EA	$ 634.70	120	$ 76,164.00		$76,164	
			Entry Door Hardware							
	087120900012	Door Accessories	Hinges, full mortise, steel base	PR	$ 59.43	180	$ 10,697.40		$10,697	
	087120401400	Door Accessories	Door hardware, lockset, heavy duty, cylindrical, with sectional trim, residential	EA	$ 624.57	180	$ 112,422.60		$112,423	
	087120410100	Door Accessories	Door hardware, deadlock, tubular, medium duty, outside key	EA	$ 277.05	180	$ 49,869.00		$49,869	
	087125102300	Door Accessories	Weatherstripping doors, metal frame, bronze spring, 3x7 door	EA	$ 375.94	120	$ 45,112.80		$45,113	
	087120452020	Door Accessories	Peepholes, wide view,	EA	$ 43.74	120	$ 5,248.80		$5,249	
	087120652300	Door Accessories	Thresholds, ADA compliant, 4" wide, 36" long	EA	$ 112.09	6	$ 672.54		$673	
	087120650800	Door Accessories	Thresholds, rubber, 2-3/4" wide x 1/2" thick	EA	$ 120.10	114	$ 13,691.40		$13,691	
			Interior Doors							
	080505101500	Demolition	Door demolition, hollow core, remove	EA	$ 115.51	300	$ 34,653.00		$34,653	
	081723104620	Doors	Doors, prehung, interior, passage, luan, flush, hollow core, 4-5/8" solid jamb, 1-3/8"x6'8"x2'8" wide	EA	$ 566.39	300	$ 169,917.00		$169,917	
	081313202330	Doors	Door, interior, residential, closet, bi-fold, 2' x 6'-8"	EA	$ 559.78	204	$ 114,195.12		$114,195	
			Interior Door Hardware							
	087120400100	Door Accessories	Interior Door hardware, lockset, non-keyed passage, privacy	EA	$ 264.91	141	$ 37,352.31		$37,352	
	087120501300	Door Accessories	Door stops, holder and bumper, floor or wall	EA	$ 37.79	684	$ 25,848.36		$25,848	
12	**8**	**Windows**					**$ 2,284,212.70**			
			Dwelling Unit Windows							
	080505200280	Demolition	Selective demolition, aluminum windows, includes trim, up to 50 SF	EA	$ 149.04	888	$ 132,347.52		$132,348	
	085113300120	Windows	Impact resistent aluminum single-hung windows, 3/0-5/0	EA	$ 2,243.77	888	$ 1,992,467.76		$1,992,468	
	085113206200	Window accessory	For aluminum units in concrete openings add 8%	EA	$ 179.50	888	$ 159,397.42		$159,397	
13	**8**	**Glass**					**$ -**			
			None Included							
14	**9**	**Lath and Plaster**					**$ -**			
			None Included							
15	**9**	**Drywall**					**$ 435,083.40**			
	092910302050	Drywall	Gypsum wallboard, on walls, standard, taped & finished (level 4 finish), 5/8" thick (1st floor common areas)	SF	$ 2.51	173,340	$ 435,083.40		$435,083	
16	**9**	**Ceramic Tile**					**$ 46,457.40**			
	093113101900	Ceramic Tile	Ceramic tile, bathtub, adhesive set, 5' w x 6' h, with 4-1/4" x 4-1/4"	EA	$ 774.29	60	$ 46,457.40		$46,457	
17	**9**	**Acoustical**					**$ -**			
			None Included				$ -			
18	**9**	**Wood Flooring**					**$ -**			
			None Included				$ -			
19	**9**	**Resilient Flooring**					**$ 245,147.40**			
	090505200900	Demolition	Demo VCT tile (20% replacement)	SF	$ 1.54	10,716	$ 16,502.64		$16,503	
	090505200850	Demolition	Demo Vinyl cove base	LF	$ 0.77	11,556	$ 8,898.12		$8,898	
	096519197150	Resilient Flooring	Flooring, vinyl composition tile, solid, 12" x 12" x 1/8" (20% replacement)	SF	$ 4.11	10,716	$ 44,042.76		$44,043	
	096513130700	Resilient Flooring	Wall base, vinyl, straight or cove, standard colors, 4" high	LF	$ 4.48	11,556	$ 51,770.88		$51,771	
	096513232500	Resilient Flooring	Stair treads & risers, vinyl, tread & riser combined, 1/8" thick	LF	$ 33.56	1,512	$ 50,742.72		$50,743	
	096510103600	Resilient Flooring	Latex underlayment, cementitious for resilient flooring, 1/8" thick	SF	$ 6.83	10,716	$ 73,190.28		$73,190	

3-Year Physical Needs Estimate

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20	**9**	**Painting**					**$ 928,747.24**			
	099123721670	Painting	Painting, on plaster or drywall, rollerwork, primer and 2 coats	SF	$ 3.05	231,120	$ 704,916.00		$704,916	
	099113700370	Painting	Exterior painting, doors, panel both sides, incl. frame and trim, primer & 2 finish coats	EA	$ 365.09	180	$ 65,716.20		$65,716	
	099123350140	Painting	Priming/ painting of doors, interior latex	EA	$ 180.90	504	$ 91,173.60		$91,174	
	099123722290	Painting	Painting, finish coat, smooth finish, cut-in by brush	LF	$ 0.79	23,536	$ 18,593.44		$18,593	
	099123722410	Painting	Painting, finish coat, smooth finish, Roller work	SF	$ 0.79	61,200	$ 48,348.00		$48,348	
21	**10**	**Specialties**					**$ 5,977.20**			
	101423131050	Specialties	Signs, flexible door sign, adhesive back, w/Braille, 5/8" letters, 6" x 6"	EA	$ 99.62	60	$ 5,977.20		$5,977	
22	**10**	**Special Equipment**					**$ -**			
			None Included							
23	**11**	**Cabinets**					**$ 1,053,770.88**			
	120505101100	Demolition	Selective demolition, base cabinets	LF	$ 57.20	720	$ 41,184.00		$41,184	
	120505103130	Demolition	Selective demolition, wall cabinets	LF	$ 45.70	720	$ 32,904.00		$32,904	
	120505101200	Demolition	Selective demolition, countertops	LF	$ 14.30	720	$ 10,296.00		$10,296	
	123223109600	Cabinets	Kitchen cabinets, excl. counters and appliances (wall and base)	LF	$ 587.56	1,440	$ 846,086.40		$846,086	
	123623130100	Cabinets	Countertops, stock, plastic laminate, 24" wide, include backsplash	LF	$ 81.90	720	$ 58,968.00		$58,968	
	123223308050	Cabinets	Vanity bases, 2 doors, 30" high, 21" deep, 30" wide (Not inc. in HC units)	EA	$ 645.30	57	$ 36,782.10		$36,782	
	123661170060	Cabinets	Solid surface vanity top - Solid surface, center bowl, 22" x 31" (Not inc. in HC units)	EA	$ 483.34	57	$ 27,550.38		$27,550	
24	11	**Appliances**					**$ -**			
			None Included							
25	12	**Blinds and Shades, Artwork**					**$ -**			
			None Included							
26	12	**Carpets**					**$ -**			
			None Included							
27	**13**	**Special Construction**					**$ 164,247.00**			
	024119210580	Demolition	Selective demolition, gutting, building interior (dwelling unit bathrooms)	SF	$ 10.33	3,000	$ 30,990.00		$30,990	
	D3G Estimate	Special Construction	Conversion of existing units to be fully UFAS compliant handicapped accessible units. Cost includes carpentry, cabinetry, finishes, mechanical, electrical, and plumbing	EA	$ 20,000.00	3	$ 60,000.00		$60,000	
	078413100530	Firestopping	Firestopping, multi trade openings, through walls, 12x24 (1 per apartment)	EA	$ 1,220.95	60	$ 73,257.00		$73,257	
28	**14**	**Elevators**					**$ -**			
			None Included							
29	**15**	**Plumbing and Hot Water**					**$ 2,230,259.71**			
			Plumbing Fixtures							
	D20109612100	Plumbing	Three fixture bathroom - Lavatory, bathtub & water closet - System includes rough-in (supply, waste and vent) to connect to supply branches and waste mains	EA	$ 8,965.03	57	$ 511,006.71		$511,007	
	D20109612200	Plumbing	Three fixture bathroom, 1 water closet, 36" corner angle shower, 1 lavatory, on 2 walls with all necessary service piping (handicap units)	EA	$ 10,223.78	3	$ 30,671.34		$30,671	
	D20104101960	Plumbing	Kitchen sink system - Kitchen sink w/trim, countertop, 32"x21" double bowl - systems are complete w/trim and rough-in (supply, waste, and vent) to connect to supply branches and waste mains	EA	$ 3,229.28	60	$ 193,756.80		$193,757	
	D20109201180	Plumbing	Two fixture bathroom - Lavatory & water closet - System includes rough-in (supply, waste and vent) to connect to supply branches and waste mains	EA	$ 5,341.80	24	$ 128,203.20		$128,203	
	224139101320	Plumbing	Faucets/fittings, kitchen sink, single control lever handle, polished chrome, with pull out spray	EA	$ 369.47	60	$ 22,168.20		$22,168	
	224139102160	Plumbing	Faucets/fittings, lavatory faucet, concealed with pop-up drain, 12" centers, with pop-up drain	EA	$ 279.08	84	$ 23,442.72		$23,443	
	224139104240	Plumbing	Faucets/fittings, shower pressure balancing mixing valve, chrome, with shower head, arm, flange and diverter tub spout	EA	$ 665.43	60	$ 39,925.80		$39,926	

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	224239305400	Plumbing	Carriers/supports, sink, wall mounted (handicap units)	EA	$ 1,579.60	3	$ 4,738.80		$4,739	
	224116134240	Plumbing	Lavatory, wall hung, porcelain enamel on cast iron, white, single bowl (handicap units)	EA	$ 1,178.70	3	$ 3,536.10		$3,536	
	224139701060	Washer Accessories	Recessed box, 16 ga., two hose valves and drain, 1/2' size, 1-1/2" drain	EA	$ 195.41	60	$ 11,724.60		$11,725	
			Sanitary Waste Piping Replacement within the Units/Buildings							
	221316204160	Sanitary Waste	Pipe, cast iron soil, no hub, 4" diameter, includes couplings 10' OC, clevis hanger assemblies 5' OC	LF	$ 56.24	1,850	$ 104,044.00		$104,044	
	221113450400	Sanitary Waste	Elbow, 45 Deg., steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 778.73	120	$ 93,447.60		$93,448	
	221113450180	Sanitary Waste	Elbow, 90 Deg., steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 633.44	120	$ 76,012.80		$76,013	
	221113454140	Sanitary Waste	Coupling, steel, cast iron, black, straight, merchants, threaded, standard weight, 4"	EA	$ 283.64	300	$ 85,092.00		$85,092	
	221113450620	Sanitary Waste	Tee, steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 949.59	180	$ 170,926.20	$318.50	$170,926	221113484800
	221316204100	Sanitary Waste	Pipe, cast iron soil, no hub, 1-1/2" diameter, includes couplings 10' OC, clevis hanger assemblies 5' OC	LF	$ 39.05	1,800	$ 70,290.00	$30.19	$70,290	
	221113763020	Sanitary Waste	Elbow, 45 Deg., steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 56.32	120	$ 6,758.40		$6,758	
	221113450340	Sanitary Waste	Elbow, 90 Deg., steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 138.82	120	$ 16,658.40		$16,658	
	221113454090	Sanitary Waste	Coupling, steel, cast iron, black, straight, merchants, threaded, standard weight, 1-1/2"	EA	$ 84.78	240	$ 20,347.20		$20,347	
	221113450570	Sanitary Waste	Tee, steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 185.07	180	$ 33,312.60		$33,313	
			Domestic Hot Water							
	220505102250	Demolition	Selective demolition, water heater, up to 40 gallon	EA	$ 166.50	60	$ 9,990.00		$9,990	
	223330131080	Domestic Hot Water	Water heater, residential, electric, glass lined tank, double element, 5 year, 40 gallon (two and three bedroom)	EA	$ 1,461.54	24	$ 35,076.96		$35,077	
	223330131100	Domestic Hot Water	Water heater, residential, electric, glass lined tank, double element, 5 year, 52 gallon (four bedroom)	EA	$ 2,157.93	36	$ 77,685.48		$77,685	
	220716102920	Domestic Hot Water	Insulation, domestic water heater wrap kit, with vinyl jacket, 1-1/2" thick, 20-60 gal.	EA	$ 154.08	60	$ 9,244.80		$9,245	
	223430132900	Domestic Hot Water	Water heater, safety-drain pan, 26" diameter	EA	$ 72.50	60	$ 4,350.00		$4,350	
	D3G Estimate	Domestic Hot Water	Install code required pressure relief valve piping and drain pans with piping to discharge outlet	EA	$ 550.00	60	$ 33,000.00		$33,000	
			Copper Supply and Distribution Piping							
	221113232140	Domestic Water	Pipe, copper, tubing, solder, 1/2" diameter, type L, includes coupling & clevis hanger assembly 10' OC	LF	$ 17.83	4,200	$ 74,886.00		$74,886	
	221113232180	Domestic Water	Pipe, copper, tubing, solder, 3/4" diameter, type L, includes coupling & clevis hanger assembly 10' OC	LF	$ 20.33	4,200	$ 85,386.00		$85,386	
	221113250100	Domestic Water	Elbow, 90 Deg., copper, wrought, copper x copper, 1/2"	EA	$ 53.72	360	$ 19,339.20		$19,339	
	221113250120	Domestic Water	Elbow, 90 Deg., copper, wrought, copper x copper, 3/4"	EA	$ 60.46	360	$ 21,765.60		$21,766	
	221113250280	Domestic Water	Elbow, 45 Deg., copper, wrought, copper x copper, 1/2"	EA	$ 52.69	180	$ 9,484.20		$9,484	
	221113250300	Domestic Water	Elbow, 45 Deg., copper, wrought, copper x copper, 3/4"	EA	$ 63.27	180	$ 11,388.60		$11,389	
	221113250480	Domestic Water	Tee, copper, wrought, copper x copper, 1/2"	EA	$ 79.76	180	$ 14,356.80		$14,357	
	221113250500	Domestic Water	Tee, copper, wrought, copper x copper, 3/4"	EA	$ 97.10	180	$ 17,478.00		$17,478	
	221113250680	Domestic Water	Coupling, copper, wrought, copper x copper, 1/2"	EA	$ 49.83	900	$ 44,847.00		$44,847	
	221113250700	Domestic Water	Coupling, copper, wrought, copper x copper, 3/4"	EA	$ 56.07	900	$ 50,463.00		$50,463	
	221119424140	Domestic Water	Backflow preventer, reduced pressure principle, corrosion resistant, automatic operation, ball valves, threaded, 1" pipe size, includes valves and four test cocks	EA	$ 507.88	60	$ 30,472.80		$30,473	
	221119382080	Domestic Water	Water supply meter, domestic/commercial, bronze, threaded, to 30 GPM, 3/4" diameter	EA	$ 583.03	60	$ 34,981.80		$34,982	
30	**15**	**Heat and Ventilation**					**$ 327,288.00**			
	238126105120	Heating & Air Conditoning	Split ductless system, cooling/heating, wall mount, 1-1/2 ton cooling	EA	$ 3,484.10	60	$ 209,046.00		$209,046	

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	238126107010	Heating & Air Conditoning	Split ductless system, accessories for all split ductless systems, for ambient frost control, add	EA	$ 527.75	60	$ 31,665.00		$31,665	
	238126107050	Heating & Air Conditoning	Split ductless system, accessories for all split ductless systems, for tube / wiring kit, 50' kit	EA	$ 285.41	60	$ 17,124.60		$17,125	
	233423106670	Ventilation	Bathroom exhaust, grille, back draft damper, 110 cfm	EA	$ 225.89	60	$ 13,553.40		$13,553	
	233423106946	Ventilation	Exhaust vent wall cap, 3" & 4" round duct (bath & kitchen exhaust)	EA	$ 118.77	120	$ 14,252.40		$14,252	
	233346101500	Ventilation	Exhaust vent duct - flexible, non-insulated, 3" diameter (assume 20' per unit)	LF	$ 7.08	1,200	$ 8,496.00		$8,496	
	113013194300	Ventilation	Range hood, residential appliances, vented, 2 speed, 30" wide	EA	$ 552.51	60	$ 33,150.60		$33,151	
31	**15**	**Air Conditioning**					**$ -**			
			Included in Haeat & Ventilation above							
32	**16**	**Electrical**					**$ 1,828,665.18**			
			Electrical Service							
	260505107102	Demolition	Service entry cable, #4, +#4 neutral, electrical demolition, remove (30LF per unit)	LF	$ 2.69	1,800	$ 4,842.00		$4,842	
	260505250210	Demolition	Meter center, 600 A, electrical demolition, remove	EA	$ 485.97	60	$ 29,158.20		$29,158	
	260505101230	Demolition	Panelboards, 3 wire, 120/240 V, 100 amp, to 20 circuits, electrical demolition, remove, including removal of all breakers, conduit terminations & wire connections	EA	$ 374.72	60	$ 22,483.20		$22,483	
	260590101120	Electrical Service	Electrical breaker panel, 1 phase, 3 wire, 120/240 volt, 100 amp	EA	$ 2,376.26	60	$ 142,575.60		$142,576	
	D3G Estimate	Electrical Service	Relocation of breaker panels due to clearance issues	EA	$ 1,250.00	60	$ 75,000.00		$75,000	
	D50101200245	Electrical Service	Overhead electric service, 1 phase, 3 wire, 120/240 volt, 100 amp w/circuit breaker	EA	$ 3,919.38	60	$ 235,162.80		$235,163	
	262713102610	Electrical Service	Meter center, basic meter device, 4 jaw 125A socket, 1P 3W 120/240 V, 4 meter	EA	$ 3,003.58	15	$ 45,053.70		$45,054	
	D50101200285	Electrical Service	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A w/circuit breaker	EA	$ 6,255.15	60	$ 375,309.00		$375,309	
	262416105400	Electrical Service	Load centers, 3 phase, 4 wire, main breaker, indoor, 120/208 V, 200 amp, 30 circuits, incl 20 A 1 pole plug-in breakers	EA	$ 2,916.63	60	$ 174,997.80		$174,998	
	262416202010	Electrical Service	Circuit breakers, 120/240 volt, plug-in, 2 pole with NM cable, 30 amp (water heaters)	EA	$ 146.15	60	$ 8,769.00		$8,769	
	262416200100	Electrical Service	Circuit breakers, plug-in high interrupting capacity, 2 pole, 120/240 V, 15-50 Amp	EA	$ 124.28	600	$ 74,568.00		$74,568	
`	262416202082	Electrical Service	Circuit breakers, arc fault circuit interrupter, 120/240 V, 1-15 A & 1-20 A, 1 pole	EA	$ 148.41	120	$ 17,809.20		$17,809	
	224139701510	Electrical	Washer dryer accessories, includes vent kit, recessed with door, electrical outlet, flex duct	EA	$ 66.69	60	$ 4,001.40		$4,001	
			Power							
	260505101780	Demolition	Receptacle & switch plates, electrical demolition, remove	EA	$ 3.77	2,400	$ 9,048.00		$9,048	
	260505101790	Demolition	Receptacle & switches, 15 to 30 amp, electrical demolition, remove	EA	$ 7.20	2,400	$ 17,280.00		$17,280	
	260590104350	Branch Wiring	Receptacle devices, residential, decorator style, GFI incl cover plate (3 per unit)	EA	$ 129.66	240	$ 31,118.40		$31,118	
	260590104100	Branch Wiring	Receptacle devices, residential, duplex outlet, ivory, w/ #12/2 type NM cable, 20", 20 amp, incl box & cover plate	EA	$ 108.50	1,416	$ 153,636.00		$153,636	
	262726200500	Lighting	Toggle switch, quiet type, single pole, 20 amp	EA	$ 40.30	744	$ 29,983.20		$29,983	
	260590104670	Electrical	Dryer outlet, NM cable, 30 amp, 240 volt receptacle, includes 20' of # 10/3	EA	$ 249.07	60	$ 14,944.20		$14,944	
	262726202490	Branch Wiring	Receptacle, range, 50 Amp	EA	$ 69.93	60	$ 4,195.80		$4,196	
	260590104710	Electrical	Range outlet, 50 amp-240 volt receptacle, 30', #8/3 NM cable	EA	$ 407.01	60	$ 24,420.60		$24,421	
	260590104670	Electrical	Circuit and connection for range hoods	EA	$ 249.07	60	$ 14,944.20		$14,944	
	260590109530	Mechanical Connections	Thermostat hook-up, low voltage	EA	$ 64.90	60	$ 3,894.00		$3,894	
	260590108670	Mechanical Connections	Hot water heater, residential, hook-up, #10/2, MC cable, 20', incl 1-2 pole circuit breaker, box, 3' of flexible	EA	$ 285.85	60	$ 17,151.00		$17,151	

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City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
	260590104720	Mechanical Connections	Range outlet, residential, 30' of #8/3, type MC cable, 50 amp, 240 V, incl box & exterior cover plate	EA	$ 395.08	60	$ 23,704.80		$23,705	
	260590107070	Electrical	Smoke detectors, box, #14/3, NM	EA	$ 130.17	324	$ 42,175.08		$42,175	
	284611218710	Electrical	Carbon monoxide detector, hardwired, wall mounted	EA	$ 203.28	60	$ 12,196.80		$12,197	
	D3G Estimate	Accessibility	ADA compliance on Audio-Visual	EA	$ 4,500.00	2	$ 9,000.00		$9,000	
			Lighting							
	260505505340	Demolition	Light fixture, electrical demoliton, remove	EA	$ 32.20	480	$ 15,456.00		$15,456	
	260505102620	Demolition	Exterior light fixture removal, incandescent, wall mount, 100 W	EA	$ 38.64	120	$ 4,636.80		$4,637	
	260590106100	Electrical	Lighting outlets, 4" box and NM cable	EA	$ 63.27	480	$ 30,369.60		$30,370	
	265113550180	Lighting	Interior LED fixtures, cylinder, 20 watts, incl lamps, mounting hardware and connections	EA	$ 217.14	480	$ 104,227.20		$104,227	
	260590106250	Electrical	Light fixtures, residential, dining room chandelier, economy grade	EA	$ 160.28	60	$ 9,616.80		$9,617	
	265623550440	Lighting	Exterior LED fixture, wall pack, replacement, 60 watt, incl lamps	EA	$ 391.14	120	$ 46,936.80		$46,937	
33		**Subtotal (Structures)**					**$ 17,295,104.18**			
34	**31**	**Earthwork**					**$ 30,602.77**			
	329113233850	Earthwork	Spread conditioned Topsoil - 6" deep (building perimeter)	MSF	$ 900.25	19	$ 17,104.75		$17,105	
	329119130700	Earthwork	Topsoil placement and grading (building perimeter)	SY	$ 7.38	1,829	$ 13,498.02		$13,498	
35		**Lawns and Plantings**					**$ 50,577.90**			
	D3G Estimate	Lawns and Plantings	Landscape repair and replacement within 5' of building	BLDG	$ 3,000.00	13	$ 39,000.00		$39,000	
	D3G Estimate	Lawns and Plantings	Tree Trimming	EA	$ 750.00	3	$ 2,250.00		$2,250	
	329219130310	Lawns	Seeding, mechanical with equipment, includes lime, fertilizer and seed (building perimeter)	SY	$ 5.10	1829	$ 9,327.90		$9,328	
36		**Total Land Repairs**					**$ 81,180.67**			
37		**Combined Structure and Land Repair Cost**					**$ 17,376,284.85**		$15,730,037	
38		**Contingency (7.5%)**					**$ 1,303,221.36**		$1,179,753	
39		**Soft Costs and Fees**					**$ 2,610,656.90**			
			General Conditions		5.00%		$ 868,814.24		$786,502	
			Builder's Profit (Elevator, Mechanical, Electrical, & Plumbing ONLY)		10.00%		$ 438,621.29		$438,621	
			Architectural Design Fees		5.50%		$ 955,695.67		$865,152	
			PHA Administration Fee		2.00%		$ 347,525.70		$314,601	
		Total 3-Year Physical Needs					**$ 21,290,163.11**		**$19,314,666**	
		Total Development Cost (TDC)					**$ 32,609,312.00**		**$32,609,312**	
		Rehabilitation Cost % (Estimated Cost of Rehabilitation/Total TDC) x 100 =					**65.29%**		59.23%	
		Rehabilitation Cost Per Unit (Estimated Cost of Rehabilitation/Number of Units)					**$ 354,836.05**		$354,836	

DISPOSITION AGREEMENT

This Disposition Agreement (this "**Agreement**") dated as of [_____], 2025, is by and between the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, acting by and through the Secretary, his or her successors, assigns or designates ("**HUD**") and HAWAII PUBLIC HOUSING AUTHORITY, a public body corporate and politic organized and existing pursuant to Chapter 356D of the Hawaii Revised Statutes ("**HPHA**").

RECITALS

A. WHEREAS, HPHA owned and operated thirteen (13) dwelling buildings containing sixty (60) units and 3.66 acres of underlying land at Kuhio Park Terrace, HI001000040, (AMP No. DDA0012818), more particularly described in those certain Declarations of Trust recorded in the Bureau of Conveyances of the State of Hawai'i (collectively, the "**Declaration of Trust**") and as more particularly described in Exhibit A, attached hereto and incorporated herein (the "**Disposition Property**");

B. WHEREAS, HPHA owned and operated the Disposition Property as low-rent public housing with financial assistance provided by HUD under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 *et. seq.* (the "**Act**");

C. WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD; and

D. WHEREAS, HPHA requested HUD approval of the conveyance of the Disposition Property for less than fair market value under a 70-year ground lease with an annual base rent payment evidenced by that certain Ground Lease Agreement (the "**Ground Lease**") and HUD has, as documented in that certain letter from HUD to HPHA dated August 12, 2024 (the "**Approval Letter**"), attached hereto as Exhibit B and incorporated herein, agreed to such conveyance on the terms and conditions set forth in the Approval Letter and this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Use of Disposition Property.

A. Use Agreement. HPHA shall encumber the Disposition Property with a use agreement ("**Use Agreement**") between HPHA and KPLR Phase 1, LP, a Hawaii limited partnership ("**Owner**") requiring the following:

i. Three hundred four (304) of the dwelling units (including two manager's unites) to be constructed on the Disposition Property, at least 60 dwelling

units shall be operated exclusively as dwelling units reserved for, and affordable to households earning no more than eighty percent (80%) of the Area Median Income at admission to a Restricted Unit for thirty (30) years following the issuance of a certificate of occupancy or the equivalent for the dwelling units at the Disposition Property by the local jurisdiction, provided that, unless there is evidence to the contrary, such issuance of certificate of occupancy or equivalent shall be deemed to have occurred no later than three (3) years from the date the Use Agreement.

ii. The Use Agreement shall be recorded against the Disposition Property in a first-lien position, with the exception of (i) property taxes and assessments not yet due and payable, (ii) easements for the establishment, operation and maintenance of public utilities, and (iii) encumbrances that do not constitute a lien or other security interest on the Disposition Property or grant any party the right to a lien or security interest on the Disposition Property.

iii. The Use Agreement shall be a covenant that runs with the land and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof.

iv. Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the term of the Use Agreement without the prior, jointly executed, written approval of HUD and HPHA. Notwithstanding the foregoing, Owner need not obtain the prior written approval of HUD and HPHA for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) entering into residential agreements with tenant families, or (iv) Deed of trust, regulatory agreements, financing agreements and other instruments described in a priority and subordination agreement approved by HUD to be recorded with respect to the Disposition Property, and transfer of the Property to the beneficiary under any such approved deeds of trust, by foreclosure or deed-in-lieu of foreclosure, or to a third-party purchaser at a foreclosure sale, provided that the Property shall remain subject to the terms of this Agreement and notice of the foreclosure and transfer is reported to HUD in writing.

2. Use of Disposition Proceeds. Any and all sums obtained and/or received by HPHA in connection with and/or related to the Disposition Property are deemed disposition proceeds ("**Disposition Proceeds**"), and HPHA must follow the requirements set out in Section 18 of the Act, 24 CFR Part 970 and PIH Notice 2020-23 in regards thereto. Within five (5) business days after obtaining and/or receiving any Disposition Proceeds, HPHA shall deposit such Disposition Proceeds into an account subject to the HUD General Depository Agreement HUD-51999.

3. Duty of HPHA. HPHA is responsible for monitoring and enforcing the Owner's compliance with the Use Agreement during its term and shall provide written notice to HUD within five (5) business days of issuing a Notice of Violation (as defined herein). HUD shall be deemed a third-party beneficiary of the Use Agreement and have the right to seek specific performance of the Use Agreement and/or to enjoin any violation of the Use Agreement in a forum of its choice. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law and in equity.

4. Violation of Agreement. In the event the HPHA is not in compliance with any term of this Agreement, the following will apply:

A. Notice. HUD shall provide written notice of any violation pursuant to this Agreement to HPHA ("**Notice of Violation**"). HPHA shall have sixty (60) days after the date on which the notice is received, or as determined by HUD, to ensure the violation is cured. HUD may take any and all investigative steps it deems necessary in order to ensure compliance. If after the HPHA has received written Notice of a Violation, the failure is not corrected to the satisfaction of HUD within the prescribed amount of time, HUD may declare a default ("**Event of Default**") without further notice.

B. Default. In the Event of Default, to the extent permitted by applicable law, HUD shall have the right to seek specific performance of this Agreement and/or the Use Agreement to enjoin any violation in a forum of its choice. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law and in equity.

C. Rights of Equity Investors. HPHA and/or HUD, as applicable (each, an "**Agency**"), shall endeavor as a courtesy to each party providing equity financing to the Disposition Property, as set forth in the notice provisions in Section 10 below (collectively, the "**Equity Investors**," or singularly, an "**Equity Investor**"), to deliver to the Equity Investors a copy of any written notice provided to Owner and/or assignee or successor thereto under this Agreement; provided, however, that the failure to provide such notice shall not subject such Agency to any liability or result in the derogation of any rights of either Agency to enforce the terms of this Agreement. Each Equity Investor shall have the right, but not the obligation, to cure any default identified in such notice within sixty (60) days after the date on which the original Notice of Violation is received by Owner in accordance with this Section 4; provided that, if such Equity Investor uses commercially reasonable efforts to cure the failure within the prescribed sixty (60) day period and is unable to do so, such cure period shall be extended by such additional time as is reasonably necessary to cure the failure, such approval not to be unreasonably withheld, conditioned, or delayed. Any cure of any default by Owner under this Agreement by an Equity Investor shall be treated the same as if offered by Owner.

5. Title and Other Documents. Within ten (10) business days following the transfer of the Disposition Property, HPHA shall provide to HUD copies of the recorded Memorandum of Ground Lease, Use Agreement and (Partial or Full) Release of Declaration Trust showing the recording information, as well as any other documents requested by HUD.

6. Request and Response of Use Agreement Default. HUD may at any time request from HPHA, and HPHA shall within ten (10) business days of HUD's request, execute, acknowledge and deliver to HUD a statement in writing certifying whether a default exists under the Use Agreement and, if such a default exists, specifying the nature of the default.

7. Reporting Requirements. Until directed otherwise by HUD in writing, HPHA shall submit to HUD reports in the number and form required by HUD, but at least on an annual basis as part of HPHA's audited financial statements, indicating the amount of the Disposition Proceeds, if any, HPHA has both received and expended, along with any additional information that HUD may require. Such reports shall include without limitation the following information: (i) whether HPHA realized any of the Disposition Proceeds in the twelve (12) months preceding submission of the report to HUD, and if so, the exact dollar amounts; (ii) evidence that HPHA maintains separate accounting for the Disposition Proceeds; and (iii) a detailed description, including the exact amount in dollars, of the use of any of the Disposition Proceeds in the twelve (12) months preceding submission of the report to HUD. Upon written request, HPHA shall submit to HUD copies of invoices and/or receipts for all expenditures of the Disposition Proceeds within thirty (30) days of receipt of such request.

8. Third Party Beneficiaries. This agreement does not and is not intended to confer any rights or remedies upon any person or entity other than the parties to this Agreement.

9. Successors and Assigns. Wherever referenced in this Agreement, the terms "HUD" and "HPHA" shall include the respective successors and assigns of each party; provided, however, that in no event will successor owners of properties containing units to which the Disposition Proceeds are applied be deemed to be successors to HPHA under this Agreement by virtue of such fact.

10. Notices. All notices and/or reporting under this Agreement shall be in writing and shall be served by (i) personal service or receipted courier service, (ii) by registered or certified first-class mail, return receipt requested, or (iii) nationally recognized overnight delivery service, addressed to HUD or HPHA, as appropriate, at the addresses for such parties set forth below in this Section 10. Any notice or other communication sent pursuant to clause (i) hereof shall be deemed received upon such personal service, if sent pursuant to clause (ii) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (iii) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this section.

HPHA:	Hawaii Public Housing Authority 1002 N. School St. P.O. Box 17907 Honolulu, Hawai'i 96817 Attn: Executive Director
With copies to:	Department of the Attorney General, State of Hawai'i

425 Queen Street
Honolulu, Hawai‘i 96813
Attn: Linda L.W. Chow, Esq.

and to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW
Suite 400
Washington, DC 20001
Attn: Megan Glasheen, Esq.

HUD: U.S. Department of Housing and Urban Development
451 Seventh St., SW, 4th Floor
Washington, DC 20410
Attn: Office of Public Housing

Owner: KPLR PHASE 1, LP
c/o Highridge Costa Development Company, LLC
330 West Victoria Street
Gardena, CA 90248
Attn: Mohannad H. Mohanna, President

With copies to: Settle Meyer Law LLLC
Pioneer Plaza
900 Fort Street Mall, Suite 1800
Honolulu, Hawai‘i 96813
Attn: Scott W. Settle

and Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
Attn: Christian D. Dubois

Equity Investors may be provided courtesy copies of notices under this Agreement in accordance with the delivery methods of this Section 10. Equity Investors' respective address(es) for such notice purposes are:

Equity Investors: c/o RBC Community Investments, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

and Berkadia Affordable Tax Credit Solutions
Two Liberty Place

50 South 16th Street, Suite 2825
Philadelphia, PA 19102
Attention: Managing Director

11. Business Day. A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of Hawai‘i. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

12. Amendments. This Agreement may be amended only by a written instrument signed by the parties to this Agreement.

13. Execution of Other Agreements. HPHA covenants and agrees that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements; provided, however, HPHA and HUD have authorized the recordation of (a) that certain Declaration of Restrictive Covenants for Affordable Housing as of substantially even date herewith in favor of the City and County of Honolulu (the "**City Affordable Housing Declaration**") and (b) that certain Declaration of Land Use Restrictive Covenants (Rental Housing Revolving Fund) in favor of the Hawaii Housing Finance and Development Corporation (the "**HHFDC Declaration**") as of substantially even date herewith. The City Affordable Housing Declaration and the HHFDC Declaration each require the Project to be restricted to households at or below sixty percent (60%) of Area Median Income. HUD and HPHA have agreed that the stricter income limits of the City Affordable Housing Declaration and/or the HHFDC Declaration control as long as either the City Affordable Housing Declaration or the HHFDC Declaration is in effect.

14. Subsequent Statutory Amendments. If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, HPHA agrees to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

15. Incorporation of Recitals. The above recitals are incorporated herein by reference.

16. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall have the meaning set forth in the Use Agreement.

17. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Hawai‘i without regard to its conflict of laws principles, and the laws of the United States of America.

18. No Negotiation. This Agreement is not subject to negotiation by HPHA or any

lender with a secured interest in the Disposition Property.

19. Severability. The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

20. Counterpart Signatures. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

21. Attached Exhibits. The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property
Exhibit B – Approval Letter

[Signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have each caused their names to be subscribed hereto, on the date first herein above written.

HPHA hereby certifies that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

HPHA:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic, existing
under the laws of the State of Hawaii

Approved as to Form:

_____
Linda L.W. Chow
Deputy Attorney General

By: _____
Hakim Ouansafi
Executive Director

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

HUD:

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, acting by and through the Secretary

By: _____
(name of OPH director)
Its: Director and Authorized Agent
(City) Office of Public Housing

[This space intentionally left blank.]

EXHIBIT A
DISPOSITION PROPERTY

HUD Project No.: HI001000040

HUD AMP No.: DDA0012818

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to

Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888,

Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT B
APPROVAL LETTER

[See Attached]

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 913-8892

OFFICE OF PUBLIC AND INDIAN HOUSING

August 12, 2024

Mr. Hakim Ouansafi
Executive Director
Hawaii Public Housing Authority
1002 N. School Street
Honolulu, HI 96817

Subject: Approval of Disposition Application DDA0012818

Dear Mr. Ouansafi,

The U.S. Department of Housing and Urban Development (HUD) Special Applications Center (SAC) hereby approves the disposition Application, DDA0012818 submitted by the Hawaii Public Housing Authority (HPHA). The Application includes 13 dwelling buildings containing 60 dwelling units and 3.66 acres of underlying land at a development known as Kuhio Park Terrace, HI001000040 (Property), (Legal Descriptions attached as Exhibit A).

SAC has determined that HPHA's proposed Property disposition is consistent with the U.S. Housing Act of 1937 (42 U.S.C. 1437p) (the Act) and 24 C.F.R. 970. The SAC approves the Application as summarized below, subject to the conditions contained in this letter.

Kuhio Park Terrace, HI001000040 **Approved for Disposition:** Buildings: 13; Units: 60; Acres: 3.66				
Total Units to be Redeveloped 302	Less than 80% of Area Median Income			
	ACC	Non-ACC	PBV*	Market Rate (Manager)
Rental	-	242	60	2
Acquiring Entity	Kuhio Park 2, LLC			
Acquiring Method	Ground lease for 65-year at less than FMV			
Lease Price	FMV for leasehold acquisition fee interest with promissory note for $16,570,000. Annual base lease payment TBD			
Commensurate Public Benefit	Redevelopment of affordable housing			
Approved Building Number Per PIC: 001, 002, 003, 004, 005, 006, 031, 032, 033, 034, 035, 036, 037				

Approval Conditions

- HPHA must comply with all requirements of the Act, 24 C.F.R. part 970, and this approval letter in carrying out the disposition action.
- HPHA shall not dispose of the Property until all residents have been relocated, all previously HUD approved demolition actions at the development are complete, and the Public Housing Field Office Field Office) releases the Declaration of Trust (DOT).

- The Field Office is authorized to release the DOT from the Property in accordance with this approval. Prior to DOT release, the Field Office must confirm that the disposition transaction terms conform to this approval's requirements. The Field Office may request confirmation from HPHA that relocation is complete in accordance with applicable requirements prior to releasing the DOT. HPHA must submit a draft DOT release to the Field Office, along with any other documents requested by the Field Office.

- If the HPHA materially changes the plan for the Property, after receiving this approval (but prior to DOT release), SAC approval of the material change is required. Material changes include a different method of disposition, proposed commensurate public benefit justifying a below fair market value (FMV) disposition. HPHA must request SAC approval by emailing SACTA@hud.gov with information about the change. **See "PHA's Next Steps" enclosure for directions regarding an application with material changes.**

- If the HPHA is disposing of the Property via ground lease (not deed of sale), HUD maintains interest in the fee title of the Property under 2 C.F.R. Part 200. Therefore, if the ground lease terminates (regardless of the reason for termination—i.e., natural expiration of term, early voluntary or involuntary termination), this approval requires HPHA to immediately record a HUD DOT/Declaration of Restrictive Covenants (DOT/DORC) (Form HUD-52190 or subsequent HUD form) on the Property and contact its Field Office in writing. HPHA should explain the termination reason and its plans for the Property. HUD will then determine what HUD approvals and/or repayments are required under 2 C.F.R. Part 200.

- Below FMV transactions require the Property be encumbered by use restriction covenants. Under the use restriction term, the HPHA and its successors agree for the benefit of HUD that the Property must be used for the "commensurate public benefit" as approved by the SAC in this letter. If the Property will be operated as affordable rental units to families at or below 80% of Area Medium Income (AMI), units must be maintained in a condition that meets housing quality standards (HQS) for HUD's Section 8 program (or replacement standard), the rents must be affordable to these families (i.e., through LIHTC, HCV or other programs; or through a use restriction capping rents at 30% of 80% of AMI). The units must be operated and maintained as decent, safe, sanitary, and in good repair. The required term of the use restriction must be at least 30 years from the date of disposition (removal of DOT) (the Use Restriction Term). **See "PHA's Next Steps" enclosure for more directions regarding "Use Restriction".**

Tenant Protection Vouchers (TPVs)

The date of this approval determines HPHA's maximum TPV eligibility based on current appropriations laws, and not the HPHA's actual TPV award. Rather, HPHA's actual TPV award is based on the current Housing Choice Voucher (HCV) Funding Notice (PIH Notice 2023-07) at the time the TPV application (HUD-52515) is submitted to HUD, and the availability of TPV funding.

On the date of this approval, 60 units were occupied. HPHA's Application reflects that no replacement public housing units will be developed on the Property. Therefore, HPHA's maximum TPV award is as follows:

Type of TPVs	Relocation TPVs	Replacement TPVs
Maximum TPV Award	0	60

This maximum TPV is subject to change if redevelopment plans change, and contingent on HUD approval before the HPHA applies for TPV assistance.

Estimated Timetable (Impact on Operating Funds)

In accordance with 24 C.F.R. 970.7(a)(4) and 24 C.F.R. 970.21(d), PHA submitted an estimated timetable for the proposed disposition as follows:

	Milestone	Number of Days after Approval
A	Begin Relocation ("Days to Relocation" field)	91
B	Complete Relocation	270
C	Execute Disposition Document	290
D	Dispose of Property/HUD Releases DOT	300

The Field Office has been informed of this approval and will assist HPHA in its implementation. SAC recommends maintaining an open dialogue with your Field Office, residents and local officials. If PHA has any questions about this approval, please contact SACTA@hud.gov.

Sincerely,

Jane B. Hornstein
Director

CC: Honolulu Field Office

Enclosures:
Considerations in SAC's Review
PHA's Next Steps
Exhibit A: Legal Description
Exhibit B: Rehab Cost Estimate

Considerations in SAC's Review

On March 7, 2024, HPHA submitted this Application via HUD's Inventory Management System/PIH Information Center (IMS/PIC) system via DDA0012752. According to HUD's and PHA's records, the Property was developed, acquired, or assisted with funding from the Act. In accordance with 24 CFR 970.7(a)(17), HPHA submitted supplemental information through August 5, 2024.

Previous Removals at the Development

HPHA has received the following previous HUD approvals for removing property from the development known as Kuhio Park Terrace, HI001000040:

PIC Application	Removal Type	Units Approved	Acres Approved	Date of Approval
IBSHI00110	Demolition	4	0	04/16/1997
DDA0004254	Disp. Subpart F	569	11.00	04/25/2011

Description of Proposed Disposition

HPHA's Application described the Property based on building, unit, and acreage information in IMS/PIC. Details of the proposed disposition of the Property at the development are as follows:

Kuhio Park Terrace, HI001000040DOFA DOFA: 03/21/1963						
Bedroom Size	**0-BR**	**1-BR**	**2-BR**	**3-BR**	**4+BR**	**Total**
Existing Units	0	20*	32	37	85	174
Proposed Units	0	0	12	12	36	60
Number of Dwelling Buildings Existing						33
Number of Dwelling Buildings Proposed						13
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments						4397
Existing Land				9.78 Acres		
Proposed Land				3.66 Acres		
Proposed Building Number Per PIC: 001, 002, 003, 004, 005, 006, 031, 032, 033, 034, 035, 036, 037						

* Includes 1 non-dwelling unit.

Future Use of the Property

HPHA proposes that, after removal, the property will be conveyed to the acquiring entity to facilitate the on-site redevelopment of 302 affordable units.

PHA Plan Compliance

HPHA certified and the Field Office confirmed that HPHA submitted a Significant Amendment to the PHA Annual Plan under 24 CFR part 903 that described the disposition, and that the description in the Significant Amendment is identical to the Application and otherwise complies with Section 18. The Field Office approved the Amendment on August 2, 2023.

Civil Rights Compliance

In accordance with 24 CFR 970.7(a)(16), HPHA submitted a certification that it will carry out the removal action in compliance with all applicable civil rights requirements, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, all regulations implementing these authorities, other applicable Federal, State, and local civil rights laws, and the duty to affirmatively further fair housing. HPHA was not operating under a remedial civil rights order or agreement, voluntary compliance agreement, final judgment, consent decree, settlement agreement, or other court order or agreement.

Environmental Review

The Field Office certified on January 19, 2024, that, in accordance with 24 C.F.R. 970.13, an Environmental Review (ER) was performed under 24 C.F.R. part 58 for the disposition action and any known re-use. The Field Office indicated a Request for Release of Funds/Environmental Certification (RROF/C) (form HUD-7015.15) was submitted to the FO on January 19, 2024, and the Field Office signed an Authority to Use Grant Funds (form HUD-7015.16) on March 12, 2024.

Justification

HPHA has determined the disposition to be appropriate for reasons that are in the best interests of the residents and the PHA; consistent with the PHA goals and plans; and otherwise, consistent with the Act and PIH Notice 2021-07. Specifically, HPHA proposed the disposition because the Property is obsolete as to physical condition and no reasonable program of modifications is cost-effective to return it to useful life. The existing unit structures are in poor physical condition and require significant rehabilitation and retrofit to render the structures viable for unhealthy and unsafe housing. HPHA has determined via a physical needs assessment (PNA) that there are systemic problems with the primary building systems which includes electrical, mechanical, plumbing lines (sewer and water), and gas distribution lines. Additionally, the buildings present design flaws related to density, community amenities, general site accessibility and lack of air conditioning.

The Total Development Cost (TDC) limit for the units proposed for disposition is calculated below. HUD used the TDC applicable at the time of submission of this disposition application.

TDC per Notice PIH-2011-38; Year: 2023 Type of Structure: Row Dwelling /Detached/Semi-Dwelling*; Locality: Hilo, Hawaii			
Bedroom Size	**Number of Units**	**TDC/Unit**	**Total Cost**
2-BR	12	$393,751	$4,725,012
3-BR	12	$498,498	$5,981,976
4-BR (detached/semi-detached)	4	$637,405	$2,549,620
4-BR (row)	32	$604,772	$19,352,704
TOTAL	**60**		**$32,609,312**

HPHA provided an itemized rehabilitation cost estimate of $21,290,163. SAC has determined that the rehabilitation cost estimate for the Property is $19,314,666, which is 59.23 percent of the applicable TDC, and therefore meets the applicable criteria for disposition of PIH Notice 2021-07. See Exhibit B for HPHA's itemized rehabilitation cost estimate, as modified by the SAC.

Property Valuation

In accordance with 24 C.F.R. 970.19, HPHA procured an independent appraisal of the Property. The Property's FMV was estimated at $16,570,000, as of February 2, 2024.

Method of Disposition

HPHA proposed the disposition via a negotiated lease at less than FMV to Kuhio Park 2, LLC via a ground lease of approximately 65 years. HPHA will hold a promissory note from Kuhio Park 2, LLC in the amount of $16,570,000 that will be secured by a deed of trust against the property. There will also be an annual base rent payment to HPHA to be determined.

HPHA has determined the disposition of the property via ground lease to an entity created to obtain the necessary financing including low-income housing tax credits (LIHTC), is necessary in order to complete the redevelopment. The new entity, Kuhio Park 2, LLC, will leverage over $214 million in non-HUD funds primarily using tax-exempt bonds, LIHTC and a Rental Housing Revolving Fund Loan. HPHA has secured a 4-percent-percent tax-credit to result in a reinvigorated community that is walkable; incorporates community-friendly recreational spaces; and incorporates green building and sustainability concepts. The first phase of development will include 302 affordable housing units including 60 project-based voucher units and 242 tax credit units, and 2 manager's units.

In accordance with 24 CFR 970.19(a), HUD authorizes the disposition at less than FMV, based on commensurate public benefits to the community, the PHA, or the federal government justifying such an exception. HPHA's Application establishes a commensurate public benefit based on the future use of the Property as affordable housing units.

Proceeds

In accordance with 24 C.F.R. 970.7(a)(10), HPHA indicated it did not expect to receive any gross or net proceeds from the disposition. However, if PHA does realize proceeds (i.e., unexpected payments from cash-flow/seller-financing), PHA must comply with Section 18(a)(5) of the 1937 Act, 24 CFR 970.19(e), PIH Notice 2020-23 for holding, expending, and reporting on proceeds.

Relocation

In accordance with 24 C.F.R. 970.7(a)(6), HPHA submitted a plan for the relocation of residents who would be impacted by the proposed disposition. The relocation plan included a certification that PHA would comply with the relocation requirements of 24 C.F.R. 970.21, an estimated relocation timetable, ("Estimated Timetable") planned sources of comparable housing, estimated relocation/moving costs, description of planned counseling, and a summary of how HPHA planned to relocate persons with disabilities requiring reasonable accommodations.

When the Application was submitted, 60 units proposed for disposition were occupied. HPHA estimated the relocation costs to be $806,025, which includes moving expenses and counseling/advisory services. HPHA anticipated that it would use non-federal funds for relocation costs. NOTE: The housing resources offered will be public housing units and housing choice vouchers (newly awarded TPVs).

Details of the relocation plan are as follows:

Relocation Begins After Approval in Days	Relocation Cost	Anticipated Funding Source	Anticipated source of comparable housing offered
91	$806,025	Development Budget	PH and TPV

Resident Consultation

In accordance with 24 CFR 970.7(a)(7) and 24 CFR 970.9(a), HPHA submitted evidence that it consulted with residents and the Resident Advisory Board (RAB) on June 8, 2022, and June 9, 2022. Additional sessions were held on June 30, 2023; July 24, 2023; August 28, 2023; September 25, 2023; and October 23, 2023. HPHA included sign-in sheets, presentation materials, and frequently asked questions in the application package. HPHA's Application indicated it did not receive written comments from residents.

Offer for Sale to Resident Organizations

In accordance with 24 CFR 970.7(a)(8), HPHA submitted evidence that it complied with the requirements of 24 CFR 970.9(b)(3). HUD has determined that the offer of sale requirements do not apply because HPHA proposes disposing of the Property to privately finance or otherwise develop a facility to benefit low-income families.

Local Government Consultation

As required by 24 C.F.R. 970.7(a)(14), the application package includes a letter of support from the Honorable Rick Blangiardi, Mayor of the City and County of Honolulu, dated November 1, 2023.

Board Resolution

In accordance with 24 CFR 970.7(a)(13), HPHA submitted a copy of a resolution by the HPHA's Board of Commissioners approving the submission of the Application to HUD. The resolution is signed and dated on November 16, 2023, after all resident and local government consultation was completed.

Capital Fund Financing Program (CFFP)

As of August 9, 2024, HPHA does not operate a Capital Fund Financing Program (CFFP).

CSS Program

- **Family Self Sufficiency (FSS)**

  Please refer to the CSS Repositioning matrix at **https://www.hud.gov/sites/dfiles/PIH/documents/CSS%20Matrix.pdf** for implications and responsibilities of repositioning of properties that house FSS participants. Please note that in call cases, as long as the participant is in HUD-assisted housing (PH, HCV/PBV/TPV, PBRA) the PHA/owner entity is REQUIRED to continue to serve the participant until their Contract of Participation is completed or terminated. Please direct all questions about FSS grants to **FSS@hud.gov**

- **ROSS**

  According to HUD's records, the PHA operates a ROSS program. Please be aware that this disposition action may make the PHA out of compliance with its ROSS Grant Agreement. A repayment of grant funds to HUD or recapture of the grant may be required. The PHA should not move forward with removing the units from the public housing inventory until it has consulted with its HQ ROSS Program Manager about the repositioning/unit removal action and would like to move forward with the repositioning. Please direct all questions about ROSS grants to **ROSS-PIH@hud.gov**.

PHA's Next Steps

Material Changes to Application

Email SACTA@hud.gov, SAC will advise the HPHA of next steps (i.e., technical correction to the approval, or rescind the approval and a new application to be submitted). PIH Notice 2021-07 provides that written SAC approval is required if the changes to the disposition are "material". SAC understands that details of the disposition transaction may change between the time of HPHA's Application submission and the time of the disposition transaction.

SAC considers the following material changes to the Application:

- If the sales proceeds change more than 20%, HPHA must request approval from the SAC.

- Changes in the future use of the Property. If the HPHA's plans for the future use is substantially different from the project scope reflected in Environmental Review (ER) that was done pursuant to 24 C.F.R. 970.13, then a re-evaluation of ER may be required.

- Since the ER was done under 24 CFR part 58, HPHA must inform the Responsible Entity (RE) and permit the RE to re-evaluate the ER. It is up to the RE to decide if the ER will need updating or a new ER is required (based on the updated project description, project scope, and environmental conditions) (refer to 24 CFR 58.47 for a complete description of the re-evaluation criteria). If a new ER is required, the RE may choose to use the past ER to guide completion of the new ER. Note: HPHA must submit evidence of ER compliance with the new proposed future use as part of the request to the SAC.

SAC does NOT consider the following to be material changes to the terms of the disposition and HPHA can proceed with the disposition without receiving further written SAC approval:

- Future use remains the same, but there is a change in Acquiring Entity (name or ownership structure).

- Change no more than 20 percent in sales proceeds that HPHA will receive (i.e., based on more recent appraisal or changes in negotiated sale terms) as indicated in the Application and SAC Approval. If a below FMV transaction is approved, the future use remains the same. HPHA must use and report and use all proceeds in accordance PIH Notice 2020-23.

- Change in ground lease term (i.e., 50-years to 75-years), provided the ground lease term is at least 30-years.
- Change in the amount of ground lease payments received (if based on more recent appraisal for FMV transactions or if the future use remains the same for below FMV transactions).

Use Restriction

The Use Restriction document must take a form acceptable to the Field Office and must comply with the following**:**

- HUD must be a party to the Use Restriction Document.

- All use restriction benefits and burdens must touch, concern, and run with the land, and are binding upon successors and assigns of the parties, including any HUD-approved transferee.
- The use restrictions covenants must be evidenced by a written Use Restriction Document that must be recorded against the Property in the first-priority position (immediately after the release of the DOT and before the recordation of any ground lease). Any foreclosure, bankruptcy, or mortgage liens must be subject and subordinate to the Use Restriction Document.
- The Use Restriction Document shall indicate that prior written HUD approval is required for the following:

1. **Conveyance and Other Transfers.** To convey, assign, transfer, lease, sublease, or otherwise dispose of the Property or any interest therein or permit such a voluntary conveyance or transfer. Certain involuntary transfers of the Property (e.g., a secured lender upon default under the security documents or foreclosure) are subject to the Use Restriction.

2. **Mortgages, Encumbrances, Liens.** To mortgage, pledge, hypothecate, or otherwise encumber the Property. Notwithstanding this requirement, HUD approval is not required for (a) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (b) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (c) the documentation of residential leases or other occupancy arrangements in the normal course of operation of the Property.

3. **Demolition.** To demolish the existing structures and redevelop the Property with new construction units (i.e., after receiving a LIHTC award), even if all affordable units will be replaced.

4. **Releases and/or Amendments Prior to Expiration of Term.** HUD will not agree to release the use restriction, HUD will evaluate on a case-by-case basis for extraordinary circumstances.

5. **LIHTC Transactions.** If the disposition and DOT release will occur in conjunction with a Low-Income Housing Tax Credit (LIHTC) financial closing, the LIHTC Land Use Restriction Agreement (LURA) can be the Use Restriction Document, despite the fact that HUD is not a party. If the LIHTC units will be developed (new construction or rehabilitation) after the disposition and the LIHTC LURA can't be recorded at the time of the disposition, HUD will require that an alternative use agreement be recorded. If requested by the parties and acceptable to the Field Office, the Field Office may release that first use agreement when the LIHTC LURA is recorded against the Property.
6. **Expiration.** Upon the expiration of the term, the Use Restriction shall cease and terminate, and the Property shall be deemed automatically released of the Use Restriction Document and the covenants without the requirement of any further writing between the parties herein. Upon expiration of the Use Restriction Term, HUD agrees to execute and deliver such documents that the owner shall reasonably request to release the Use Restrictions from the Property title, thereby clearing the Property.

7. **Events of Default and Notices.** HPHA shall be primarily responsible for enforcing and monitoring the Acquiring Entity's compliance with the Use Restriction, although the Use Restriction Document must provide HUD with the same enforcement rights as the HPHA. Upon an Event of Default, in addition to any remedies specified in the Use Restriction Document, HPHA and/or HUD shall have all other remedies available under statute, at law or in equity. Further, HPHA and/or HUD may take whatever investigative steps it deems necessary to ensure compliance with the Use Restriction. Upon an Event of Default, to the extent permitted by applicable law, HPHA and/or HUD shall have the right to seek specific performance of the Use Restriction and/or to enjoin any violation of the Use Restriction. The right to specific performance and injunction shall be in addition to all other remedies available to HPHA and/or HUD under statute, at law or in equity.
8. **Governing Law.** The Use Restriction Document shall be governed, construed and interpreted in accordance with the laws of the state in which the Property is located, without regard to its conflict of laws principles, and the laws of the United States of America.
9. **Records and Reporting.** For the duration of the Use Restriction Term, HPHA shall retain records and annually report to its board of directors to confirm the Property is in compliance with the Use Restriction Document. HPHA shall provide such records to HUD whenever HUD approval is needed under the terms of this approval (see above) as outlined in the Use Restriction Document, or upon request.

PHAs or owners should submit requests for these HUD approvals to the Field Office, with a courtesy copy to **SACTA@hud.gov**. Note that after the disposition occurs, SAC will not issue any amendments or changes to its approval and the HUD approvals will come from the Assistant Secretary of PIH, or their designee with delegated authority.

Requirements for Updating Timetable--"Days to Relocation" Field

The disposition and removal of the Property will impact the PHA's Operating Fund Subsidy. Unless the units are part of a building that contains ineligible units or HA rejects the fee, the PHA will receive Asset Repositioning Fee (ARF) under 24 C.F.R. 990.190(h). See PIH Notice 2021-37 at **https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-37.pdf**. The ARF timeline is determined, in part, based on the "Days to Relocation" field in the timeline of the Application.

The PHA must comply with regulatory requirements at 24 C.F.R. 990.190(h) and PIH Notice 2021-37 to ensure that ARF-related data in the IMS/PIC Application is accurate. If the PHA's timeline to begin relocation changes to be materially delayed, or to start materially early, the IMS/PIC DDA Application must be updated. This is important because units eligible for ARF are not eligible for `regular' Operating Subsidy and funding for units essentially stops at the end of the ARF timeline. See PIH Notice 2021-37 for detailed instructions. A summary for how PHAs request changes to the start of relocation field in the Application are as follows:

1. PHA sends an email to the Field Office Director (adding PH staff assigned to the PHA) with the subject line: "PHA Code, SAC application DDAP Number, Modification to Days to Relocation". The PHA includes the new estimated number for the Days to Relocation, along with a brief explanation of the reason for the change and a revised form HUD-52723 for the current year.
2. Field Office reviews the justification for consistency (e.g., information from residents that relocation has started) and that the new estimated Days to Relocation is not past the

Operating Fund subsidy revisions deadline in the first year of ARF eligibility. The Operating Fund subsidy revisions deadline is the date after which HUD no longer accept PHAs' requests for revisions to the form HUD-52723.

3. If PHA's request is acceptable, SAC modifies the Days to Relocation in the IMS/PIC DDA Application and emails the PHA confirming the change. HUD processes these modifications as technical corrections to approved Applications without a formal amendment of the Application. Field Office processes the revised form HUD-52723.
4. If PHA's request is not accepted (e.g., the requested new Days to Relocation is past the Operating Fund subsidy revisions deadline), the Field Office denies the change in writing and rejects the revised form HUD-52723.

Note that PHA is only required to request updates to the Days to Relocation (relocation start) field in the timetable. If PHA's plans change on its estimated timetable for completing relocation, executing the disposition document, or disposing of the Property (requesting release of DOT from HUD), PHA is not required to request that HUD update these fields in the IMS/PIC DDA Application. However, PHA should keep its Field Office up to date on its progress of the implementation, including any unexpected delays and/or substantial deviations from the estimated timetable in the Application.

See also DDTF and ARF Summary Repositioning document at **https://www.hud.gov/sites/dfiles/PIH/documents/DDTF%20and%20ARF%20Summary%20.pdf**

90-Day Minimum for Relocation and Impact on Operating Funds

Note a 90-day minimum is required for the start of relocation. Because the "days to relocation" data in the PHA's estimated timetable impacts PHA's Operating Fund Subsidy, PHA must ensure its accuracy. If plans change, the PHA must take steps to update this estimated start of relocation. See section in this approval titled "*Impact on Operating Funds (Requirements for Updating Timetable--"Days to Relocation" Field)"* for requirements and instruction on when and how PHA must request changes to the estimated start of relocation.

HUD reminds the PHA that the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) does not apply to relocations done pursuant a Section 18 disposition approval. Instead, PHA must relocate families in accordance with the requirements of 24 C.F.R. 970.21. Key requirements of relocation include:

- PHAs are responsible for providing each family residing in a unit approved for disposition (impacted families) a written "90-day" notice. PHAs cannot issue the notice until after HUD issues the approval letter. PHAs must provide the notice at least 90-days prior to the displacement date, except in cases of imminent threat to health and safety (in which case, PHAs can relocate the families prior to 90-days). The notice must include statements that:
    - The development or portion of the development will be disposed of;
    - The PHA will not dispose of any building until all residents are relocated;
    - The PHA will offer comparable housing to each family/resident;
    - The PHA will pay actual and reasonable relocation expenses; and,

- The PHA will provide necessary counseling for residents.

- Comparable housing may include:
  - Tenant-based assistance, through a PHA's existing Section 8 Housing Choice Vouchers (HCV), or through a new HCV allocation of Tenant Protection Vouchers, except that such assistance will not be considered "comparable housing" until the family is actually relocated into such housing;
  - Project-based assistance, such as a unit in project-based RAD project or a units assisted by an HCV Project-Based Voucher (PBV) contract; or
  - Occupancy in a unit operated or assisted by the PHA at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated.

  - PHAs may offer families any or all of the above comparable housing, including the ability to use these forms of comparable housing at their current public housing units (after disposition) or at an off-site unit. If families are offered and accept the use of tenant-based or PBV assistance in their current units, there may be no moving expenses. A PHA may offer families only comparable housing in the form of a PBV lease in their current units, provided those families qualify for HCV assistance (i.e., are not over-income) and the unit meets Housing Quality Standards (HQS) and other HCV requirements. PHAs offering families the ability to remain in their units with a PBV lease may, but are not required, to offer families a one-time opportunity to move with tenant-based assistance.

- If families will be offered comparable housing in their current units with tenant-based HCV assistance but will be displaced (temporarily or permanently) after the disposition (i.e., due to rehab or demo/new construction of the property), PHAs should fully inform families of this, including any offer to pay moving expense (must be with non-Federal funds since after disposition), and any offer of a right-of-return. Note that if families are offered PBV units in their current units, such PBV leases cannot be terminated due to rehab, demo/new construction, or another business reason. See 24 C.F.R. part 983 and other applicable PBV requirements.

- PHA may not complete the disposition of a building until all residents in a building are relocated.

- If assistance under the Community Development Block Grant (CDBG) program or HOME program is used in connection with the demolition or conversion of housing (including demolition or conversion by the acquiring entity after the disposition occurs), the project may be subject to section 104(d) of the Housing and Community Development Act of 1974, including the one-for-one replacement provisions and the anti-displacement provisions (see 24 C.F.R. part 42).

- PHAs have flexibility in implementing their relocation plans, provided they comply with 24 C.F.R. 970.21. Except for changes to the estimated start of relocation, PHAs are not required to obtain HUD approval for changes to their relocation plans that are different from those described their Application, provided those changes otherwise comply with 24 C.F.R. 970.21, However, PHAs should keep their Field Offices updated on their relocation plans.

- PHAs include in their Applications an estimated budget for relocation expenses and their expected source of funds to pay for such expenses. PHAs are reminded that HUD's approval of the Application does not approve PHA to use the Act Public Housing funds (i.e., Capital or Operating Funds) for relocation expenses. PHA must comply with all applicable requirements of 24 C.F.R. 905 and 24 C.F.R. 990 for using those funds for relocation. HUD's approval of the

Application may include approval PHAs to use gross or net disposition proceeds to pay for relocation.

- HUD encourages PHAs to provide the Field Office with information on the status of its relocation plan at least 30 days prior to the date it anticipates it will request a release of the Declaration of Trust (DOT) release of the Property. The Field Office may request information from the PHA about its relocation prior to releasing the DOT.
- PHAs should also note that if it is combining the use of RAD and Section 18 disposition at a Converting Project (as defined by RAD) where all units will be operated under RAD or non-RAD project-based assistance, pursuant to Section I (1.5)(B)(2) of **PIH Notice 2019-23** (RAD Notice), the RAD relocation requirements described in **PIH Notice 2016-17** (RAD Fair Housing, Civil Rights, and Relocation Notice) at https://www.hud.gov/sites/documents/16-17HSGN_16-17PIHN.PDF shall apply to residents of the Section 18 units, in lieu of the relocation requirements at 24 C.F.R. 970.21.

PHAs may request technical assistance on relocation by contacting the Field Office, **SACTA@hud.gov**. See also Appendix 33 to the Tenant Assistance, Relocation and Real Property Acquisition Handbook (1378.0) at https://www.hud.gov/sites/documents/1378X33CPDH.PDF

IMS/PIC Reporting

In accordance with 24 C.F.R. 970.35, the PHA must ensure the Property is "Removed from Inventory" ("RMI") status in IMS/PIC within seven (7) days of disposition (i.e., transfer of warranty deed or execution of ground lease).
Specific instructions for completing the removal in IMS/PIC are as follows:

1. Select the "Development Number", then select "Add Transaction"
2. Select the appropriate "Application (DDA) Number" from the drop-down menu
3. In the "Action/Closing Date" box, enter the removal (demolition) date If the properties in a DDA application were demolished/disposed of (phased) on multiple dates, a separate transaction is needed for each action date
4. Use "Remove Residential Inventory by Building" section, select the appropriate building(s) available in the "Complete Buildings Available" box and transfer them to the "proposed Buildings" box
5. Save the information using the "Save" button. The status of this information is then displayed as "Draft"
6. The PHA supervisory staff submits the information to the PHA Executive Director, or the designated final reviewer at PHA, using the Submission sub tab. The status becomes "Submitted for Review"
7. The PHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status
8. The Field Office reviews the request, and once the Field Office approves it, the status of the units in IMS/PIC permanently changes to RMI.

Use of Public Housing Funds for Disposition-Related Costs

Section 18 of the Act authorizes HUD to approve unfunded applications. Therefore, HUD's approval of the Application does not approve PHAs to use Public Housing Capital and/or

Operating Funds to pay for disposition-related costs (i.e., relocation costs, environmental review costs, consultation costs, appraisals costs). Many of these costs are eligible uses of Public Housing Funds, but HPHA must comply with all applicable public housing requirements (including 5-Year CFP Action Plan requirements) regarding the use of Public Housing Funds CFR 905.500(j), which can be used for eligible Capital Fund purposes.

Project-Based Vouchers (PBVs) at the Property

If HPHA proposes to develop/operate PBV (at the Property or off-site), HPHA must independently and separately comply with all applicable PBV program requirements including section 8(o)(13) of the Act (as amended by HOTMA, Public Law114-201, 130 Stat.782), HUD regulation at 24 C.F.R. part 983, and other applicable HUD guidance. These include, but are not limited to, HOTMA Federal Register (FR) Implementation Notice at 82 FR 5458 (January 18, 2017), 82 FR 32461 (Jul. 14, 2017) (HOTMA Correction), 85 FR 12001 (Feb. 28, 2020) (SLR), **PIH Notice 2017-21 (HA)** and environmental requirements outlined in PIH Notice 2016-22 (HA). Note that if the property will be operated as a federally assisted project (e.g., PBV) following disposition, that generally requires a separate Environmental Review (ER) (unless both the disposition and PBV use are contemplated in the same ER and the ER completed satisfies the requirements of both programs).

Impact on Capital Funds

HPHA will not receive "normal" Capital Funds for the next FYI for units in "Removed from Inventory" (RMI) status with removal dates on or before June 30th. Instead, PHA may be eligible for Demolition and Disposition Transitional Funding (DDTF) under 24 905.400. See also DDTF and ARF Summary Repositioning document at **https://www.hud.gov/sites/dfiles/PIH/documents/DDTF%20and%20ARF%20Summary%20.pdf**

Compliance with Public Housing Requirements Until Disposition

HPHA must operate and maintain the Property in accordance with all applicable public housing requirements under its Annual Contributions Contract (ACC) up until disposition (DOT release), including, but not limited to:

- Environmental Requirements (ER) for public housing property. See PIH Notice 2016-22 (HA).

- Expenditure of Public Housing Funds (for Operations and Modernization) at the Property. Generally permitted consistent with Capital and Operating Funds rules. See the Public Housing Funds and Repositioning document at www.hud.gov/sites/dfiles/PIH/documents/Repositioning%20and%20Public%20Housing%20Funds.pdf. However, if HUD's approval of the Application was supported by PHA's certification and supporting evidence of physical obsolescence (and the cost-test for rehab), HPHA may not expend Public Housing Funds at the Property to the extent that the Property would no longer be obsolete.
- Re-occupancy of Units at the Property. HPHA may decide it is in the best interests of the PHA, its residents, and the community to re-occupy vacated units up until disposition. In accordance with **PIH Notice 2017-21 (HA)**, if PHA proposed the disposition because the

units are structurally unsound, located in a floodway, or otherwise uninhabitable,_HPHA cannot reoccupy the units. PHA cannot re-occupy units after issuance of the 90-day relocation notice. PHAs must provide the newly occupied families with the relocation benefits and comparable housing resources required by 24 C.F.R. 970.21. HUD recommends HPHA provide new families with a move-in notice explaining that the Property will be disposed of (including an estimated timeframe) and that the family will be provided with relocation benefits.

Resources

HUD's Public Housing Repositioning website at **www.hud.gov/repositioning**

SAC's website at **www.hud.gov/sac**

Section 18 Application Checklist. Includes an Order of Operations that includes post-approval steps (See Exhibit C of Checklist)
https://www.hud.gov/sites/dfiles/PIH/documents/Section18ApplicationChecklist.pdf

Post-Closing Asset Repositioning Videos (for operating PBV projects post-closing) PHA Asset Repositioning Post-Closing How-To Videos - HUD Exchange

PBV FAQs **https://www.hud.gov/sites/dfiles/documents/PBV_FAQs.pdf**

Exhibit A
Legal Description

Situate at Kalihi, Honolulu, Oahu, Hawaii.

Beginning at the Northwest corner of this parcel of land, being also the Northeast corner of Phase 2 Future Development Unit, along the Southwest side of Ahonui Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9,725.80 feet North and 9,287.41 feet West, thence running by azimuths measured clockwise from true South:

1. Along the Southeast side of Ahonui Street, on a curve to the left with a radius of 90.00 feet, the chord azimuth and distance being: 240° 40' 08.5" 27.52 feet;

2. 231° 52' 30" 454.37 feet along the Southeast side of Ahonui Street;

3. 321° 52' 30" 97.59 (calc.) feet along Lot 13 of Takara Tract, being a portion of Grant 3293 to Aiona;

4. 236° 06' 40" 156.56 (calc.) feet along Lot 13 and portions of Lots 12, 11 and 10 of Takara Tract, being portions of Grant 3293 to Aiona;

5. 288° 11' 42.80 feet along Lot 5 as shown on Map 9 of Land Court Application 1331;

6. 228° 27' 79.12 feet along Lot 5 as shown on Map 9 of Land Court Application 1331;

7. 224° 13' 40" 62.02 feet along Lot B, being a portion of Land Commission Award 1216, Apana 2 to Ohia, and Lot 8-A of Takara Tract, being a portion of Land Commission Award 1216, Apana 2 to Ohia;

8. 317° 03' 105.40 feet along Lots 2 and 1, being portions of Grant 3280 to Kekuewa;

9. 220° 08' 114.00 feet along Lot 1, being a portion of Grant 3280 to Kekuewa;

10. 323° 11' 30" 5.00 feet along the Southwest side of North School Street;

11. Thence along the Northwest side of Linapuni Street, on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being: 7° 33' 15" 41.95 feet;

12. 51° 55’ 807.19 feet along the Northwest side of Linapuni
Street;
13. Thence along the Northwest side of Linapuni Street, on a curve to the right with a radius of 630.10 feet, the chord azimuth and distance being: 54° 00’ 43.5” 46.08 feet;

14. 141° 55’ 70.54 feet along Phase 2 Future Development Unit;

15. 119° 55’ 56.17 feet along Phase 2 Future Development Unit;

16. 60° 54’ 27” 37.80 feet along Phase 2 Future Development Unit;

17. 150° 54’ 27” 122.78 feet along Phase 2 Future Development Unit
to the point of beginning and containing
an area of 159,555 square feet.

Total Development Cost (TDC) Addendum

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

OMB Approval No. 2577-0075 (exp. 10/31/2010)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required to as a supplement to the HUD-52860 for all inventory removal actions that involve a demolition action or a disposition action justified by obsolescence based on requirements of Section 18 of the United States housing Act of 1937 as amended ("Act") and 24 CFR Part 970. HUD will use this information to determine whether, and under what circumstances, to permit PHAs to remove from their inventories all or a portion of a public housing development, as well as to track removals for other record keeping requirements. Responses to this collection of information are statutory and regulatory to obtain a benefit. Please refer to the instructions for each section for additional guidance on how to complete this application. HUD approval of the proposed removal from inventory action in this application does not constitute HUD approval for funding of the proposed action. All capitalized terms not defined in this form have the meanings as defined in the Act and the HUD Regulations. The information requested does not lend itself to confidentiality.

1. Inventory Removal Application Number DDA0012818
Development Name & Number _Kuhio Park Low Rises - Phase I, HI001000040_

2. Total Development Cost Calculation

Based on HUD Notice _PIH-2011-38 (HA)_ For Locality: Hilo, Hawaii 2023

If Justification is based upon obsolescence of the units/buildings, complete the applicable calculation below for the unit proposed for demolition for each project

Size - Type	Number of units	Times	TDC Per Unit	= TDC
0 - Bdr Detached and Semi detached		X	$ -	$ -
0 - Bdr Row Dwelling		X	$ -	$ -
0 - Bdr Walk-Up		X	$ -	$ -
0 - Bdr elevator		X	$ -	$ -
1 - Bdr Detached and Semi detached		X	$ -	$ -
1 - Bdr Row Dwelling		X	$ -	$ -
1 - Bdr Walk-Up		X	$ -	$ -
1 - Bdr elevator		X	$ -	$ -
2 - Bdr Detached and Semi detached		X	$ -	$ -
2 - Bdr Row Dwelling	12	X	$ 393,751.00	$ 4,725,012.00
2 - Bdr Walk-Up		X	$ -	$ -
2 - Bdr elevator		X	$ -	$ -
3 - Bdr Detached and Semi detached		X	$ -	$ -
3 - Bdr Row Dwelling	12	X	$ 498,498.00	$ 5,981,976.00
3 - Bdr Walk-Up		X	$ -	$ -
3 - Bdr Elevator		X	$ -	$ -
4 - Bdr Detached and Semi detached	4	X	$ 637,405.00	$ 2,549,620.00
4 - Bdr Row Dwelling	32	X	$ 604,772.00	$ 19,352,704.00
4 - Bdr Walk-Up		X	$ -	$ -
4 - Bdr Elevator		X	$ -	$ -
5 - Bdr Detached and Semi detached		X	$ -	$ -
5 - Bdr Row Dwelling		X	$ -	$ -
5 - Bdr Walk-Up		X	$ -	$ -
5 - Bdr Elevator		X	$ -	$ -
6 - Bdr Detached and Semi detached		X	$ -	$ -
6 - Bdr Row Dwelling		X	$ -	$ -
6 - Bdr Walk-Up		X	$ -	$ -
6 - Bdr Elevator		X	$ -	$ -
TOTAL				$ 32,609,312

3. Estimated Cost of Rehabilitation $ 19,314,666

Provide an attachment showing cost breakdown and reference it as Addendum to 52860-B – Rehabilitation Cost Breakdown

4. Rehabilitation Cost % (Estimated Cost of Rehabilitation/Total TDC) x 100 = **59.23%**

Provide attachments as needed.
All attachments must reference the Section and line number to which they apply. Previous versions obsolete.

form HUD-52860-B (10/2007)

3-Year Physical Needs Estimate

RS Means 2023 4th Quarter Costs - 2023 HUD TDC Limits - Hilo, Hawaii

Date: 11/8/2023
Project: Kuhio Park Low Rises - Phase I
Address: 1449 Ahonui Street
City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
1	**3**	**Concrete**					**$ 347,325.18**			
			Concrete Repair/ Replacement							
	030505100150	Demolition	Selective concrete demolition, up to 2 tons, remove whole pieces, incl loading, excludes shoring, bracing, saw or torch cutting, hauling, dumping (25% replacement dwelling unit porches)	EA	$172.49	30	$ 5,174.70		$5,175	
	D3G Estimate	Concrete	Concrete Repair, per unit - Interior cutting and patching - sewer line replacement	Apt	$1,750.00	60	$ 105,000.00		$105,000	
	030130711140	Concrete	Concrete crack repair, structural repair by epoxy injection (ACI RAP-1), manual injection 1/32" wide x 10" deep	LF	$9.12	3,200	$ 29,184.00		$29,184	
	033053404535	Concrete	Handicapped ramp - with 6" curb, railing both sides, 5' wide, includes forms	LF	$1,392.17	60	$ 83,530.20		$83,530	
	031113651000	Concrete	Concrete forming, slab on grade, bulkhead forms (25% replacement dwelling unit porches)	LF	$9.59	378	$ 3,625.02		$3,625	
	033053404650	Concrete	Concrete slab on grade, (3500 psi) (25% replacement dwelling unit porches)	CY	$426.47	20	$ 8,529.40		$8,529	
	033053404710	Concrete	Thickened slab edge, 8" x 8" reinforced (25% replacement dwelling unit porches)	LF	$19.62	378	$ 7,416.36		$7,416	
	033113704300	Concrete	Placing concrete, slab on grade direct chute(25% replacement dwelling unit porches)	CY	$43.84	20	$ 876.80		$877	
	033513300150	Concrete	Finishing floors, float, broom finish (25% replacement dwelling unit porches)	SF	$1.36	750	$ 1,020.00		$1,020	
	321123230100	Concrete	Base course, drainage layer, crushed 3/4" stone, 6" deep (25% replacement dwelling unit porches)	SY	$13.33	85	$ 1,133.05		$1,133	
	320610102165	Concrete	Load, dump, and spread stone w/skid steer, 200' haul (25% replacement dwelling unit porches)	CY	$135.53	20	$ 2,710.60		$2,711	
	031113651000	Concrete	Concrete forming, slab on grade, bulkhead forms (construction of mechanical rooms)	LF	$9.59	900	$ 8,631.00		$8,631	
	033053404650	Concrete	Concrete slab on grade, (3500 psi) (construction of mechanical rooms)	CY	$426.47	74	$ 31,558.78		$31,559	
	033053404710	Concrete	Thickened slab edge, 8" x 8" reinforced (construction of mechanical rooms)	LF	$19.62	900	$ 17,658.00		$17,658	
	033113704300	Concrete	Placing concrete, slab on grade direct chute (construction of mechanical rooms)	CY	$43.84	74	$ 3,244.16		$3,244	
	033513300150	Concrete	Finishing floors, float, broom finish (construction of mechanical rooms)	SF	$1.36	3,000	$ 4,080.00		$4,080	
	321123230100	Concrete	Base course, drainage layer, crushed 3/4" stone, 6" deep (construction of mechanical rooms)	SY	$13.33	333	$ 4,438.89		$4,439	
	320610102165	Concrete	Load, dump, and spread stone w/skid steer, 200' haul (construction of mechanical rooms)	CY	$135.53	74	$ 10,029.22		$10,029	
	033053403250	Concrete	Structural concrete, in place, elevated slab (4000 psi), floor fill, 2-1/2" thick (portland cement), placing and finishing, excl forms,reinforcing (mechanical room roofs)	SF	$4.33	3,000	$ 12,990.00		$12,990	
	033053403250	Concrete	Structural concrete, in place, elevated slab (4000 psi), floor fill, 2-1/2" thick (portland cement), placing and finishing, excl forms,reinforcing (filling holes in concrete roof)	SF	$4.33	1,500	$ 6,495.00		$6,495	
2	**4**	**Masonry**					**$ 1,113,470.40**			
	040120300300	Masonry	Pointing masonry, cut and re-point block, hard mortar, running bond (20%)	SF	$ 5.68	12,240	$ 69,523.20		$69,523	
	040505100330	Demolition	Selective demolition, masonry, condrete block walls, unreinforced, 8" thick (mechanical rooms)	SF	$ 1.39	5,280	$ 7,339.20		$7,339	
	042210240200	Masonry	Concrete block, exterior, C90, 2000 psi, normal weight, 8" x 16" x 8" thick	SF	$ 13.17	19,200	$ 252,864.00		$252,864	
	B20101525270	EIFS	E.I.F.S., Exterior Insulation Finish System (construction of	SF	$ 40.82	19,200	$ 783,744.00		$783,744	
3	**5**	**Metals**					**$ -**			
			None Included							
4	**6**	**Rough Carpentry**					**$ 140,689.60**			
			Interior Framing							

3-Year Physical Needs Estimate

RS Means 2023 4th Quarter Costs - 2023 HUD TDC Limits - Hilo, Hawaii

Date: 11/8/2023
Project: Kuhio Park Low Rises - Phase I
Address: 1449 Ahonui Street
City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
	D3G Estimate	Rough Carpentry	Blocking @ kitchens & baths	Apt	$ 350.00	60	$ 21,000.00		$21,000	
	061110420300	Rough Carpentry	Furring, wood, on walls, on masonry, 1" x 2", 24" O.C.	LF	$ 2.26	52,960	$ 119,689.60		$119,690	
5	**6**	**Finish Carpentry**					**$ 162,912.48**			
	062213505950	Finish Carpentry	Units - Moldings, window & door, window trim sets, 2-1/2" wide, includes casings, header, stops, stool & apron, pine	Opng.	$ 183.46	888	$ 162,912.48		$162,912	
6	**7**	**Waterproofing**					**$ 3,825,224.48**			
	070505100020	Demolition	Caulking, sealant removal, to 1"	LF	$ 1.20	20,244	$ 24,292.80		$24,293	
	079213203900	Moisture Protection	Joint sealants, caulking and sealants, polyurethane, bulk, in place, 1 or 2 component, 1" x 1/2"	LF	$ 5.72	20,244	$ 115,795.68		$115,796	
			EIFS Veneer							
	090505303500	Demolition	Walls and partitions demolition, stucco, on masonry	SY	$ 5.33	72,800	$ 388,024.00	8089	$43,114	62,200/9
	040120520320	EIFS / Stucco	Cleaning masonry, heavy restoration, heavy soil, biological and mineral staining, paint, by chemical, high pressure wash, brush and rinse, excludes scaffolding	SF	$ 7.15	72,800	$ 520,520.00		$520,520	
	072413100105	EIFS	Polymer based exterior insulation and finish system, field applied, 2" EPS insulation		$ 12.97	72,800	$ 944,216.00	$10.18	$944,216	
	072413100145	EIFS	Polymer based exterior insulation and finish system, field applied, drainage and ventilation cavity, add		$ 2.29	72,800	$ 166,712.00		$166,712	
	072413100170	EIFS	Polymer based exterior insulation and finish system, field applied, 3.4#/S.Y. metal lath substrate add		$ 20.11	72,800	$ 1,464,008.00	8089	$162,670	Sq-yds instead of Sq-ft
	072413100190	EIFS	Polymer based exterior insulation and finish system, field applied, for color or texture change with substrate leveling base coat, 1" EPS insulation		$ 2.77	72,800	$ 201,656.00		$201,656	
7	**7**	**Insulation**					**$ 886,759.88**			
	070505102520	Demolition	Selective demolition, thermal & moisture protection, roof insulation board, up to 2" thick	SF	$ 0.94	33,102	$ 31,115.88		$31,116	
	072216101920	Insulation	Roof deck, Extruded polystyrene 2" thick, R-10 per layer. (3 layers)	SF	$ 2.13	171,600	$ 365,508.00		$365,508	
	072113101940	Insulation	Furred walls above grade, rigid, expanded polystyrene insulation, rigid, for walls, 2" thick, R10	SF	$ 3.91	62,200	$ 243,202.00		$243,202	
	061613100090	Insulation	Insulating sheathing, polyisocyanurate, 1-1/2" thick, 2#/CF density, fastening excluded	SF	$ 2.56	62,200	$ 159,232.00		$159,232	
	072116200020	Insulation	Blanket insulation for walls, kraft faced fiberglass, 3-1/2" thick, R11	SF	$ 1.41	62,200	$ 87,702.00		$87,702	
8	**7**	**Roofing**					**$ 279,752.24**			
			Flat Roof Replacement							
	070505104420	Demolition	Selective demolition, thermal & moisture protection, single ply membrane, fully adhered	SQ	$ 93.23	572	$ 53,327.56		$53,328	
	075323204800	Roofing	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	SQ	$ 321.34	572	$ 183,806.48		$183,806	
	075323204850	Roofing	Ethylene-propylene-diene-monomer roofing, (EPDM), seam tape for membrane, 3" x 100' roll (5 rolls / bldg)	EA	$ 53.46	80	$ 4,276.80		$4,277	
	076523104820	Roofing	EPDM flashing, flexible, 90 mils, 2" diameter pipe flashing (1 per unit)		$ 30.87	60	$ 1,852.20		$1,852	
	076523104840	Roofing	EPDM flashing, flexible, 90 mils, 4" diameter pipe flashing (2 per unit)		$ 41.91	120	$ 5,029.20		$5,029	
	072216103010	Roofing	Roof deck insulation, fastening alternatives, coated screws 4", 1 per SF	EA	$ 0.55	57,200	$ 31,460.00		$31,460	
9	**7**	**Roof Accessories**					**$ 26,886.08**			
	077143100500	Roof Flashing	Drip edge, galvanized, mill finish, 8" wide	LF	$ 3.74	3,292	$ 12,312.08		$12,312	
	076510100100	Roof Flashing	Sheet metal flashing, aluminum, mill finish, .32" thick, inc. up to 4 bends	SF	$ 12.14	800	$ 9,712.00		$9,712	
	221316802060	Roof Flashing	Vent flashing, glavanized, 4" pipe, includes neoprene ring	EA	$ 93.50	52	$ 4,862.00		$4,862	
10	**7**	**Sheet Metal**					**$ 50,055.80**			
	077123300100	Gutters	Aluminum gutters, stock, enameled, 5", .027 thick	LF	$ 12.41	2,476	$ 30,727.16		$30,727	
	077123100100	Gutters	Aluminum downspouts, enameled, 2"x3", .020 thick	LF	$ 7.74	1,920	$ 14,860.80		$14,861	
	077123200300	Gutters	Aluminum downspout elbows, aluminum, enameled, .025" thick, 3"x4"	EA	$ 17.35	156	$ 2,706.60		$2,707	
	077123305220	Gutters	Gutter outlets, aluminum, 3"x4"	EA	$ 3.92	52	$ 203.84		$204	
	077123305020	Gutters	Gutter end caps, K Type, aluminum, 5"	EA	$ 7.20	52	$ 374.40		$374	

3-Year Physical Needs Estimate

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City, State, Z Honolulu, Hawaii 96819

Gross Square Feet: 61,560
Net Square Feet: 57,780
Number of Units: 60

Line	Div.	Trade Item	Trade Item Description	Trade Unit	Unit Cost	Quantity	Total Cost	Unit Cost - SAC	Total Cost - SAC	SAC Comments
	320610100850	Gutters	Splash block, precast concrete	EA	$ 22.75	52	$ 1,183.00		$1,183	
11	**8**	**Doors**					**$ 912,171.93**			
			Entry Doors							
	080505100202	Demolition	Door demolition, single, 3' - 6" x 6' - 8" high, 1-3/4" thick, remove (entry and mechanical room doors)	EA	$ 62.10	180	$ 11,178.00		$11,178	
	080505102200	Demolition	Door demolition, door frames, wood, remove (entry and mechanical room doors)	EA	$ 57.75	180	$ 10,395.00		$10,395	
	081313200040	Doors	Residential steel door, prehung, insulated, exterior, 3-0 x 6-8 (entry and mechanical room doors)	EA	$ 1,081.97	180	$ 194,754.60		$194,755	
	081163230440	Doors	Aluminum screen and storm door and frame, 3-0	EA	$ 634.70	120	$ 76,164.00		$76,164	
			Entry Door Hardware							
	087120900012	Door Accessories	Hinges, full mortise, steel base	PR	$ 59.43	180	$ 10,697.40		$10,697	
	087120401400	Door Accessories	Door hardware, lockset, heavy duty, cylindrical, with sectional trim, residential	EA	$ 624.57	180	$ 112,422.60		$112,423	
	087120410100	Door Accessories	Door hardware, deadlock, tubular, medium duty, outside key	EA	$ 277.05	180	$ 49,869.00		$49,869	
	087125102300	Door Accessories	Weatherstripping doors, metal frame, bronze spring, 3x7 door	EA	$ 375.94	120	$ 45,112.80		$45,113	
	087120452020	Door Accessories	Peepholes, wide view,	EA	$ 43.74	120	$ 5,248.80		$5,249	
	087120652300	Door Accessories	Thresholds, ADA compliant, 4" wide, 36" long	EA	$ 112.09	6	$ 672.54		$673	
	087120650800	Door Accessories	Thresholds, rubber, 2-3/4" wide x 1/2" thick	EA	$ 120.10	114	$ 13,691.40		$13,691	
			Interior Doors							
	080505101500	Demolition	Door demolition, hollow core, remove	EA	$ 115.51	300	$ 34,653.00		$34,653	
	081723104620	Doors	Doors, prehung, interior, passage, luan, flush, hollow core, 4-5/8" solid jamb, 1-3/8"x6'8"x2'8" wide	EA	$ 566.39	300	$ 169,917.00		$169,917	
	081313202330	Doors	Door, interior, residential, closet, bi-fold, 2' x 6'-8"	EA	$ 559.78	204	$ 114,195.12		$114,195	
			Interior Door Hardware							
	087120400100	Door Accessories	Interior Door hardware, lockset, non-keyed passage, privacy	EA	$ 264.91	141	$ 37,352.31		$37,352	
	087120501300	Door Accessories	Door stops, holder and bumper, floor or wall	EA	$ 37.79	684	$ 25,848.36		$25,848	
12	**8**	**Windows**					**$ 2,284,212.70**			
			Dwelling Unit Windows							
	080505200280	Demolition	Selective demolition, aluminum windows, includes trim, up to 50 SF	EA	$ 149.04	888	$ 132,347.52		$132,348	
	085113300120	Windows	Impact resistent aluminum single-hung windows, 3/0-5/0	EA	$ 2,243.77	888	$ 1,992,467.76		$1,992,468	
	085113206200	Window accessory	For aluminum units in concrete openings add 8%	EA	$ 179.50	888	$ 159,397.42		$159,397	
13	**8**	**Glass**					**$ -**			
			None Included							
14	**9**	**Lath and Plaster**					**$ -**			
			None Included							
15	**9**	**Drywall**					**$ 435,083.40**			
	092910302050	Drywall	Gypsum wallboard, on walls, standard, taped & finished (level 4 finish), 5/8" thick (1st floor common areas)	SF	$ 2.51	173,340	$ 435,083.40		$435,083	
16	**9**	**Ceramic Tile**					**$ 46,457.40**			
	093113101900	Ceramic Tile	Ceramic tile, bathtub, adhesive set, 5' w x 6' h, with 4-1/4" x 4-1/4"	EA	$ 774.29	60	$ 46,457.40		$46,457	
17	**9**	**Acoustical**					**$ -**			
			None Included				$ -			
18	**9**	**Wood Flooring**					**$ -**			
			None Included				$ -			
19	**9**	**Resilient Flooring**					**$ 245,147.40**			
	090505200900	Demolition	Demo VCT tile (20% replacement)	SF	$ 1.54	10,716	$ 16,502.64		$16,503	
	090505200850	Demolition	Demo Vinyl cove base	LF	$ 0.77	11,556	$ 8,898.12		$8,898	
	096519197150	Resilient Flooring	Flooring, vinyl composition tile, solid, 12" x 12" x 1/8" (20% replacement)	SF	$ 4.11	10,716	$ 44,042.76		$44,043	
	096513130700	Resilient Flooring	Wall base, vinyl, straight or cove, standard colors, 4" high	LF	$ 4.48	11,556	$ 51,770.88		$51,771	
	096513232500	Resilient Flooring	Stair treads & risers, vinyl, tread & riser combined, 1/8" thick	LF	$ 33.56	1,512	$ 50,742.72		$50,743	
	096510103600	Resilient Flooring	Latex underlayment, cementitious for resilient flooring, 1/8" thick	SF	$ 6.83	10,716	$ 73,190.28		$73,190	

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20	**9**	**Painting**					**$ 928,747.24**			
	099123721670	Painting	Painting, on plaster or drywall, rollerwork, primer and 2 coats	SF	$ 3.05	231,120	$ 704,916.00		$704,916	
	099113700370	Painting	Exterior painting, doors, panel both sides, incl. frame and trim, primer & 2 finish coats	EA	$ 365.09	180	$ 65,716.20		$65,716	
	099123350140	Painting	Priming/ painting of doors, interior latex	EA	$ 180.90	504	$ 91,173.60		$91,174	
	099123722290	Painting	Painting, finish coat, smooth finish, cut-in by brush	LF	$ 0.79	23,536	$ 18,593.44		$18,593	
	099123722410	Painting	Painting, finish coat, smooth finish, Roller work	SF	$ 0.79	61,200	$ 48,348.00		$48,348	
21	**10**	**Specialties**					**$ 5,977.20**			
	101423131050	Specialties	Signs, flexible door sign, adhesive back, w/Braille, 5/8" letters, 6" x 6"	EA	$ 99.62	60	$ 5,977.20		$5,977	
22	**10**	**Special Equipment**					**$ -**			
			None Included							
23	**11**	**Cabinets**					**$ 1,053,770.88**			
	120505101100	Demolition	Selective demolition, base cabinets	LF	$ 57.20	720	$ 41,184.00		$41,184	
	120505103130	Demolition	Selective demolition, wall cabinets	LF	$ 45.70	720	$ 32,904.00		$32,904	
	120505101200	Demolition	Selective demolition, countertops	LF	$ 14.30	720	$ 10,296.00		$10,296	
	123223109600	Cabinets	Kitchen cabinets, excl. counters and appliances (wall and base)	LF	$ 587.56	1,440	$ 846,086.40		$846,086	
	123623130100	Cabinets	Countertops, stock, plastic laminate, 24" wide, include backsplash	LF	$ 81.90	720	$ 58,968.00		$58,968	
	123223308050	Cabinets	Vanity bases, 2 doors, 30" high, 21" deep, 30" wide (Not inc. in HC units)	EA	$ 645.30	57	$ 36,782.10		$36,782	
	123661170060	Cabinets	Solid surface vanity top - Solid surface, center bowl, 22" x 31" (Not inc. in HC units)	EA	$ 483.34	57	$ 27,550.38		$27,550	
24	11	**Appliances**					**$ -**			
			None Included							
25	12	**Blinds and Shades, Artwork**					**$ -**			
			None Included							
26	12	**Carpets**					**$ -**			
			None Included							
27	**13**	**Special Construction**					**$ 164,247.00**			
	024119210580	Demolition	Selective demolition, gutting, building interior (dwelling unit bathrooms)	SF	$ 10.33	3,000	$ 30,990.00		$30,990	
	D3G Estimate	Special Construction	Conversion of existing units to be fully UFAS compliant handicapped accessible units. Cost includes carpentry, cabinetry, finishes, mechanical, electrical, and plumbing	EA	$ 20,000.00	3	$ 60,000.00		$60,000	
	078413100530	Firestopping	Firestopping, multi trade openings, through walls, 12x24 (1 per apartment)	EA	$ 1,220.95	60	$ 73,257.00		$73,257	
28	**14**	**Elevators**					**$ -**			
			None Included							
29	**15**	**Plumbing and Hot Water**					**$ 2,230,259.71**			
			Plumbing Fixtures							
	D20109612100	Plumbing	Three fixture bathroom - Lavatory, bathtub & water closet - System includes rough-in (supply, waste and vent) to connect to supply branches and waste mains	EA	$ 8,965.03	57	$ 511,006.71		$511,007	
	D20109612200	Plumbing	Three fixture bathroom, 1 water closet, 36" corner angle shower, 1 lavatory, on 2 walls with all necessary service piping (handicap units)	EA	$ 10,223.78	3	$ 30,671.34		$30,671	
	D20104101960	Plumbing	Kitchen sink system - Kitchen sink w/trim, countertop, 32"x21" double bowl - systems are complete w/trim and rough-in (supply, waste, and vent) to connect to supply branches and waste mains	EA	$ 3,229.28	60	$ 193,756.80		$193,757	
	D20109201180	Plumbing	Two fixture bathroom - Lavatory & water closet - System includes rough-in (supply, waste and vent) to connect to supply branches and waste mains	EA	$ 5,341.80	24	$ 128,203.20		$128,203	
	224139101320	Plumbing	Faucets/fittings, kitchen sink, single control lever handle, polished chrome, with pull out spray	EA	$ 369.47	60	$ 22,168.20		$22,168	
	224139102160	Plumbing	Faucets/fittings, lavatory faucet, concealed with pop-up drain, 12" centers, with pop-up drain	EA	$ 279.08	84	$ 23,442.72		$23,443	
	224139104240	Plumbing	Faucets/fittings, shower pressure balancing mixing valve, chrome, with shower head, arm, flange and diverter tub spout	EA	$ 665.43	60	$ 39,925.80		$39,926	

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	224239305400	Plumbing	Carriers/supports, sink, wall mounted (handicap units)	EA	$ 1,579.60	3	$ 4,738.80		$4,739	
	224116134240	Plumbing	Lavatory, wall hung, porcelain enamel on cast iron, white, single bowl (handicap units)	EA	$ 1,178.70	3	$ 3,536.10		$3,536	
	224139701060	Washer Accessories	Recessed box, 16 ga., two hose valves and drain, 1/2' size, 1-1/2" drain	EA	$ 195.41	60	$ 11,724.60		$11,725	
			Sanitary Waste Piping Replacement within the Units/Buildings							
	221316204160	Sanitary Waste	Pipe, cast iron soil, no hub, 4" diameter, includes couplings 10' OC, clevis hanger assemblies 5' OC	LF	$ 56.24	1,850	$ 104,044.00		$104,044	
	221113450400	Sanitary Waste	Elbow, 45 Deg., steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 778.73	120	$ 93,447.60		$93,448	
	221113450180	Sanitary Waste	Elbow, 90 Deg., steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 633.44	120	$ 76,012.80		$76,013	
	221113454140	Sanitary Waste	Coupling, steel, cast iron, black, straight, merchants, threaded, standard weight, 4"	EA	$ 283.64	300	$ 85,092.00		$85,092	
	221113450620	Sanitary Waste	Tee, steel, cast iron, black, straight, threaded, standard weight, 4"	EA	$ 949.59	180	$ 170,926.20	$318.50	$170,926	221113484800
	221316204100	Sanitary Waste	Pipe, cast iron soil, no hub, 1-1/2" diameter, includes couplings 10' OC, clevis hanger assemblies 5' OC	LF	$ 39.05	1,800	$ 70,290.00	$30.19	$70,290	
	221113763020	Sanitary Waste	Elbow, 45 Deg., steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 56.32	120	$ 6,758.40		$6,758	
	221113450340	Sanitary Waste	Elbow, 90 Deg., steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 138.82	120	$ 16,658.40		$16,658	
	221113454090	Sanitary Waste	Coupling, steel, cast iron, black, straight, merchants, threaded, standard weight, 1-1/2"	EA	$ 84.78	240	$ 20,347.20		$20,347	
	221113450570	Sanitary Waste	Tee, steel, cast iron, black, straight, threaded, standard weight, 1-1/2"	EA	$ 185.07	180	$ 33,312.60		$33,313	
			Domestic Hot Water							
	220505102250	Demolition	Selective demolition, water heater, up to 40 gallon	EA	$ 166.50	60	$ 9,990.00		$9,990	
	223330131080	Domestic Hot Water	Water heater, residential, electric, glass lined tank, double element, 5 year, 40 gallon (two and three bedroom)	EA	$ 1,461.54	24	$ 35,076.96		$35,077	
	223330131100	Domestic Hot Water	Water heater, residential, electric, glass lined tank, double element, 5 year, 52 gallon (four bedroom)	EA	$ 2,157.93	36	$ 77,685.48		$77,685	
	220716102920	Domestic Hot Water	Insulation, domestic water heater wrap kit, with vinyl jacket, 1-1/2" thick, 20-60 gal.	EA	$ 154.08	60	$ 9,244.80		$9,245	
	223430132900	Domestic Hot Water	Water heater, safety-drain pan, 26" diameter	EA	$ 72.50	60	$ 4,350.00		$4,350	
	D3G Estimate	Domestic Hot Water	Install code required pressure relief valve piping and drain pans with piping to discharge outlet	EA	$ 550.00	60	$ 33,000.00		$33,000	
			Copper Supply and Distribution Piping							
	221113232140	Domestic Water	Pipe, copper, tubing, solder, 1/2" diameter, type L, includes coupling & clevis hanger assembly 10' OC	LF	$ 17.83	4,200	$ 74,886.00		$74,886	
	221113232180	Domestic Water	Pipe, copper, tubing, solder, 3/4" diameter, type L, includes coupling & clevis hanger assembly 10' OC	LF	$ 20.33	4,200	$ 85,386.00		$85,386	
	221113250100	Domestic Water	Elbow, 90 Deg., copper, wrought, copper x copper, 1/2"	EA	$ 53.72	360	$ 19,339.20		$19,339	
	221113250120	Domestic Water	Elbow, 90 Deg., copper, wrought, copper x copper, 3/4"	EA	$ 60.46	360	$ 21,765.60		$21,766	
	221113250280	Domestic Water	Elbow, 45 Deg., copper, wrought, copper x copper, 1/2"	EA	$ 52.69	180	$ 9,484.20		$9,484	
	221113250300	Domestic Water	Elbow, 45 Deg., copper, wrought, copper x copper, 3/4"	EA	$ 63.27	180	$ 11,388.60		$11,389	
	221113250480	Domestic Water	Tee, copper, wrought, copper x copper, 1/2"	EA	$ 79.76	180	$ 14,356.80		$14,357	
	221113250500	Domestic Water	Tee, copper, wrought, copper x copper, 3/4"	EA	$ 97.10	180	$ 17,478.00		$17,478	
	221113250680	Domestic Water	Coupling, copper, wrought, copper x copper, 1/2"	EA	$ 49.83	900	$ 44,847.00		$44,847	
	221113250700	Domestic Water	Coupling, copper, wrought, copper x copper, 3/4"	EA	$ 56.07	900	$ 50,463.00		$50,463	
	221119424140	Domestic Water	Backflow preventer, reduced pressure principle, corrosion resistant, automatic operation, ball valves, threaded, 1" pipe size, includes valves and four test cocks	EA	$ 507.88	60	$ 30,472.80		$30,473	
	221119382080	Domestic Water	Water supply meter, domestic/commercial, bronze, threaded, to 30 GPM, 3/4" diameter	EA	$ 583.03	60	$ 34,981.80		$34,982	
30	**15**	**Heat and Ventilation**					**$ 327,288.00**			
	238126105120	Heating & Air Conditoning	Split ductless system, cooling/heating, wall mount, 1-1/2 ton cooling	EA	$ 3,484.10	60	$ 209,046.00		$209,046	

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	238126107010	Heating & Air Conditoning	Split ductless system, accessories for all split ductless systems, for ambient frost control, add	EA	$ 527.75	60	$ 31,665.00		$31,665	
	238126107050	Heating & Air Conditoning	Split ductless system, accessories for all split ductless systems, for tube / wiring kit, 50' kit	EA	$ 285.41	60	$ 17,124.60		$17,125	
	233423106670	Ventilation	Bathroom exhaust, grille, back draft damper, 110 cfm	EA	$ 225.89	60	$ 13,553.40		$13,553	
	233423106946	Ventilation	Exhaust vent wall cap, 3" & 4" round duct (bath & kitchen exhaust)	EA	$ 118.77	120	$ 14,252.40		$14,252	
	233346101500	Ventilation	Exhaust vent duct - flexible, non-insulated, 3" diameter (assume 20' per unit)	LF	$ 7.08	1,200	$ 8,496.00		$8,496	
	113013194300	Ventilation	Range hood, residential appliances, vented, 2 speed, 30" wide	EA	$ 552.51	60	$ 33,150.60		$33,151	
31	**15**	**Air Conditioning**					**$ -**			
			Included in Haeat & Ventilation above							
32	**16**	**Electrical**					**$ 1,828,665.18**			
			Electrical Service							
	260505107102	Demolition	Service entry cable, #4, +#4 neutral, electrical demolition, remove (30LF per unit)	LF	$ 2.69	1,800	$ 4,842.00		$4,842	
	260505250210	Demolition	Meter center, 600 A, electrical demolition, remove	EA	$ 485.97	60	$ 29,158.20		$29,158	
	260505101230	Demolition	Panelboards, 3 wire, 120/240 V, 100 amp, to 20 circuits, electrical demolition, remove, including removal of all breakers, conduit terminations & wire connections	EA	$ 374.72	60	$ 22,483.20		$22,483	
	260590101120	Electrical Service	Electrical breaker panel, 1 phase, 3 wire, 120/240 volt, 100 amp	EA	$ 2,376.26	60	$ 142,575.60		$142,576	
	D3G Estimate	Electrical Service	Relocation of breaker panels due to clearance issues	EA	$ 1,250.00	60	$ 75,000.00		$75,000	
	D50101200245	Electrical Service	Overhead electric service, 1 phase, 3 wire, 120/240 volt, 100 amp w/circuit breaker	EA	$ 3,919.38	60	$ 235,162.80		$235,163	
	262713102610	Electrical Service	Meter center, basic meter device, 4 jaw 125A socket, 1P 3W 120/240 V, 4 meter	EA	$ 3,003.58	15	$ 45,053.70		$45,054	
	D50101200285	Electrical Service	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A w/circuit breaker	EA	$ 6,255.15	60	$ 375,309.00		$375,309	
	262416105400	Electrical Service	Load centers, 3 phase, 4 wire, main breaker, indoor, 120/208 V, 200 amp, 30 circuits, incl 20 A 1 pole plug-in breakers	EA	$ 2,916.63	60	$ 174,997.80		$174,998	
	262416202010	Electrical Service	Circuit breakers, 120/240 volt, plug-in, 2 pole with NM cable, 30 amp (water heaters)	EA	$ 146.15	60	$ 8,769.00		$8,769	
	262416200100	Electrical Service	Circuit breakers, plug-in high interrupting capacity, 2 pole, 120/240 V, 15-50 Amp	EA	$ 124.28	600	$ 74,568.00		$74,568	
`	262416202082	Electrical Service	Circuit breakers, arc fault circuit interrupter, 120/240 V, 1-15 A & 1-20 A, 1 pole	EA	$ 148.41	120	$ 17,809.20		$17,809	
	224139701510	Electrical	Washer dryer accessories, includes vent kit, recessed with door, electrical outlet, flex duct	EA	$ 66.69	60	$ 4,001.40		$4,001	
			Power							
	260505101780	Demolition	Receptacle & switch plates, electrical demolition, remove	EA	$ 3.77	2,400	$ 9,048.00		$9,048	
	260505101790	Demolition	Receptacle & switches, 15 to 30 amp, electrical demolition, remove	EA	$ 7.20	2,400	$ 17,280.00		$17,280	
	260590104350	Branch Wiring	Receptacle devices, residential, decorator style, GFI incl cover plate (3 per unit)	EA	$ 129.66	240	$ 31,118.40		$31,118	
	260590104100	Branch Wiring	Receptacle devices, residential, duplex outlet, ivory, w/ #12/2 type NM cable, 20", 20 amp, incl box & cover plate	EA	$ 108.50	1,416	$ 153,636.00		$153,636	
	262726200500	Lighting	Toggle switch, quiet type, single pole, 20 amp	EA	$ 40.30	744	$ 29,983.20		$29,983	
	260590104670	Electrical	Dryer outlet, NM cable, 30 amp, 240 volt receptacle, includes 20' of # 10/3	EA	$ 249.07	60	$ 14,944.20		$14,944	
	262726202490	Branch Wiring	Receptacle, range, 50 Amp	EA	$ 69.93	60	$ 4,195.80		$4,196	
	260590104710	Electrical	Range outlet, 50 amp-240 volt receptacle, 30', #8/3 NM cable	EA	$ 407.01	60	$ 24,420.60		$24,421	
	260590104670	Electrical	Circuit and connection for range hoods	EA	$ 249.07	60	$ 14,944.20		$14,944	
	260590109530	Mechanical Connections	Thermostat hook-up, low voltage	EA	$ 64.90	60	$ 3,894.00		$3,894	
	260590108670	Mechanical Connections	Hot water heater, residential, hook-up, #10/2, MC cable, 20', incl 1-2 pole circuit breaker, box, 3' of flexible	EA	$ 285.85	60	$ 17,151.00		$17,151	

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	260590104720	Mechanical Connections	Range outlet, residential, 30' of #8/3, type MC cable, 50 amp, 240 V, incl box & exterior cover plate	EA	$ 395.08	60	$ 23,704.80		$23,705	
	260590107070	Electrical	Smoke detectors, box, #14/3, NM	EA	$ 130.17	324	$ 42,175.08		$42,175	
	284611218710	Electrical	Carbon monoxide detector, hardwired, wall mounted	EA	$ 203.28	60	$ 12,196.80		$12,197	
	D3G Estimate	Accessibility	ADA compliance on Audio-Visual	EA	$ 4,500.00	2	$ 9,000.00		$9,000	
			Lighting							
	260505505340	Demolition	Light fixture, electrical demoliton, remove	EA	$ 32.20	480	$ 15,456.00		$15,456	
	260505102620	Demolition	Exterior light fixture removal, incandescent, wall mount, 100 W	EA	$ 38.64	120	$ 4,636.80		$4,637	
	260590106100	Electrical	Lighting outlets, 4" box and NM cable	EA	$ 63.27	480	$ 30,369.60		$30,370	
	265113550180	Lighting	Interior LED fixtures, cylinder, 20 watts, incl lamps, mounting hardware and connections	EA	$ 217.14	480	$ 104,227.20		$104,227	
	260590106250	Electrical	Light fixtures, residential, dining room chandelier, economy grade	EA	$ 160.28	60	$ 9,616.80		$9,617	
	265623550440	Lighting	Exterior LED fixture, wall pack, replacement, 60 watt, incl lamps	EA	$ 391.14	120	$ 46,936.80		$46,937	
33		**Subtotal (Structures)**					**$ 17,295,104.18**			
34	**31**	**Earthwork**					**$ 30,602.77**			
	329113233850	Earthwork	Spread conditioned Topsoil - 6" deep (building perimeter)	MSF	$ 900.25	19	$ 17,104.75		$17,105	
	329119130700	Earthwork	Topsoil placement and grading (building perimeter)	SY	$ 7.38	1,829	$ 13,498.02		$13,498	
35		**Lawns and Plantings**					**$ 50,577.90**			
	D3G Estimate	Lawns and Plantings	Landscape repair and replacement within 5' of building	BLDG	$ 3,000.00	13	$ 39,000.00		$39,000	
	D3G Estimate	Lawns and Plantings	Tree Trimming	EA	$ 750.00	3	$ 2,250.00		$2,250	
	329219130310	Lawns	Seeding, mechanical with equipment, includes lime, fertilizer and seed (building perimeter)	SY	$ 5.10	1829	$ 9,327.90		$9,328	
36		**Total Land Repairs**					**$ 81,180.67**			
37		**Combined Structure and Land Repair Cost**					**$ 17,376,284.85**		$15,730,037	
38		**Contingency (7.5%)**					**$ 1,303,221.36**		$1,179,753	
39		**Soft Costs and Fees**					**$ 2,610,656.90**			
			General Conditions		5.00%		$ 868,814.24		$786,502	
			Builder's Profit (Elevator, Mechanical, Electrical, & Plumbing ONLY)		10.00%		$ 438,621.29		$438,621	
			Architectural Design Fees		5.50%		$ 955,695.67		$865,152	
			PHA Administration Fee		2.00%		$ 347,525.70		$314,601	
		Total 3-Year Physical Needs					**$ 21,290,163.11**		**$19,314,666**	
		Total Development Cost (TDC)					**$ 32,609,312.00**		**$32,609,312**	
		Rehabilitation Cost % (Estimated Cost of Rehabilitation/Total TDC) x 100 =					**65.29%**		59.23%	
		Rehabilitation Cost Per Unit (Estimated Cost of Rehabilitation/Number of Units)					**$ 354,836.05**		$354,836	

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Attachment F

LAND COURT SYSTEM) REGULAR SYSTEM

Return by Mail (X) Pickup ( ) To:

Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW, Suite 400
Washington, DC 20001
Attn: Megan Glasheen, Esq.

Total Number of Pages: (9)
Tax Map Key No.(1) 1-1-3-039:006
This document affects Transfer Certificate of Title Nos. 114,462 and 117,007

PARTIAL RELEASE OF DECLARATION OF TRUST

Kuhio Park Low Rises Phase 1
("Kuhio Park Terrace and Kuhio Homes")

THIS PARTIAL RELEASE OF DECLARATION OF TRUST (this "**Release**") is made as of the ___ day of _____, 2025 by the United States of America, acting by and through the Secretary of the U.S. Department of Housing and Urban Development (herein, "**HUD**" or "**Grantor**" for indexing purposes), with respect to that certain property located at 1441 Ahonui Street in the City of Honolulu, State of Hawai'i, more particularly described in Exhibit A, attached hereto and incorporated herein (referred to herein as the "**Disposition Property**"), such Disposition Property otherwise known as Kuhio Park Terrace Low-Rise – Phase I, HI001000040.

RECITALS

WHEREAS, Hawaii Housing Public Authority, a public body corporate and politic, organized under the laws of the State of Hawai'i ("**HPHA**" or "**Grantee**" for indexing purposes), intends to transfer the Disposition Property via a negotiated sale at below fair market value to KPLR Phase 1, LP, a Hawaii limited partnership ("**Ground Lessee**") in furtherance of the

development of three hundred four (304) units of affordable housing (including two (2) manager's units);

WHEREAS, HPHA previously executed and recorded that certain Declaration of Trust/Restrictive Covenants dated January 7, 2020 and recorded February 14, 2020 as Document No. A-73491043 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-11001353, as described in Transfer Certificate of Title Nos. 114,462 and 117,007 (the "**Declaration of Trust**"), which granted to HUD certain rights and imposed certain restrictions with respect to the Disposition Property;

WHEREAS, HPHA previously requested HUD approval of the ground lease of the Disposition Property and HUD has, as documented in the letter from HUD to HPHA dated August 12, 2024 (the "**Approval Letter**"), agreed to such ground lease on the terms and conditions set forth in the Approval Letter and this Release;

WHEREAS, HUD intends for the Disposition Property to be released from the Declaration of Trust at the time the Disposition Property is transferred to Ground Lessee; and

WHEREAS, as a condition for the release of the Declaration of Trust, HPHA hereby agrees to concurrently record in the official records of the city where the Disposition Property is located a Use Agreement acceptable to and as required by HUD.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Use of Disposition Property and Disposition Proceeds. HPHA, for itself and for its successors and assigns, hereby covenants and agrees for the benefit of HUD that it shall concurrently record in the official records of the city where the Disposition Property is located a Use Agreement acceptable to and as required by HUD and that HPHA shall comply with all HUD requirements for the use of proceeds from the sale of the Disposition Property.

2. Release of Declaration of Trust. Upon recordation of this document, the Disposition Property described in Exhibit A is hereby discharged and fully released from the Declaration of Trust.

3. Incorporation of Recitals. The above recitals are incorporated herein by reference.

4. Governing Law. This Release shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Virginia, and the laws of the United States of America.

5. No Negotiation. This Release is not subject to negotiation by HPHA or any lender with a secured interest in the Disposition Property.

6. Severability. The invalidity or unenforceability of any clause, part or provision of this Release shall not affect the validity or enforceability of the remaining portions thereof.

7. Counterpart Signatures. This Release may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

8. Attached Exhibit. The following Exhibit is attached to this Release and incorporated herein:

Exhibit A – Legal Description of the Disposition Property

It is expressly understood that this is a **PARTIAL RELEASE** and that it shall not affect or impair the trust created on any of the properties remaining under the Declaration of Trust. The following are explicitly not released and remain subject to the Declaration of Trust: (1) any other projects described in the Declaration of Trust; and any portion of the subject property that is not described in the attached Exhibit A.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have each caused their names to be subscribed hereto, on the date first herein above written.

HPHA hereby certifies that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Release. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

HPHA:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic

By: _____
Hakim Ouansafi
Executive Director

APPROVED AS TO FORM:

_____
Linda L.W. Chow
Deputy Attorney General

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this ____ day of _____, 2025, before me appeared Hakim Ouansafi, to me personally known, 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 CERTIFICATION: The foregoing instrument is identified or described as the Partial Release of Declaration of Trust is dated _____ ____, 2025 and contained ____ pages at the time of this acknowledgement/certification in the First Circuit of the State of Hawaii.

_____
Name: _____
Notary Public, State of Hawaii
My commission expires: _____
Date: _____

HUD:

UNITED STATES OF AMERICA,
SECRETARY OF HOUSING AND URBAN DEVELOPMENT

By: _____
Name: _____
Its: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
) ss.
COUNTY OF _____)

I, _____, a Notary Public in and for the City aforesaid, in the State of _____, whose commission expires on the ____ day of _____, 2025, do hereby certify that _____, P_____, whose name is signed as such to the foregoing writing bearing date of the ____ day of _____, 2025, has acknowledged the same before me in my City and State.

_____
Notary Public
My commission expires:

SIGNATURES MUST BE NOTARIZED

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

EXHIBIT A
DISPOSITION PROPERTY

Address: 1441 Ahonui Street, Honolulu, HI 96819

HUD Project No.: HI001000040

HUD AMP No.: HI001000040

The real property situated in the City and County of Honolulu, State of Hawaii, more particularly described as follows:

FIRST: Unit Nos. as shown in Exhibit A-1 attached hereto of that certain Condominium Project known as Kuhio Park Low Rise, as shown on Condominium Map No. _____, and described in the Declaration of Condominium Property Regime of Kuhio Park Low Rise ("Declaration") recorded _____ in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. _____, and in the Bureau of Conveyances of the State of Hawaii, as Document No. _____, as the same may be amended.

Together with appurtenant easements as follows:

(a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes; in the other common elements and units for encroachments and the maintenance thereof as set forth in the Declaration.

(b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

(c) Easements for encroachments and the maintenance thereof as set forth in the Declaration.

SECOND: An undivided interest as shown in Exhibit A-1 attached hereto in all common elements of the project and in the land upon which said project is located as established for said unit by the Declaration, or such other percentage interest as hereinafter established for said unit by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

Tax Map Key No. (1) 1-3-039:006:

FIRST:

All of that certain parcel of land, being portion(s) of the land(s) described in and covered by unrecorded Royal Patent Grant 3286, Land Commission Award Number 7151 to Kanemakua, unrecorded Royal Patent Grant Number 1253, Land Commission Award Number 1207 to Hopuia, unrecorded Royal Patent Number 1499, Land Commission Award Number 1198, Apana 1 to Kaohele, unrecorded Royal Patent Number 2522, Land Commission Award Number 1292, Apana 3 to U. Kanakanui for Kailihiwa and unrecorded Royal Patent Number 1497, Land Commission Award Number 1677, Apana 1 to Pao, unrecorded Royal Patent Number 3273 to Aniani, unrecorded Royal Patent Number 3293 to Aiona and unrecorded Royal Patent Number 6264, Land Commission Award Number 1290 to Ilipaka for Kahoopii; and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing, situate, lying and being at Kaluaopalena, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Number (1) 1-3-039-006 and containing an area of 151,165 square feet, more or less.

Excepting and excluding there from all of and Lot 1-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-A, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing; Lot 2-B-3, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 1331 of Charles Sadao Umeda; Lot 3-B, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, with Land Court Application No. 958 of Tim Sheu Ing.

SECOND:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 1-A, area 1,435 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 2-A, area 3,519 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

LOT 3-B, area 14,844 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 958 of Tim Sheu Ing.

Being the property described in and covered by Transfer Certificate No. 114,462.

THIRD:

All that certain parcel of land situate at Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 2-B-3, area 348 square feet, more or less, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1331 of Charles Sadao Umeda.

Being the property described in and covered by Transfer Certificate No. 117,007.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii.

FINAL ORDER OF CONDEMNATION dated and filed in the Circuit Court, First Circuit, State of Hawaii, Law No. 22394, on December 29, 1965, January 28, 1966 and June 3, 1966 recorded in the Bureau of Conveyances, State of Hawaii, as Book 5720, Page 183, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 413564, by HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic, Petitioner.

CONFIRMATION OF OWNERSHIP dated October 21, 2015, recorded October 22, 2015 in the Bureau of Conveyances, State of Hawaii, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-9425238.

NOTE: Land Court Order No. 131893, filed June 30, 1998, HOUSING FINANCE AND DEVELOPMENT CORPORATION transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

NOTE: Land Court Order No. 171024, filed June 21, 2007, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

EXHIBIT A-1

CPR UNIT NO. & COMMON INTEREST PERCENTAGE

UNIT NO.	PERCENTAGE INTEREST (%)
1	33.86%
2	19.41%
3	23.36%
4	23.36%
5	0.01%

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LAND COURT SYSTEM) REGULAR SYSTEM

Return by Mail (X) Pickup ( ) To:

Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW, Suite 400
Washington, DC 20001
Attn: Megan Glasheen, Esq.

Total Number of Pages: (5)

Tax Map Key No.(1) 1-1-3-039:008

FULL RELEASE OF DECLARATION OF TRUST

Kuhio Park Low Rises Phase 1
("Kuhio Park Terrace and Kuhio Homes")

THIS FULL RELEASE OF DECLARATION OF TRUST (this "**Release**") is made as of this _____ day of _____, 2025, by the UNITED STATES OF AMERICA, acting by and through the Secretary of the U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("**HUD**" or "**Grantor**" for index purposes), for the benefit of HAWAII HOUSING PUBLIC AUTHORITY, a public body corporate and politic, organized under the laws of the State of Hawai'i ("**HPHA**" or "**Grantee**" for index purpose).

WITNESSETH:

WHEREAS, HPHA previously submitted an application to HUD to dispose of public housing units located upon certain real property in Honolulu, Hawai'i 96819 and described with more particularity at Exhibit A attached hereto (the "**Property**");

WHEREAS, HPHA received HUD approval on August 12, 2024 (the "**Disposition Approval**") in connection with the disposition of the aforementioned public housing units;

WHEREAS, in furtherance of the development of three hundred four (304) units of affordable housing (including two (2) manager's units), HUD has authorized the release of the following instruments affecting the Property (collectively, the "**Declaration of Trust**"):

> That certain Declaration of Trust/Restrictive Covenants dated January 7, 2020 and recorded February 13, 2020 as Document No. A-73480427 in the Bureau of Conveyances, State of Hawai‘i; and

WHEREAS, the Declaration of Trust provides for HPHA to hold the Project in trust for the benefit of HUD to assure HUD of the performance by HPHA of the covenants and obligations contained and described in the Declaration of Trust.

NOW THEREFORE, HUD does hereby release the Property from the restrictions, covenants or other requirements as set forth in the Declaration of Trust. This Release shall not release any other real property described in the Declaration of Trust and the Declaration of Trust shall continue to be and remain in full force and effect with respect to all real property that has not been released.

[*Signatures on following page.*]

WITNESS the due execution of this Release on this ___ day of _____, 2025.

THE UNITED STATES OF AMERICA, acting by and through the Secretary of Housing and Urban Development

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I, _____, a Notary Public in and for the City aforesaid, in the State of _____, whose commission expires on the ____ day of _____, 2025, do hereby certify that _____, _____, whose name is signed as such to the foregoing writing bearing date of the ____ day of _____, 2025, has acknowledged the same before me in my City and State.

_____
Notary Public
My commission expires:

EXHIBIT A
Legal Description

Address: 1472 Linapuni Street, Honolulu, HI 96819

HUD Project No.: HI001000040

HUD AMP No.: DDA0012818

The land referred to in this Report is situated in the State of Hawai‘i, and described as follows:

Tax Map Key No. (1) 1-3-039:008:

All of that certain of parcel of land (being portion(s) of the land described in and covered by Royal Patent 4542, Land Commission Award Number 818, Apana 6 to Heirs of George Beckley; Royal Patent Number 1253, Land Commission Award Number 1207 to Hopuia; Royal Patent 672, Land Commission Award Number 1541 to Kamoku; Royal Patent Grant Number 3270 to Kale; Royal Patent 71, Land Commission Award Number 4887, Apana 3 to Sam Thomas; Royal Patent 6888, Land Commission Award Number 3237, Apana 5 to Hewahewa; Royal Patent 604, Land Commission Award Number 803, Apana 6 to A. Adams; Royal Patent 4545, Land Commission Award Number 818, Part 7, Apana 13 to Heirs of George Beckley; Royal Patent 3400, Land Commission Award Number 7155 to Kawauke, Royal Patent Number 4164, Land Commission Award Number 1313-B, Apana 2 to Kauwahi and Royal Patent Number 4545, Land Commission Award Number 818, Part 7 to Heirs of George Beckley) being PARCEL 1-B, situate, lying and being at Kaliawa, Kaluaopalena, Kukahi, Kionawawana, Paapaa, Kalihi, Honolulu, City and County of Honolulu, State of Hawaii, bearing Tax Key Designation (1) 1-3-039-008 and containing an area of 144,493 square feet, more or less.

Being the premises acquired by:

QUITCLAIM DEED

Recorded	:	in the Bureau of Conveyances, State of Hawaii, in Book 2777, Page 436
Grantor	:	UNITED STATES OF AMERICA, acting by and through the Public Housing Administration
Grantee	:	HAWAII HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the Territory of Hawaii

CONFIRMATION OF OWNERSHIP dated April 8, 2016, recorded April 13, 2016 in the Bureau of Conveyances, State of Hawaii, as Document No. A-59470641. sets forth the following:

Act 337, Session Laws of Hawaii 1987, bifurcated the HAWAII HOUSING AUTHORITY into two separate state agencies knows as the HOUSING FINANCE AND DEVELOPMENT CORPORATION and the HAWAII HOUSING AUTHORITY.

Act 350, Session Laws of Hawaii 1997, the HAWAII HOUSING AUTHORITY was combined and consolidated with HOUSING FINANCE AND DEVELOPMENT CORPORATION to form a single agency known as the HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII.

Act 196, Session Laws of Hawaii 2005 and Act 180, Session Laws of Hawaii, HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII transferred all functions, powers, duties, and authority, relating to appropriate housing functions and public housing to HAWAII PUBLIC HOUSING AUTHORITY.

Approved by Executive Director
June 19, 2025

FOR ACTION

MOTION: To: **(1)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Kuhio Park Low Rise Redevelopment and any Development instruments, on such Terms and Conditions as Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA; **(2)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rises Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA; and **(3)** Require the Executive Director to Provide Reports to the Board of Directors Regarding Execution of Documents Executed Under the Aforementioned Delegation

I. FACTS

A. The Kuhio Park Terrace Low Rises and Kuhio Homes properties are located on approximately 9.78 acres of land and contains a total of one hundred seventy-four (174) federally subsidized low-income public housing units constructed in 1953 and in 1965. Kuhio Park Terrace Low-Rises consists of forty (40) four-bedroom residential units, contained in one- and two-story buildings. Kuhio Homes consists of one hundred thirty-four (134) units contained in twenty-one (21) one- and two-story townhouse buildings, ranging from one-bedroom to five-bedrooms.

B. The Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment will provide approximately six hundred fifty (650) new affordable rental dwelling units. The average area median income (AMI) for all households will not exceed sixty percent (60%), as determined by HUD, for a period of sixty-five (65) years.

C. The Kuhio Park Terrace Low Rises and Kuhio Homes Redevelopment site will be divided through a Condominium Property Regime process that will reflect ground lease areas associated with each phase of the redevelopment.

D. The Kuhio Park Low Rises Phase 1 will take place on 3.592-acres of the Property and provide three hundred four (304) new dwelling units, including two (2) manager units, within four (4) buildings that will be rented

to residents earning sixty (60%) of the AMI and below with the following bedroom distribution:

	Building 1	Building 2	Building 3	Building 4	Total
Studio	0	0	23	23	46
1 BR	16	16	25	25	82
2 BR	32	26	23	23	104
3 BR	31	12	0	0	43
4 BR	24	5	0	0	29
Total	103	59	71	71	304

E. A Disposition and Development Agreement ("DDA") and Ground Lease for Kuhio Park Low Rises Phase 1 has been drafted by Reno & Cavanaugh, HPHA's specialized, outside legal counsel.

F. On August 12, 2024, HUD's Special Applications Center ("SAC") approved the HPHA Demolition and Disposition Application for the Kuhio Park Low Rises Phase 1 pursuant to Section 18 of the United States Housing Act of 1937, as amended in 1998.

G. Tenant Protection Vouchers for current residents living in the public housing units that are to be disposed of during Kuhio Park Low Rises Phase 1 have been secured by HPHA. Approximately sixty-five (65) Project Based Vouchers for Kuhio Park Low Rises Phase 1 are being provided by HPHA for the replacement of units that will be disposed of during this redevelopment phase.

H. On March 20, 2025, the development project was transferred to HCDC Kuhio Park 1 LLC, a Hawaii limited liability company.

II. DISCUSSION

A. The redevelopment envisioned aims to replace the existing severely distressed Kuhio Park Low Rises and Kuhio Homes Redevelopment with new, modernized housing, while increasing the range and amount of affordable housing available within the local community. This undertaking is consistent with the HPHA's fundamental mission of redeveloping underutilized state land assets to facilitate delivery of urgently needed replacement and new affordable rental units to help address the existing affordable housing crisis across the State of Hawaii.

B. Under the DDA, the Developer is responsible for obtaining public and private financing for the Project. The Developer has obtained financing and to start construction of Phase I of the Project. A team from HPHA, the

Department of the Attorney General, and HPHA's consultants and outside general counsel ("HPHA Team") has negotiated the Phase I documents submitted to HUD for closing approval.

C. Developer's responsibilities prior to Closing include: no outstanding material defaults; preparation of construction documents; issuance of all licenses, permits, and approvals necessary for construction of the Redevelopment; redevelopment plan certification; certification of compliance with accessibility laws; obtaining necessary financing commitments and documents and equity investors; approval of a property management plan and property management agreement; approval of a supportive services plan; approval of a resident and local hiring plan; approval of a relocation plan; developer guarantees; purchase option and right of first refusal; evidence of selection of third-party contractors, and payment of any owing ground lease payments. As part of the financing requirements, the Developer is responsible to provide a completion guaranty for the benefit of HPHA in a form approved by HPHA and the Guarantor (Performance and Completion Guaranty).

D. HPHA's responsibilities prior to Closing include: no material adverse site conditions; HPHA approval of the construction documents; title insurance; HPHA approval of financing documents; issuance of a ground lease; government approvals; HPHA's representations and warranties; recordation of final map; no litigation and no HPHA default.

E. For the Redevelopment, Developer and the HPHA shall be entitled to receive a developer fee, which is anticipated to equal $13,377,273 (Developer Fee). The developer fee, including deferred developer fee, will be shared pari passu as follows: the first nine percent (9%) shall be paid seven percent (7%) to Developer and two percent (2%) to HPHA and any remaining developer fee shall be distributed 50% each to the Developer and HPHA.

F. HPHA will also approve a $7,500 annual asset management fee for the Redevelopment to an affiliate of the Developer with a 3% annual increase. This will be cumulative and will accrue annually.

G. HPHA will also be entitled to a $7,500 annual asset management fee for the Redevelopment with a 3% annual increase pursuant to an agreement with the Developer. This fee will be cumulative and will accrue annually.

H. HPHA and HCDC will be splitting the final 90% of cash flow, after payment of the RHRF loan and Ground Lease payment, 50/50 as an incentive management fee.

I. Per the DDA, in connection with the closing for the Project, the Developer will enter into the Partnership Agreement to evidence the admission of the Investor, that will then own the principal equity interest in the Partnership. An affiliate of the HPHA will serve as a special limited partner in the Partnership, unless the HPHA is granted the ability to enter the Partnership as a General Partner prior to the close of construction financing. The Partnership Agreement shall be subject to the review and approval of the HPHA.

J. Additional related documents will be required on behalf of the HPHA or the redevelopment in connection with the closing, such as the following documents that are currently being drafted:

1. City Grant Agreement: HPHA received an award under the City and County of Honolulu's Affordable Housing Strategic Development Program Affordable Housing Fund of $8,000,000. Accordingly, HPHA will enter into agreements with the City and County to document the award and use of those funds including a Declaration of Restrictive Covenants for Affordable Housing imposing affordability requirements that the lessee will also sign.

2. Loan Documents from HPHA to Lessee: The HPHA will loan the grant funds it receives under the City and County of Honolulu's Affordable Housing Strategic Development Program Affordable Housing Fund to the lessee. In addition to a loan agreement, there will be a promissory note and mortgage.

3. Amended and Restated Agreement of Limited Partnership Agreement: This document is the partnership agreement for the lessee. HPHA will be a party to that agreement as a special limited partner.

K. It is recommended that the Executive Director be delegated authority to make the necessary changes to the above-described documents as may be required, subject to review and approval of HPHA's deputy attorneys general, specialized general counsel, and consultant team and to execute said documents.

(End Section)

III. RECOMMENDATION

That the Board of Directors: **(1)** Authorize the Executive Director to Take Any and All Steps Necessary to Execute, Deliver, and Accept the Delivery of Documents, Agreements and Instruments as Necessary to Effectuate the Purpose and Intent of the Kuhio Park Low Rise Redevelopment and any Development instruments, on such Terms and Conditions as Determined by the Executive Director, in Consultation with HPHA's General Counsel, to be in the Best Interests of HPHA; **(2)** Authorize the Executive Director to Make Changes, When Necessary, to the Kuhio Park Low Rises Phase 1 Documents in Consultation with HPHA's General Counsel and to Execute the Documents When Finalized in the Best Interests of the HPHA; and **(3)** Require the Executive Director to Provide Reports to the Board of Directors Regarding Execution of Documents Executed Under the Aforementioned Delegation

Prepared by: Brian M. Davidson, Housing Development Specialist

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

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Robert J. Hall
Chairperson

Approved by the Executive Director
June 19, 2025

FOR ACTION

MOTION: To: **(1)** Approve Property Specific Utility Allowance Rates Provided by National Facility Consultants, Inc. for the Fiscal Year July 1, 2025 to June 30, 2026, for the Federal Low-Income Public Housing Program; and **(2)** Authorize the Executive Director to Take All Actions Necessary, Including Accepting Resident Comments, to Implement the Utility Allowance Rates Effective July 1, 2025

I. FACTS

A. Under the provisions of the U.S. Housing Act of 1937, to keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent in federally assisted public housing should equal 30 percent of the household's adjusted monthly income. In interpreting the federal housing law, the U.S. Department of Housing and Urban Development (HUD) has defined the total resident payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a Public Housing Agency (PHA) determines is necessary to cover the resident's reasonable utility costs is the "utility allowance".

B. Pursuant to 24 C.F.R. § 965.502, the HPHA must establish allowances for PHA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from the utilities suppliers. HPHA is also required to maintain records that documents the basis on which allowances and scheduled surcharges are established and revised.

C. The HPHA must annually review the basis on which utility allowances have been established and, if reasonably required to continue to comply with the federal regulation for utility allowances (24 C.F.R. § 965.505), the HPHA must establish revised allowances.

D. Utility allowances are estimates of the expenses associated with different types of utilities and uses. The utilities for which allowances may be provided include electricity, natural gas, propane, fuel oil, wood or coal and water and sewage service as well as garbage collection. The end-uses covered by an allowance may include space heating, water heating, cooling, refrigeration, lighting, or appliances. Allowances are not provided for telephone services or cable per HUD regulations.

E. Utility allowances can be small or large, and at various PHAs across the country, they range from less than $50 to over $400 for a resident household per month, depending on the number of utilities covered, their use, and the dwelling unit and/or household size.

F. A utility allowance is also provided for medical equipment which include air conditioner (window type), oxygen concentrator, nebulizer, electric hospital bed, alternating pressure pad, low air-loss mattress, power wheelchair/scooter, feeding tube, CPAP machine, leg pump and portable dialysis machine.

G. In 2024, the HPHA, through its Contract and Procurement Office, issued a solicitation to procure services to provide a site-specific utility allowance rates study for its federal low-income public housing inventory of properties statewide. This study was conducted for 2025 effective July 1, 2025 to June 30, 2026.

H. In early 2025, HPHA contracted with National Facility Consultants, Inc. (NFC) to provide an initial site-specific utility allowance study to establish the utility allowance for resident-purchased utilities in accordance with the requirements set forth in 24 C.F.R. Part 965, Subpart E, Resident Allowances for Utilities utilizing the methodology previously employed by the HPHA regarding the application of rates and associated adjustments. The newly established allowances for each property as established and studied by NFC reflect the actual reasonable utility consumption for an energy conservative household, which may include energy saving lighting and fixtures and solar hot water with back-up gas heaters.

I. NFC is a national professional firm providing consulting services in the areas of planning, operations, facilities, grants and energy to affordable housing providers. NFC assisted the HPHA with the annual update of utility allowances for resident-purchased utilities, using the current utility rates.

II. DISCUSSION

A. NFC worked with the HPHA to obtain actual utility charges from the utility companies for each property to use in their calculations of the updated utility allowance rates. NFC determined the new utility allowance rate adjustment for each property in the different counties.

B. Allowances were developed for lighting based upon the prevalent fixtures in place at the time of the 2025 study. The wattage of bulbs as supplied by HPHA on occupancy, was multiplied by an estimate of the daily usage and then converted to a monthly usage.

C. Miscellaneous small appliances usage was estimated based upon the regulatory standard of an energy conservative household of modest circumstances. Allowances were provided for clocks, coffee makers, computers, computer monitors, fans, hair dryers, microwave ovens, radios, smoke detectors, telephones, and televisions and were adjusted as reasonably needed for the size of the unit and number of occupants.

D. Usage for a refrigerator is provided as a non-Energy-Star, frost free model that utilizes a total of 600 kWh per year. Almost all the refrigerators encountered were approximately 18 cubic feet in size. As refrigerators are replaced with energy star models, this will be incorporated in future updates.

E. An allowance for cooking was established for efficiency to two-bedroom units and then for three-bedroom to five-bedroom units to adjust for extensive changes in numbers of occupants.

F. An allowance for water heating was established for each unit size based upon the maximum number of occupants in a unit in accordance with the HPHA occupancy standards. In addition, a more accurate estimate of the inlet water temperature was utilized; therefore, there was a decrease in the consumption for this category.

G. An allowance for solar water heating was established for each unit size based upon the number of occupants. Electric backup was unchanged. AMP 44 Waimaha-Sunflower Buildings F to G were affected more than other buildings predominantly because the solar systems at those buildings were in working order during the 2025 study and not during the 2024 study. The 2025 allowance is therefore based on solar utility rates, which are typically lower than standard electric utility rates. See table below.

Project	Electric	kwh	Solar	Total		**2025**	**2024**
	Basic	Cooking	Ind HW	Electric	Total Utility	**Allowance**	**Allowance**
Waimaha-Sunflower F-G							
1 bdrm	65.23	30.39	12.15	$107.77	$107.77	$108.00	$130.00
2 bdrm	75.40	30.39	18.40	$124.19	$124.19	$124.00	$173.00
3 bdrm	83.34	37.28	30.55	$151.17	$151.17	$151.00	$222.00

H. Rates were collected for each applicable utility at each property. All rate schedules were verified and any adjustments to rates were collected for the year period January 1, 2024 through December 31, 2024. This is consistent with the approach utilized by the HPHA since 2003 where adjustments that fluctuate every month are averaged over the preceding year.

I. The attached table (by specific properties) shows that allowances decreased across the board due to significant lower monthly adjustments to utility rates. Each island varies, with some showing bigger differences than others, but in general, the adjustments are lower and relative to the utility rates for each County.

J. The sample-highlighted chart for one (1) site-specific property below shows that the utility allowance for a two-bedroom resident-paid electricity unit decreased by $3.00 from the previous year's allowance. As a result, the resident portion of rent paid to the HPHA would increase accordingly. See sample table below.

Project	Electric Basic	kwh Cooking	Solar Ind HW	Total Electric	Total Utility	2025 Allowance	2024 Allowance
Puuwai Momi							
1 bdrm	61.10	30.39	34.03	$125.52	$125.52	$126.00	$128.00
2 bdrm	69.32	30.39	68.03	$167.74	$167.74	$168.00	$171.00
3 bdrm	77.46	37.28	102.07	$216.81	$216.81	$217.00	$221.00
4 bdrm	86.32	37.28	136.10	$259.70	$259.70	$260.00	$266.00

A resident in the 2-bedroom whose total tenant payment (TTP) is determined to be $250.00 per month will have this amount reduced by the allowable utility amount as shown below:

Total Tenant Payment	$250.00
Utility Allowance	- 168.00
Payment to HPHA	$ 82.00

K. Utility allowances are used to offset the resident portion of their rent and are rounded up or down to the nearest dollar.

L. The HPHA will provide notification of the proposed changes in utility allowances to the residents through a letter, publication in the newspaper, and posted notices at the AMPs.

M. Notice of the proposed utility allowances shall be posted and provided at least 60 days prior to the implementation date, during which time residents will have an opportunity to submit written or oral comments for 30 days before the proposed effective date of the allowances, per 24 C.F.R. § 965.502(c) and Hawaii Administrative Rule § 17-2028-7(d). Residents shall be informed of the availability of individual relief in cases of special need. For example, if a resident's household experiences higher than normal utility usage not within the control of the resident, the resident may request individual relief from surcharges for excess consumption.

N. The regular annual implementation date for updated utility allowances is July 1. As there was a delay in the utility allowance update this year, the HPHA will implement allowances retroactive to July 1, 2025.

O. PHAs are allowed to revise its allowances between annual reviews if there is a rate change (including fuel adjustments) and is required to do so if the change results in a change of 10 percent or more.

III. RECOMMENDATION

That the Board of Directors: **(1)** Approve Property Specific Utility Allowance Rates Provided by National Facility Consultants, Inc. for the Fiscal Year July 1, 2025 to June 30, 2026, for the Federal Low-Income Public Housing Program; and **(2)** Authorize the Executive Director to Take All Actions Necessary, Including Accepting Resident Comments, to Implement the Utility Allowance Rates Effective July 1, 2025

Attachment A: 2025 Utility Allowance Study Comparison

Prepared by: Dale M. Fujimoto, PMMSB Branch Chief DF 6/9/2025

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

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Robert J. Hall
Chairperson

Attachment A

AMP		Project	Customer Charge	Electric Basic	kwh Cooking	Solar			Total Electric	Customer Charge	SNG Cooking	Therms Indiv WH	LPN Cooking	Therms Indiv WH	Total GAS	Total Utility	2025 Allow	2024 Allow	Diff 2025 & 2024
						Ind WH	Ind Solar	Ind HP											
30	**HI001026**	**Puuwai Momi**																	
	48	1 bedroom	incl. basic	61.10	30.39	34.03			$125.52							$125.52	$126	$128	-2
	86	2 bedroom	incl. basic	69.32	30.39	68.03			$167.74							$167.74	$168	$171	-3
	88	3 bedroom	incl. basic	77.46	37.28	102.07			$216.81							$216.81	$217	$221	-4
	38	4 bedroom	incl. basic	86.32	37.28	136.10			$259.70							$259.70	$260	$266	-6
	HI001027	**Hale Laulima**																	
	20	2 bedroom	incl. basic	80.06	30.39		18.40		$128.85							$128.85	$129	$130	-1
	16	3 bedroom	incl. basic	88.19	37.28		30.55		$156.02							$156.02	$156	$157	-1
	HI001038	**Waipahu I**																	
	13	2 bedroom	incl. basic	69.32	30.39				$99.71							$99.71	$100	$103	-3
	6	3 bedroom	incl. basic	77.67	37.28				$114.95							$114.95	$115	$119	-4
	HI001039	**Waipahu II**																	
	16	2 bedroom	incl. basic	70.60	30.39				$100.99							$100.99	$101	$106	-5
	4	3 bedroom	incl. basic	77.46	37.28				$114.74							$114.74	$115	$118	-3
	HI001066	**Salt Lake**																	
	28	2 bedroom	incl. basic	82.79	30.39	68.03			$181.21							$181.21	$181	$183	-2
31	**HI001005**	**Kalihi Valley Homes**																	
		Non-Mod Units																	
	24	1 bedroom	incl. basic	65.06	30.39	34.03			$129.48							$129.48	$129	$130	-1
	28	2 bedroom	incl. basic	74.61	30.39	68.03			$173.03							$173.03	$173	$174	-1
	55	3 bedroom	incl. basic	81.96	37.28	102.07			$221.31							$221.31	$221	$223	-2
	52	4 bedroom	incl. basic	91.32	37.28	136.10			$264.70							$264.70	$265	$267	-2
	12	5 bedroom	incl. basic	92.60	37.28	170.10			$299.98							$299.98	$300	$303	-3
		Mod Units																	
	28	1 bedroom	incl. basic	76.59	30.39		12.15		$119.13							$119.13	$119	$120	-1
	32	2 bedroom	incl. basic	86.87	30.39		18.40		$135.66							$135.66	$136	$136	0
	68	3 bedroom	incl. basic	100.05	37.28		30.55		$167.88							$167.88	$168	$167	1
	60	4 bedroom	incl. basic	113.39	37.28		42.88		$193.55							$193.55	$194	$195	-1
	14	5 bedroom	incl. basic	115.33	37.28		55.21		$207.82							$207.82	$208	$209	-1
32	**HI001003**	**Mayor Wright Homes**																	
	24	1 bedroom	incl. basic	66.39					$66.39	incl cooking						$66.39	$66	$68	-2
	114	2 bedroom	incl. basic	75.03					$75.03	incl cooking						$75.03	$75	$77	-2
	168	3 bedroom	incl. basic	82.58					$82.58	incl cooking						$82.58	$83	$86	-3
	50	4 bedroom	incl. basic	95.40					$95.40	incl cooking						$95.40	$95	$100	-5
	8	5 bedroom	incl. basic	95.01					$95.01	incl cooking						$95.01	$95	$100	-5
33	**HI001009**	**Kaahumanu Homes**																	
	116	2 bedroom	incl. basic	79.92					$79.92	incl cooking	35.34	67.42			$102.76	$182.68	$183	$188	-5
	36	3 bedroom	incl. basic	89.17					$89.17	incl cooking	40.96	93.18			$134.14	$223.31	$223	$230	-7
	HI001099	**Kamehameha Homes**																	
	62	1 bedroom	incl. basic	67.87					$67.87	incl cooking	35.34	42.14			$77.48	$145.35	$145	$151	-6
	123	2 bedroom	incl. basic	76.08					$76.08	incl cooking	35.34	67.42			$102.76	$178.84	$179	$186	-7
	36	3 bedroom	incl. basic	84.75					$84.75	incl cooking	40.96	93.18			$134.14	$218.89	$219	$231	-12
34	**HI001062**	**Kalakaua Homes high rise**																	
	123	1 bedroom	incl. basic	69.08	30.39				$99.47							$99.47	$99	$102	-3
	HI001062	**Kalakaua Homes low rise**																	
	4	1 bedroom	incl. basic	64.18	30.39				$94.57							$94.57	$95	$96	-1
	58	2 bedroom	incl. basic	72.82	30.39				$103.21							$103.21	$103	$106	-3

AMP		Project	Customer Charge	Electric Basic	kwh Cooking	Solar			Total Electric	Customer Charge	SNG Cooking	Therms Indiv WH	LPN Cooking	Therms Indiv WH	Total GAS	Total Utility	2025 Allow	2024 Allow	Diff 2025 & 2024
	36	3 bedroom	incl. basic	84.36	37.28				$121.64							$121.64	$122	$122	0
35	**HI001073**	**Spencer House**																	
	1	2 bedroom	incl. basic	74.63					$74.63	incl cooking						$74.63	$75	$76	-1
	16	3 bedroom	incl. basic	81.76					$81.76	incl cooking						$81.76	$82	$84	-2
37	**HI001004**	**Lanakila Homes I**																	
	14	2 bedroom	incl. basic	80.97					$80.97	incl cooking			28.93	50.33	$79.26	$160.23	$160	$166	-6
	18	3 bedroom	incl. basic	91.03					$91.03	incl cooking			33.12	69.56	$102.68	$193.71	$194	$201	-7
	4	4 bedroom	incl. basic	107.26					$107.26	incl cooking			33.12	88.43	$121.55	$228.81	$229	$233	-4
	HI001013	**Lanakila Homes II**																	
	2	1 bedroom	incl. basic	70.91					$70.91	incl cooking			28.93	31.46	$60.39	$131.30	$131	$136	-5
	18	2 bedroom	incl. basic	80.97					$80.97	incl cooking			28.93	50.33	$79.26	$160.23	$160	$167	-7
	18	3 bedroom	incl. basic	93.11					$93.11	incl cooking			33.12	69.56	$102.68	$195.79	$196	$203	-7
	6	4 bedroom	incl. basic	103.06					$103.06	incl cooking			33.12	88.43	$121.55	$224.61	$225	$235	-10
	HI001028	**Punahele Homes**																	
	30	2 bedroom	incl. basic	79.93					$79.93	incl cooking			28.93	50.33	$79.26	$159.19	$159	$168	-9
	HI001097	**Kauhale O Hanakahi**																	
	20	3 bedroom	incl. basic	93.93					$93.93	incl cooking			33.12	69.56	$102.68	$196.61	$197	$202	-5
	HI001104	**Lanakila Homes IV**																	
	2	1 bedroom	incl. basic	71.27					$71.27	incl cooking			28.93	31.46	$60.39	$131.66	$132	$137	-5
	18	2 bedroom	incl. basic	81.17					$81.17	incl cooking			28.93	50.33	$79.26	$160.43	$160	$167	-7
	20	3 bedroom	incl. basic	91.96					$91.96	incl cooking			33.12	69.56	$102.68	$194.64	$195	$203	-8
	8	4 bedroom	incl. basic	103.84					$103.84	incl cooking			33.12	88.43	$121.55	$225.39	$225	$235	-10
	HI001106	**Lanakila Homes IIIA**																	
		ADA Units																	
	4	1 bedroom (ADA units)	incl. basic	70.67	34.81				$105.48					7.86	$7.86	$113.34	$113	$115	-2
	6	2 bedroom (ADA units)	incl. basic	80.57	34.81				$115.38					12.58	$12.58	$127.96	$128	$127	1
	4	3 bedroom (ADA units)	incl. basic	89.56	42.71				$132.27					17.39	$17.39	$149.66	$150	$145	5
		Lanakila Homes IIIA																	
	6	2 bedroom	incl. basic	79.67					$79.67	incl cooking			28.93	12.58	$41.51	$121.18	$121	$126	-5
37	**HI001105**	**Lanakila Homes IIIB**																	
	4	1 bedroom (ADA units)	incl. basic	70.15					$70.15		28.93	7.86			$36.79	$106.94	$107	$115	-8
	8	2 bedroom	incl. basic	79.40					$79.40		28.93	12.58			$41.51	$120.91	$121	$131	-10
	4	3 bedroom	incl. basic	87.54					$87.54		33.12	17.39			$50.51	$138.05	$138	$153	-15
38	**HI001018**	**Kapaa**																	
	6	1 bedroom	incl. basic	62.23					$62.23	incl cooking						$62.23	$62	$59	3
	8	2 bedroom	incl. basic	70.84					$70.84	incl cooking						$70.84	$71	$68	3
	12	3 bedroom	incl. basic	79.67					$79.67	incl cooking						$79.67	$80	$75	5
	10	4 bedroom	incl. basic	92.38					$92.38	incl cooking						$92.38	$92	$89	3
	HI001020	**Eleele Homes**																	
	2	1 bedroom	incl. basic	62.69					$62.69	incl cooking					$0.00	$62.69	$63	$58	5
	6	2 bedroom	incl. basic	71.30					$71.30	incl cooking					$0.00	$71.30	$71	$66	5
	10	3 bedroom	incl. basic	79.32					$79.32	incl cooking					$0.00	$79.32	$79	$74	5
	6	4 bedroom	incl. basic	92.03					$92.03	incl cooking					$0.00	$92.03	$92	$86	6
	HI001021	**Hui O Hanamaulu**																	
	6	1 bedroom	incl. basic	61.91					$61.91	incl cooking					$0.00	$61.91	$62	$58	4
	12	2 bedroom	incl. basic	69.88					$69.88	incl cooking					$0.00	$69.88	$70	$67	3
	16	3 bedroom	incl. basic	77.35					$77.35	incl cooking					$0.00	$77.35	$77	$74	3
	12	4 bedroom	incl. basic	87.13					$87.13	incl cooking					$0.00	$87.13	$87	$84	3
	HI001022	**Kalaheo**																	

AMP		Project	Customer Charge	Electric Basic	kwh Cooking	Solar			Total Electric	Customer Charge	SNG Cooking	Therms Indiv WH	LPN Cooking	Therms Indiv WH	Total GAS	Total Utility	2025 Allow	2024 Allow	Diff 2025 & 2024
	2	2 bedroom	incl. basic	63.88					$63.88	incl cooking						$63.88	$64	$68	-4
	4	3 bedroom	incl. basic	73.17					$73.17	incl cooking						$73.17	$73	$75	-2
	2	4 bedroom	incl. basic	82.45					$82.45	incl cooking						$82.45	$82	$80	2
	HI001064	**Kekaha Ha'aheo**																	
	42	1 bedroom	incl. basic	63.70					$63.70	incl cooking			28.93		$28.93	$92.63	$93	$89	4
	12	2 bedroom	incl. basic	72.95					$72.95	incl cooking			28.93		$28.93	$101.88	$102	$98	4
	24	3 bedroom	incl. basic	80.31					$80.31	incl cooking			33.12		$33.12	$113.43	$113	$111	2
	HI001086	**Kawailehua - Federal**																	
	25	3 bedroom	incl. basic	83.80					$83.80	incl cooking			33.12	69.56	$102.68	$186.48	$186	$185	1
39	**HI001017**	**Kahekili Terrace**																	
	12	1 bedroom	incl. basic	61.15					$61.15	incl cooking					$0.00	$61.15	$61	$70	-9
	22	2 bedroom	incl. basic	70.70					$70.70	incl cooking					$0.00	$70.70	$71	$83	-12
	36	3 bedroom	incl. basic	77.94					$77.94	incl cooking					$0.00	$77.94	$78	$93	-15
	12	4 bedroom	incl. basic	88.11					$88.11	incl cooking					$0.00	$88.11	$88	$103	-15
	HI001088	**Kahale Mua - Federal**																	
		Non-Mod Units																	
	7	3 bedroom	incl. basic	102.80					$102.80	incl cooking			33.12	69.56	$102.68	$205.48	$205	$202	3
		Kahale Mua - Federal																	
		Mod Units																	
	18	3 bedroom	incl. basic	102.80					$102.80	incl cooking			33.12	69.56	$102.68	$205.48	$205	$211	-6
	HI001092	**Makani Kai Hale**																	
	25	3 bedroom	incl. basic	78.30					$78.30	incl cooking						$78.30	$78	$96	-18
	HI001097	**Makani Kai Hale II**																	
	4	3 bedroom	incl. basic	78.30					$78.30	incl cooking						$78.30	$78	$96	-18
40	**HI001007**	**Kuhio Homes**																	
	20	1 bedroom	incl. basic	61.20					$61.20	incl cooking						$61.20	$61	$63	-2
	32	2 bedroom	incl. basic	69.96					$69.96	incl cooking						$69.96	$70	$72	-2
	37	3 bedroom	incl. basic	77.14					$77.14	incl cooking						$77.14	$77	$80	-3
	37	4 bedroom	incl. basic	86.96					$86.96	incl cooking						$86.96	$87	$91	-4
	8	5 bedroom	incl. basic	87.42					$87.42	incl cooking						$87.42	$87	$93	-6
43	**HI001032**	**Kaimalino**																	
	10	1 bedroom	incl. basic	69.96					$69.96	incl cooking						$69.96	$70	$69	1
	14	2 bedroom	incl. basic	82.42					$82.42	incl cooking						$82.42	$82	$80	2
	14	3 bedroom	incl. basic	88.63					$88.63	incl cooking						$88.63	$89	$87	2
	2	4 bedroom	incl. basic	97.80					$97.80	incl cooking						$97.80	$98	$95	3
	HI001053	**Hale Hookipa**																	
	20	0 bedroom	incl. basic	66.36	34.81				$101.17							$101.17	$101	$99	2
	12	1 bedroom	incl. basic	66.47	34.81				$101.28							$101.28	$101	$99	2
	HI001061	**Ka Hale Kahaluu**																	
	8	1 bedroom	incl. basic	71.48	34.81				$106.29							$106.29	$106	$104	2
	12	2 bedroom	incl. basic	81.62	34.81				$116.43							$116.43	$116	$114	2
	22	3 bedroom	incl. basic	92.03	42.71				$134.74							$134.74	$135	$132	3
	8	4 bedroom	incl. basic	102.18	42.71				$144.89							$144.89	$145	$142	3
	HI001063	**Nani Olu (E)**																	
	32	1 bedroom	incl. basic	67.92	34.81	38.99			$141.72							$141.72	$142	$140	2
	HI001070	**Kealakehe**																	
	16	1 bedroom	incl. basic	72.52	34.81				$107.33							$107.33	$107	$105	2
	16	2 bedroom	incl. basic	82.78	34.81				$117.59							$117.59	$118	$116	2
	16	3 bedroom	incl. basic	94.58	42.71				$137.29							$137.29	$137	$132	5

AMP		Project	Customer Charge	Electric Basic	kwh Cooking	Solar			Total Electric	Customer Charge	SNG Cooking	Therms Indiv WH	LPN Cooking	Therms Indiv WH	Total GAS	Total Utility	2025 Allow	2024 Allow	Diff 2025 & 2024
44	HI001033	Maili I																	
	7	2 bedroom	incl. basic	77.70	30.39		18.40		$126.49							$126.49	$126	$129	-3
	13	3 bedroom	incl. basic	84.99	37.28		30.55		$152.82							$152.82	$153	$156	-3
	HI001035	Nanakuli Homes																	
	36	3 bedroom	incl. basic	94.31	37.28		30.97		$162.56							$162.56	$163	$167	-4
44	HI001057	Waimaha-Sunflower A-E																	
	12	1 bedroom	incl. basic	67.99	30.39		12.15		$110.53							$110.53	$111	$112	-1
	24	2 bedroom	incl. basic	77.92	30.39		18.40		$126.71							$126.71	$127	$131	-4
	24	3 bedroom	incl. basic	85.96	37.28		30.55		$153.79							$153.79	$154	$157	-3
	HI001057	Waimaha-Sunflower F-G																	
	8	1 bedroom	incl. basic	65.23	30.39		12.15		$107.77							$107.77	$108	$130	-22
	6	2 bedroom	incl. basic	75.40	30.39		18.40		$124.19							$124.19	$124	$173	-49
	8	3 bedroom	incl. basic	83.34	37.28		30.55		$151.17							$151.17	$151	$222	-71
	HI001057	Waimaha-Sunflower																	
	32	1 bedroom	incl. basic	63.08	30.39		12.15		$105.62							$105.62	$106	$110	-4
	16	2 bedroom	incl. basic	72.15	30.39		18.40		$120.94							$120.94	$121	$128	-7
	HI001091	Kau'iokalani																	
		MOD Units																	
	50	3 bedroom	incl. basic	84.86					$84.86	incl cooking			40.96	13.98	$54.94	$139.80	$140	$147	-7
	HI001108	Maili II																	
	12	2 bedroom	incl. basic	87.74	30.39		18.40		$136.53							$136.53	$137	$137	0
	12	4 bedroom	incl. basic	114.15	37.28		42.88		$194.31							$194.31	$194	$197	-3
45	HI001025	Waimanalo Homes																	
	6	2 bedroom	incl. basic	92.23					$92.23	incl cooking			45.77	92.92	$138.69	$230.92	$231	$231	0
	10	3 bedroom	incl. basic	101.64					$101.64	incl cooking			53.50	127.62	$181.12	$282.76	$283	$283	0
	3	4 bedroom	incl. basic	110.71					$110.71	incl cooking			53.50	162.91	$216.41	$327.12	$327	$328	-1
	HI001030	Koolau Village																	
	8	1 bedroom	incl. basic	72.13					$72.13	incl cooking			45.77	57.64	$103.41	$175.54	$176	$177	-1
	24	2 bedroom	incl. basic	82.75					$82.75	incl cooking			45.77	92.92	$138.69	$221.44	$221	$223	-2
	36	3 bedroom	incl. basic	96.03					$96.03	incl cooking			53.50	127.62	$181.12	$277.15	$277	$279	-2
	12	4 bedroom	incl. basic	106.84					$106.84	incl cooking			53.50	162.91	$216.41	$323.25	$323	$323	0
	HI001069	Kaneohe Apartments																	
	5	1 bedroom	incl. basic	69.85	30.39	34.03			$134.27							$134.27	$134	$136	-2
	19	2 bedroom	incl. basic	78.74	30.39	68.03			$177.16							$177.16	$177	$179	-2
	HI001072	Hookipa Kahaluu																	
		Non-Mod Units																	
	8	1 bedroom	incl. basic	67.21	30.39	34.03			$131.63							$131.63	$132	$144	-12
	32	2 bedroom	incl. basic	75.03	30.39	68.03			$173.45							$173.45	$173	$191	-18
	16	3 bedroom	incl. basic	84.06	37.28	102.07			$223.41							$223.41	$223	$256	-33
		Hookipa Kahaluu																	
		Mod Units																	
		1 bedroom	incl. basic	60.96	30.39	34.03			$125.38							$125.38	$125	$139	-14
		2 bedroom	incl. basic	69.70	30.39	68.03			$168.12							$168.12	$168	$188	-20
		3 bedroom	incl. basic	77.48	37.28	102.07			$216.83							$216.83	$217	$250	-33
45	HI001090	Kauhale 'Ohana																	
	25	3 bedroom	incl. basic	82.01					$82.01	incl cooking			40.96	93.18	$134.14	$216.15	$216	$234	-18
46	HI001071	Noelani I																	
	7	1 bedroom	incl. basic	69.34					$69.34	incl cooking			28.93	7.86	$36.79	$106.13	$106	$107	-1
	12	2 bedroom	incl. basic	79.24					$79.24	incl cooking			28.93	12.58	$41.51	$120.75	$121	$123	-2

AMP		Project	Customer Charge	Electric Basic	kwh Cooking	Solar			Total Electric	Customer Charge	SNG Cooking	Therms Indiv WH	LPN Cooking	Therms Indiv WH	Total GAS	Total Utility	2025 Allow	2024 Allow	Diff 2025 & 2024
	HI001078	**Noelani II**																	
	24	3 bedroom	incl. basic	89.06					$89.06	incl cooking			33.12	10.43	$43.55	$132.61	$133	$135	-2
	HI001097	**Ke Kumu 'Ekolu**																	
	20	3 bedroom	incl. basic	96.90					$96.90	incl cooking			33.12	10.43	$43.55	$140.45	$140	$142	-2
49		**Wahiawa Terrace**																	
		Mod Units																	
	3	1 bedroom	incl. basic	67.66					$67.66	incl cooking			45.77		$45.77	$113.43	$113	$121	-8
	5	2 bedroom	incl. basic	76.94					$76.94	incl cooking			45.77		$45.77	$122.71	$123	$128	-5
	6	3 bedroom	incl. basic	87.82					$87.82	incl cooking			53.50		$53.50	$141.32	$141	$152	-11
	1	4 bedroom	incl. basic	104.59					$104.59	incl cooking			53.50		$53.50	$158.09	$158	$159	-1
	HI001056	**Kauhale Nani**																	
	14	1 bedroom	incl. basic	65.00					$65.00	incl cooking			45.77	57.64	$103.41	$168.41	$168	$169	-1
	16	2 bedroom	incl. basic	74.61					$74.61	incl cooking			45.77	92.92	$138.69	$213.30	$213	$215	-2
	20	3 bedroom	incl. basic	81.22					$81.22	incl cooking			53.50	127.62	$181.12	$262.34	$262	$265	-3
50	**HI001008**	**Palolo Homes**																	
		Non-Mod Units																	
	8	1 bedroom	incl. basic	61.25		34.03			$95.28	incl cooking	35.34				$35.34	$130.62	$131	$133	-2
	26	2 bedroom	incl. basic	69.68		68.03			$137.71	incl cooking	35.34				$35.34	$173.05	$173	$176	-3
	34	3 bedroom	incl. basic	76.73		102.97			$179.70	incl cooking	40.96				$40.96	$220.66	$221	$224	-3
	26	4 bedroom	incl. basic	85.28		136.10			$221.38	incl cooking	40.96				$40.96	$262.34	$262	$268	-6
	4	5 bedroom	incl. basic	86.30		170.10			$256.40	incl cooking	40.96				$40.96	$297.36	$297	$305	-8
		Mod Units																	
	4	1 bedroom	incl. basic	63.15					$63.15	incl cooking	35.34			42.14	$77.48	$140.63	$141	$145	-4
	8	2 bedroom	incl. basic	72.19					$72.19	incl cooking	35.34			67.42	$102.76	$174.95	$175	$182	-7
	6	3 bedroom	incl. basic	80.84					$80.84	incl cooking	40.96			93.18	$134.14	$214.98	$215	$224	-9
	6	4 bedroom	incl. basic	91.68					$91.68	incl cooking	40.96			118.46	$159.42	$251.10	$251	$262	-11
	3	5 bedroom	incl. basic	93.08					$93.08	incl cooking	40.96			144.21	$185.17	$278.25	$278	$291	-13

Approved by the Executive Director
June 19, 2025

FOR ACTION

MOTION: To Adopt the Hawaii Public Housing Authority's Administrative Memorandum, Communication No.1 Policy on Communication, Amended June 19, 2025

I. FACTS

A. The Hawaii Public Housing Authority (HPHA) acknowledges the importance of online social media networks that can serve as a vital communication tool in disseminating information such as press releases, training information, news articles about HPHA and its programs to its participants and the general public.

B. The purpose of the Social Media Policy is to set forth guidelines that must be followed with respect to utilizing social media sites in connection with official HPHA purposes, and personal use of social media by employees.

C. The Policy will include social media accounts that will be created and maintained by the Housing Information Officer, who will be responsible for regularly updating the web pages, monitoring content, and engaging with the public.

II. DISCUSSION

A. The proposed policy will provide social media training and education to employees to ensure awareness of this policy, best practices, and any updates or changes to social media platforms.

B. The policy applies during working hours and after working hours if the employee's actions can be reasonably connected to the authority.

C. The policy aims to promote responsible and professional use of social media, protect the reputation of HPHA, ensure compliance with applicable laws, and maintain the privacy and security of HPHA stakeholders.

D. The policy can build the HPHA brand and showcase its positive impact within the community. This can help the organization to establish a positive reputation and attract more tenants and supporters.

E. Social media is a tool for communication, allowing tenants to interact with the housing authority and ask questions or raise any concerns they may have. This can help to foster stronger relationships between HPHA and its tenants.

III. RECOMMENDATION

That the Board of Directors Adopt the Hawaii Public Housing Authority's Administrative Memorandum, Communication No.1 Policy on Communication, Amended June 19, 2025

Attachment A: Administrative Memorandum Communication No.1 Policy on Communication (amended June 19, 2025)

Prepared by: Dallis Ontiveros, Housing Information Officer D.O.

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

_____
Robert J. Hall
Chairperson

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

ADMINISTRATIVE MEMORANDUM

Communication No. 1
Amended May 3, 2011
Amended October 20, 2011
Amended June 19, 2025

TO: All Branches and Support Offices

FROM: Hakim Ouansafi
Executive Director

SUBJECT: **Policy on Communications**

I. GENERAL

The purpose of this Administrative Memorandum is to establish management policies and procedures for the Hawaii Public Housing Authority (HPHA) related to official communication (e.g., media, legislative, messages) regarding the HPHA's programs, policies, and rules.

II. POLICY

The Office of the Executive Director is responsible for ensuring that communication with external stakeholders and other interested parties are consistent with the Board's strategic vision for HPHA and its adopted policies. To that end, any official message from the HPHA shall be approved and/or issued by the Office of the Executive Director.

External stakeholders and other interested parties include, but are not limited to, members of the Legislature (including elected officials and their staffs), State and Federal government agencies, nonprofit agencies, community leaders, appointed officials, and contractors. Inquiries from the media must be immediately referred to the Office of the Executive Director.

All HPHA employees (full and part time) are expected to know and comply with this administrative memorandum. The Office of the Executive Director may

delegate to each Branch or Office Supervisor the responsibility for communication on regular day-to-day operational tasks with external stakeholders and other interested parties (e.g., members of the general public, external stakeholders and other interested parties include, but are not limited to, members of the Legislature (including elected officials and their staffs), State and Federal government agencies, nonprofit agencies, community leaders, appointed officials, and contractors.).

Nothing in this policy is intended to preclude the Board Chair or a designated Board member from communicating with external stakeholders in his/her official capacity.

Nothing in the policy is intended to conflict with an employee's rights under Part V of Chapter 378, HRS, Whistleblowers' Protection Act.

In addition, nothing in this policy is meant to impinge on any person's individual First Amendment rights but is meant to bring consistency to the Executive Director's management of official communications from the Agency with external stakeholders and other interested parties.

If there is a conflict between this policy and any law, rule or regulation, the law, rule or regulation shall prevail.

III. PROCEDURES

A. Responsible Parties

Branch Chiefs, Section Supervisors, and Officers (hereinafter referred to as "Supervisors") are responsible for the dissemination of this administrative memorandum to all affected staff. Supervisors shall be responsible to review all administrative memoranda to ensure compliance and uniformity with the requirements detailed below.

All HPHA employees are responsible for understanding the policy and procedures described herein. Any employee who does not understand the procedures described herein shall immediately contact their supervisor for clarification.

B. Legislative

1. All inquiries from the Legislature or legislative staff offices (e.g., Legislators, aides, assistants, secretaries, etc.) must be referred to the Planning and Evaluation Office (PEO). An inquiry may be in the form of a request for information, status reports, updates, interviews, or meetings via letter, email, facsimile, or telephone call. Staff must not attempt to provide an official agency response or represent the HPHA without conferring with OED and/or PEO.

2. PEO will be responsible for reviewing or drafting responses to legislative inquiries and will coordinate with the Office of the Executive Director and the Board of Directors, if necessary.

3. Any requests for participation on an advisory board, in a community meeting, conference, panel or the like, shall be referred to the Office of the Executive Director. The Office of the Executive Director or representative designated by OED shall represent the HPHA. Staff are not expected to follow the instructions of a member of the Legislature when it is in direct conflict with these procedures.

4. In the event the staff receives a legislative inquiry regarding factual information that is readily accessible to the public (such as number of units, project location, phone numbers, etc.) and staff determines in their best judgment that providing the information would not be construed as an official response concerning HPHA's strategic vision, policies, or goals and objectives, the staff may respond and must immediately notify the OED and PEO of the inquiry and their response no later than the close of business that day.

5. Staff must respond within 5 working days to any request via the PEO, unless otherwise stated in the request.

6. The OED or PEO shall determine when a request and/or inquiry must be submitted in writing or some other appropriate form of communication.

7. The Chief Planner may engage in regular communication with members of the Legislature and their staff. The Chief Planner shall work closely with the Office of the Executive Director to ensure that any communication is in congruence with the Board's strategic vision for HPHA and its adopted policies.

C. Media

1. All inquiries from the media (e.g., newspaper, radio, television, etc.) must be referred to the OED in a timely manner. An inquiry may be in the form of a request for information, status reports, updates, interviews, or meetings. Staff must not attempt to provide an official agency response.

2. The Housing Information Officer (HIO) will be responsible for reviewing or drafting responses to media inquiries and will coordinate with the OED. The HIO will be responsible for complying with instructions regarding notification to the Department of Human Services, the Governor's Policy Office, the Governor's Public Relations Office, and any other appropriate parties.

3. All media requests for information, including reports, statements, interviews, or readily available information regarding a project in litigation, arbitration, settlement, or any legal action shall be immediately referred to the HIO. The HIO shall be responsible for notifying the Department of the Attorney General and seeking guidance on the release of information, if appropriate.

4. The HIO will be responsible for handling press releases in compliance with instructions from the Department of Human Services, the Governor's Policy Office, the Governor's Public Relations Office, and any other appropriate parties.

5. Supervisors are responsible for handling routine advertisements (e.g., legal ads for solicitations, public notices of hearing) in compliance with the Statement of Procurement Policy and/or with the approval of the Office of the Executive Director.

D. Board of Directors

1. All employees are required to follow the Board's Policy on the Board's Role and Interaction with HPHA staff.

2. In summary, unless expressly allowed or authorized, employees shall not communicate directly with members of the Board of Directors.

3. Nothing in this policy shall be construed to limit a staff person's interaction with the Board when there is an alleged instance of wrongdoing (e.g., violation of law, rule, regulation, or policy).

E. Government Agencies

1. All inquiries from State, Federal and local government agencies, including the Office of the Governor/Lieutenant Governor, shall be referred to the Office of the Executive Director. The Office of the Executive Director shall determine who is responsible for preparing and responding to said inquiry.

2. The Office of the Executive Director may delegate authority to Supervisors to have regular open communication with other government agencies regarding routine day-to-day matters, including program goals and accomplishments, budget and fiscal matters, and administration and oversight.

3. All written correspondence or email responses to government funding agencies shall require the prior approval of the Office of the Executive Director or a designated representative.

4. The Procurement Officer may engage in regular communication with the U.S. Department of Housing and Urban Development and other funding agencies on matters related to procurement and contracting. Any substantive concerns shall be reported to the Office of the Executive Director on a timely basis.

5. The Fiscal Officer may engage in regular communication with the U.S. Department of Housing and Urban Development and other funding agencies on matters related to budget, obligations, expenditures, and payments. Any substantive concerns shall be reported to the Office of the Executive Director on a timely basis.

6. Notwithstanding the requirements of Paragraph E. 1., HPHA staff that is contacted by the State Office of the Ombudsman pursuant to an active investigation by that Office shall respond immediately to the Ombudsman's staff. Contacted HPHA staff must immediately notify their Supervisor of the inquiry and their response no later than the close of business that day. The Supervisor is responsible to report the same to the Office of the Executive Director within 5 working days.

F. Contractors

1. Communication regarding contracts shall be addressed through the HPHA's Statement of Procurement Policy and may be detailed in the procurement documents (e.g., solicitation). Nothing in this policy is intended to conflict with the HPHA's Statement of Procurement Policy, in such instances the Statement of Procurement Policy shall prevail.

2. The Procurement Officer and his/her designated representatives may engage in regular communication regarding procurement and contract issues with HPHA's contractors and potential vendors/contractors. Supervisors shall work with the HPHA's Contract and Procurement Office to determine the appropriate lines of communication with a contractor(s).

3. Communication regarding the monitoring of contracted activities should be the responsibility of the Supervisor of the owning branch. Any substantive concerns identified during contract monitoring should be reported to the Procurement Office on a timely basis.

G. Legal Counsel

1. All inquiries from a constituent's legal counsel shall be immediately referred to a Supervisor. The Supervisor shall in his/her best judgment make a determination whether the matter should be referred to the Office of the Executive Director.

2. Inquiries from the HPHA's legal counsel regarding legal action shall be referred to the Office of the Executive Director and/or the Compliance Office. The Office of the Executive Director shall determine who is responsible for preparing and responding to inquiries regarding legal action.

3. The Chief Compliance Officer and the Chief Planner may engage in regular communication with the HPHA's legal counsel on all matters.

4. The Procurement Officer may engage in regular communication with the HPHA's legal counsel on all matters related to procurement and contracting.

5. Supervisors may communicate directly with HPHA's legal counsel regarding day-to-day matters, such as questions on notices to tenants and guidance on rule interpretation, or when directed by the Office of the Executive Director.

H. Community Groups

1. Communication with community groups shall be delegated to the Supervisors, except when it involves the interpretation of rules, regulations, or Board policy. The term "community groups" shall be broadly interpreted to mean non-profits, advocacy groups, organizations, or associations.

2. Supervisors may participate in community groups when required as part of their official duties and are responsible to report their activities and participation to the Office of the Executive Director.

3. Questions regarding interpretation of rules, regulations, or Board policy should be referred to the Office of the Executive Director.

I. Social Media Policy

1. The Hawaii Public Housing Authority will establish and maintain official social media accounts managed by authorized personnel to represent the HPHA and disseminate accurate information.

2. All social media interactions to be conducted with respect and professionalism. Employees shall not engage in personal attacks, cyberbullying, or false news.

3. Confidentiality: The HPHA shall not share personal, confidential, or proprietary information related to tenants, employees, management, or the department through social media accounts.

4. Impersonation: HPHA employees not authorized to disseminate information related to the HPHA shall not create social media accounts that may mislead or misrepresent themselves as the HPHA or one of its officials.

5. The Office of the Executive Director is responsible for ensuring that appropriate procedures are adopted for staff use. All HPHA employees (full and part time) are expected to know and comply with this administrative memorandum.

6. Any employee found violating the above social media policy may be subject to disciplinary action in accordance with applicable laws and/or their bargaining unit agreement, up to and including termination of employment. Employees are expected to take personal responsibility for their online behavior and use of social media platforms in official HPHA matters.

J. Sanctions

1. Employees who violate this policy may be subject to disciplinary action in accordance with applicable laws and/or their bargaining union agreement.

ACKNOWLEDGEMENT

My signature below acknowledges that I have received, read and understand the HPHA's management policy on Communication.

I understand and agree that it is my responsibility to be familiar with and know how to apply these Policies and Procedures to my particular job responsibilities and that failure to do so may result in disciplinary action in accordance with applicable law(s) and/or the bargaining unit agreement.

If I do not understand and agree to the appropriate course of action to take during my employment, I will review the Policy on Communications, discuss with my supervisor and/or take whatever other action is necessary.

Name (Please Print)

Signature Date

Branch/Section/Unit/Office

Executive Director's Report
Hawaii Public Housing Authority
May 2025

I. Planning and Evaluation

A. 2025 Legislative Session Interim Activities

On May 27, 2025, the HPHA met with the Senate Ways and Means Committee staff for an end-of-session debrief. The HPHA thanked the staff for their assistance throughout the 2025 Legislative Session with the budget process and looks forward to collaborating again for the 2026 Legislative Session.

B. Sea Level Rise & State Facilities (Act 178, SLH 2021) Action Team Meeting. Act 178, SLH 2021 requires the Office of Planning and Sustainable Development (OPSD) in coordination with state agencies with operational responsibilities over state facilities to:

1. Identify existing and planned facilities that are vulnerable to sea level rise, flooding impacts, and natural hazards;
2. Assess options to mitigate the impacts of sea level rise to those facilities; and
3. Submit annual reports to the governor, legislature, and the Hawaii Climate and Adaptation Commission regarding vulnerability and mitigation assessments for state facilities and progress toward implementing sea level rise adaptation in future plans, programs, and capital improvement needs and decisions.

On Thursday, May 15, 2025, the HPHA participated in the Office of Planning & Sustainable Development (OPSD) Sea Level Rise (SLR) & State Facilities Action Team Meeting.

A review of the goals of Act 178, SLH 2021 and a recap of accomplishments were discussed. Mr. Alec Bernstein, Project Manager, ICF Incorporated, L.L.C. provided a status update from the project team on the SLR vulnerability assessment tool, the project goals, methodology and deliverables.

Training for state agencies to evaluate their building portfolio's vulnerability and exposure to SLR, and to prioritize state buildings for adaptation or to adjust to potential damages will begin in June. Adaptation pathway guidance for planning and a tactical guidebook on how to prioritize SLR planning will be coming out in the near future.

II. Fiscal Management

A. Variance Report for April 2025

1. Revenue for April 2025

- CFP Grant Income: $61,597 over budget due to drawdowns from HUD's Capital Fund Program (CFP) for non-capitalized expenses, reported as operating income. Non-capitalized amounts were not initially budgeted, as these amounts are difficult to predict.

- State CIP Fund: $112,092 over budget due to expenditures on capital projects below the $100,000 capitalization threshold, recognized as operating income. These non-capitalized amounts were not initially budgeted due to their unpredictability.

- Grant Income: $5,059,227 above budget due to additional funds allotment for vacant unit repairs.

- Other Income: $181,768 below budget, primarily due to lower-than-expected front-line service fees from the Multi-Skilled Workers Pilot Program (MSWPP) and other COCC branches. Revenue from these services fell short of projections.

2. Expenses for April 2025

- Tenant Services: $16,975 below budget due to:
  - $2.321 less in relocation costs incurred.
  - $6,048 unspent budget for tenant participation.
  - $8,606 lower costs across other tenant services.

- Utilities: $149,156 under budget due to overall costs being lower than anticipated:
  - Electricity: $82,977 under budget
  - Gas: $18,436 under budget
  - Water and Sewer: $47,743 under budget

- Maintenance: $548,519 over budget due to:
  - Maintenance payroll savings: $207,046 lower HPHA maintenance payroll expenses and $16,425 lower private management company maintenance payroll expenses.
  - Furniture, Appliances, Equipment, Materials and Supplies: $117,616 over budget.
  - Contract Services including vacant unit repairs: $878,586 over budget.
  - Front-Line Service Expenses: $224,212 lower than expected.

- Insurance Expense: Over budget by $45,947 due to higher-than-expected general liability premiums, including auto liability, billed by the private management company.

- Bad Debt Expense: $65,775 below budget due to month-end reconciliations, tenant account adjustments, and updates to the allowance for doubtful accounts to address uncollected rent and fees.

- General Expenses: $116,783 below budget, primarily due to the following:
  - Undistributed P-card Purchase Balance: $220,626 decrease. P-card purchases are interim charges recorded until allocated to specific projects or programs.
  - HAP Back Payments: $93,825 over budget due to adjustments for prior-period housing assistance payments not covered by current-year funding.
  - Port-Out Voucher Fees: $5,618 for administrative fees related to Section 8 tenants relocating to other public housing agencies.
  - Miscellaneous General Expenses: $4,401 above budget.

3. Year-to-Date Revenue

   - CFP Grant Income: $4,111,600 over budget, due to HUD CFP expenditures not being capitalized and therefore recorded as operating income.

   - COCC Fee Income: $1,199,557 above budget due to federal capital fund management fees being paid to COCC one year ahead of the budgeted schedule.

   - State CIP Fund: $183,331 above budget due to CIP expenditures recorded as income for non-capitalized expenses.

   - Grant Income: $10,441,865 over budget due to state fund allotments received for extraordinary vacant unit repairs and temporary hazard pay, which is excluded from the regular operating budget.

   - Other Income: $2,797,459 below budget, primarily due to underperformance in the MSWPP and COCC branches against revenue targets.

4. Year-to-Date Expenses

- Administrative: $3,444,465 below budget due to savings in payroll, front-line service fees, travel, and office supplies expenses, with slight increases in auditing, legal services, consultant/other professional services, and management agent fees.

- Management Fees: $2,741,291 over budget due to timing difference between the budgeted and actual drawdown of CFP management fees, and advance payments made ahead of the budgeted schedule.

- Tenant Services: $169,216 below budget due to unspent funds in relocation, tenant participation and other tenant services.

- Insurance Expense: $297,847 over budget, primarily due to higher general liability premiums (including auto liability) billed by the private management company.

- Bad Debt Expense: $394,687 above budget due to ongoing reconciliations, tenant account adjustments, and updates to the allowance for doubtful accounts.

- General Expenses: $8,926,860 above budget, impacted by:
  - $7,455,126 loss on the disposal of David Malo and Piilani housing projects (AMP 39) due to wildfire disaster.
  - Undistributed P-card purchase balance: $561,965.
  - Port-Out Voucher Fees: $82,000 for administrative fees related to Section 8 tenant relocation.
  - HAP Back Payments: $793,647 for prior-year obligations not covered by current-year HAP funding.
  - Other General Expenses: $34,122 over budget across various categories.

This variance analysis highlights HPHA's adherence to budgeted expectations, with adjustments due to unexpected expenses and timing differences in revenue. The report emphasizes the careful management of resources in alignment with HUD and state requirements.

HAWAII PUBLIC HOUSING AUTHORITY

Agency Total

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
2,385,981	2,275,404	110,577	5%	Dwelling Rental Income	23,813,977	22,940,080	873,897	4%	23,017,781	796,196	3%
12,391,590	12,509,756	(118,166)	-1%	HUD Operating Grants	128,239,325	125,097,557	3,141,767	3%	122,193,836	6,045,489	5%
61,597	-	61,597	100%	CFP Grant Income	7,690,600	3,579,000	4,111,600	>100%	1,511,492	6,179,108	>100%
491,571	525,265	(33,694)	-6%	COCC Fee Income	7,989,026	6,789,470	1,199,557	18%	6,548,221	1,440,806	22%
112,092	-	112,092	100%	State CIP Fund	183,331	-	183,331	100%	213,210	(29,879)	-14%
7,135,346	2,076,119	5,059,227	>100%	Grant Income	18,754,813	8,312,948	10,441,865	>100%	15,893,534	2,861,279	18%
461,351	643,119	(181,768)	-28%	Other Income	3,553,045	6,350,505	(2,797,459)	-44%	3,206,387	346,659	11%
$ 23,039,528	**18,029,663**	**5,009,866**	**28%**	**Total Revenues**	**$ 190,224,117**	**173,069,560**	**17,154,557**	**10%**	**172,584,460**	**17,639,657**	**10%**
				EXPENSES							
2,380,606	2,511,259	(130,653)	-5%	Administrative	21,753,900	25,198,545	(3,444,645)	-14%	19,501,592	2,252,308	12%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
427,098	455,909	(28,811)	-6%	Management Fees	7,330,641	4,589,350	2,741,291	60%	5,870,864	1,459,777	25%
64,473	69,363	(4,890)	-7%	Bookkeeping Fees	658,385	696,475	(38,090)	-5%	677,357	(18,971)	-3%
9,835,927	9,310,688	525,239	6%	Housing Assistance Payments	95,859,639	93,106,879	2,752,760	3%	91,644,706	4,214,934	5%
6,915	23,890	(16,975)	-71%	Tenant Services	75,687	244,903	(169,216)	-69%	403,542	(327,855)	-81%
1,134,170	1,283,326	(149,156)	-12%	Utilities	11,949,861	12,833,263	(883,402)	-7%	11,837,624	112,237	1%
3,328,745	2,780,225	548,519	20%	Maintenance	26,077,501	27,536,352	(1,458,850)	-5%	25,644,503	432,998	2%
356,940	376,426	(19,486)	-5%	Protective Services	3,430,110	3,774,354	(344,245)	-9%	3,207,948	222,162	7%
144,073	98,126	45,947	47%	Insurance	1,279,102	981,255	297,847	30%	982,006	297,096	30%
2,063,422	2,063,422	-	0%	Depreciation Expense	20,663,067	20,663,067	-	0%	19,290,614	1,372,453	7%
22,823	88,598	(65,775)	-74%	Bad Debt Expense	1,280,667	885,980	394,687	45%	2,099,577	(818,910)	-39%
(104,413)	12,370	(116,783)	<-100%	General Expenses	9,050,564	123,704	8,926,860	>100%	876,061	8,174,503	>100%
19,660,779	**19,073,603**	**587,176**	**3%**	**Total Expenses**	**199,409,125**	**190,634,127**	**8,774,998**	**-5%**	**182,036,393**	**17,372,732**	**10%**
$ 3,378,749	**(1,043,941)**	**4,422,690**	**>100%**	**Net Income(Loss)**	**$ (9,185,008)**	**(17,564,567)**	**8,379,559**	**48%**	**(9,451,933)**	**266,926**	**3%**
				CASH BASIS							
3,378,749	**(1,043,941)**	**4,422,690**	>100%	Net Income(loss) per Above	**(9,185,008)**	**(17,564,567)**	**8,379,559**	**48%**	**(9,451,933)**	**266,926**	**3%**
				Add back non cash items:							
2,063,422	-	2,063,422	n/a	Depreciation Expense	20,663,067	-	20,663,067	n/a	19,290,614	1,372,453	7%
22,823	88,598	(65,775)	-74%	Bad Debt Expense	1,280,667	885,980	394,687	45%	2,099,577	(818,910)	-39%
$ 5,464,994	**(955,343)**	**6,420,337**	**>100%**	**TOTAL CASH BASIS**	**$ 12,758,727**	**(16,678,587)**	**29,437,313**	**>100%**	**11,938,258**	**820,469**	**7%**

HAWAII PUBLIC HOUSING AUTHORITY

Consolidated Balance Sheet

Agency Total

As of April 30, 2025 and April 30, 2024

	As of April 30, 2025	As of April 30, 2024	Increase (Decrease)
ASSETS:			
Cash	217,881,176	199,767,152	18,114,023
Accounts receivable (net of allowance)	2,364,219	1,781,675	582,544
Accrued Interest	274,938	281,859	(6,921)
Prepaid Expenses	229,268	204,517	24,751
Inventories	755,639	744,178	11,462
Total Current Assets	**221,505,240**	**202,779,382**	**18,725,859**
Property, Plant & Equipment:			
Land	25,518,054	25,518,054	-
Buildings	824,998,861	815,373,950	9,624,910
Furniture & Equipment	8,849,218	8,846,284	2,933
Motor vehicles	5,429,726	5,429,726	-
Construction in Progress	51,482,956	58,498,810	(7,015,854)
Less: Accumulated Depreciation	(578,273,278)	(558,722,434)	(19,550,845)
Notes, Loans & Mortgage Receivable-Non Current	9,919,446	7,547,809	2,371,637
Other Long Term Assets	-	-	-
Deferred Outflows of Resources	8,889,882	6,999,222	1,890,660
Total Assets & Deferred Outflow of Resources	**$ 578,320,103**	**$ 572,270,803**	**$ 6,049,300**
LIABILITIES AND NET POSITION			
Accounts Payable	5,616,402	4,370,320	1,246,083
Accrued Salaries & Wages	2,286,285	987,550	1,298,735
Tenant Security Deposits	1,505,299	1,619,700	(114,400)
Other Liabilities & Deferred Income	9,218,811	6,768,037	2,450,774
Total Current Liabilities	**18,626,798**	**13,745,607**	**4,881,191**
Net Pension Liability	40,659,919	37,965,808	2,694,111
Net OPEB Liability	33,182,220	33,424,214	(241,994)
Other Long Term Liabilities	2,143,975	2,030,240	113,736
Deferred Inflows of Resources	6,698,590	9,984,253	(3,285,663)
Net Assets			
Investment in capital assets	338,005,535	354,944,390	(16,938,855)
Restricted Net Assets	247,664	1,537,373	(1,289,709)
Unrestricted Net Assets	147,940,409	128,090,850	19,849,559
Net Income Year to Date	(9,185,008)	(9,451,933)	266,926
Total Net Assets	**477,008,601**	**475,120,681**	**1,887,920**
Total Liabilities, Deferred Inflow of Resources & Net Position	**$ 578,320,103**	**572,270,803**	**6,049,300**

HAWAII PUBLIC HOUSING AUTHORITY

Federal Low Rent Program

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance Amount	Variance %		Actual	Budget	Variance Amount	Variance %	Prior Year	Variance Amount	Variance %
				REVENUES							
1,968,403	1,910,365	58,038	3%	Dwelling Rental Income	19,886,949	19,299,648	587,301	3%	19,385,172	501,776	3%
2,476,774	2,717,625	(240,851)	-9%	HUD Operating Grants	28,482,063	27,176,250	1,305,813	5%	25,252,232	3,229,832	13%
61,597	-	61,597	100%	CFP Grant Income	7,154,109	3,579,000	3,575,109	100%	1,511,492	5,642,617	>100%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
103,322	-	103,322	100%	State CIP Fund	174,561	-	174,561	100%	191,291	(16,730)	-9%
847,483	822,907	24,576	3%	Grant Income	3,017,150	3,291,628	(274,478)	-8%	6,279,774	(3,262,623)	-52%
59,576	55,448	4,128	7%	Other Income	577,563	557,978	19,585	4%	638,378	(60,815)	-10%
$ 5,517,154	**5,506,345**	**10,809**	**0%**	**Total Revenues**	**59,292,395**	**53,904,504**	**5,387,891**	**10%**	**53,258,339**	**6,034,055**	**11%**
				EXPENSES							
985,750	927,244	58,506	6%	Administrative	8,398,452	9,330,024	(931,572)	-10%	7,728,992	669,460	9%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
303,947	316,705	(12,758)	-4%	Management Fees	6,037,500	3,199,624	2,837,876	89%	4,482,176	1,555,325	35%
32,273	34,115	(1,843)	-5%	Bookkeeping Fees	328,863	344,210	(15,347)	-4%	333,308	(4,445)	-1%
355	477	(122)	-26%	Housing Assistance Payments	2,921	4,770	(1,849)	-39%	6,032	(3,111)	-52%
6,792	20,569	(13,777)	-67%	Tenant Services	60,165	215,196	(155,031)	-72%	332,235	(272,070)	-82%
934,139	1,044,506	(110,367)	-11%	Utilities	9,880,267	10,445,060	(564,793)	-5%	9,695,637	184,630	2%
2,824,799	2,240,030	584,769	26%	Maintenance	21,147,655	22,209,604	(1,061,949)	-5%	20,909,491	238,164	1%
338,471	359,487	(21,016)	-6%	Protective Services	3,280,272	3,604,870	(324,598)	-9%	3,052,948	227,323	7%
109,712	78,760	30,952	39%	Insurance	988,726	787,600	201,126	26%	787,908	200,818	25%
1,722,958	-	1,722,958	100%	Depreciation Expense	17,262,701	-	17,262,701	100%	15,863,761	1,398,940	9%
4,767	82,587	(77,820)	-94%	Bad Debt Expense	1,153,966	825,870	328,096	40%	1,967,611	(813,645)	-41%
(210,415)	113	(210,528)	<-100%	General Expenses	8,031,732	1,130	8,030,602	>100%	409,067	7,622,665	>100%
7,053,548	**5,104,593**	**1,948,955**	**38%**	**Total Expenses**	**76,573,219**	**50,967,958**	**25,605,261**	**-50%**	**65,569,166**	**11,004,053**	**17%**
$ (1,536,394)	**401,752**	**(1,938,146)**	**<-100%**	**Net Income(Loss)**	**(17,280,825)**	**2,936,546**	**(20,217,371)**	**<-100%**	**(12,310,827)**	**(4,969,998)**	**-40%**
				CASH BASIS:							
(1,536,394)	**401,752**	**(1,938,146)**	<-100%	Net Income(loss) per Above	**(17,280,825)**	**2,936,546**	**(20,217,371)**	**<-100%**	**(12,310,827)**	**(4,969,998)**	**-40%**
				Add back non cash items:							
1,722,958	-	1,722,958	100%	Depreciation Expense	17,262,701	-	17,262,701	100%	15,863,761	1,398,940	9%
4,767	82,587	(77,820)	-94%	Bad Debt Expense	1,153,966	825,870	328,096	40%	1,967,611	(813,645)	-41%
$ 191,331	**484,339**	**(293,008)**	**-60%**		**1,135,843**	**3,762,416**	**(2,626,573)**	**-70%**	**5,520,545**	**(4,384,702)**	**-79%**

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025
(Amounts in Full Dollars)

Month of April 2025				ACCRUAL BASIS	Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
402,031	507,677	(105,646)	-21%	Asset Management Project - 30	6,099,435	5,316,622	782,813	15%	3,834,031	2,265,405	59%
706,708	536,977	169,731	32%	Asset Management Project - 31	6,302,827	4,851,354	1,451,473	30%	5,126,842	1,175,985	23%
392,597	493,057	(100,460)	-20%	Asset Management Project - 32	1,955,510	5,073,244	(3,117,734)	-61%	7,083,504	(5,127,994)	-72%
896,330	442,342	453,988	>100%	Asset Management Project - 33	5,187,961	4,056,886	1,131,075	28%	3,877,601	1,310,359	34%
674,100	643,301	30,799	5%	Asset Management Project - 34	7,516,596	5,751,662	1,764,934	31%	6,324,909	1,191,687	19%
614,155	685,377	(71,222)	-10%	Asset Management Project - 35	7,255,235	6,320,950	934,285	15%	5,608,739	1,646,495	29%
1,454,896	282,983	1,171,913	>100%	Asset Management Project - 37	4,777,708	2,797,580	1,980,128	71%	2,812,482	1,965,226	70%
268,743	325,505	(56,762)	-17%	Asset Management Project - 38	4,124,615	3,031,634	1,092,981	36%	4,910,840	(786,224)	-16%
179,112	178,189	923	1%	Asset Management Project - 39	2,934,023	2,256,570	677,453	30%	2,087,389	846,634	41%
228,637	234,226	(5,589)	-2%	Asset Management Project - 40	2,644,193	3,028,284	(384,091)	-13%	2,428,230	215,963	9%
174,769	208,058	(33,289)	-16%	Asset Management Project - 43	3,021,000	2,019,638	1,001,362	50%	2,028,061	992,939	49%
247,104	257,503	(10,399)	-4%	Asset Management Project - 44	2,566,415	2,519,206	47,209	2%	2,658,602	(92,188)	-3%
238,854	236,071	2,783	1%	Asset Management Project - 45	2,622,813	2,253,964	368,849	16%	2,325,082	297,730	13%
85,182	103,329	(18,147)	-18%	Asset Management Project - 46	969,943	1,103,484	(133,541)	-12%	956,735	13,208	1%
441,085	228,956	212,129	93%	Asset Management Project - 49	2,058,756	2,135,380	(76,624)	-4%	1,618,915	439,841	27%
1,226,272	142,794	1,083,478	>100%	Asset Management Project - 50	4,259,148	1,388,046	2,871,102	>100%	1,327,982	2,931,166	>100%
-	-	-	0%	Asset Management Project - 52	-	-	-	0%	-	-	0%
$ 8,230,575	**5,506,345**	**2,724,230**	**49%**	**Total Revenues**	**$ 64,296,177**	**53,904,504**	**10,391,673**	**19%**	**55,009,946**	**9,286,231**	**17%**
				NET INCOME(LOSS)							
(151,003)	15,043	(166,046)	<-100%	Asset Management Project - 30	(241,803)	369,471	(611,274)	<-100%	(988,688)	746,885	76%
(164,555)	67,376	(231,931)	<-100%	Asset Management Project - 31	(997,050)	138,264	(1,135,314)	<-100%	(1,744,722)	747,673	43%
(25,092)	(13,387)	(11,705)	-87%	Asset Management Project - 32	(2,934,694)	131,930	(3,066,624)	<-100%	65,324	(3,000,018)	<-100%
46,535	34,839	11,696	34%	Asset Management Project - 33	195,536	161,113	34,423	21%	(494,745)	690,281	>100%
181,081	86,904	94,177	>100%	Asset Management Project - 34	883,107	178,079	705,028	>100%	(340,403)	1,223,510	>100%
(92,187)	83,045	(175,232)	<-100%	Asset Management Project - 35	(1,372,246)	261,366	(1,633,612)	<-100%	(1,256,383)	(115,863)	-9%
784,579	20,446	764,133	>100%	Asset Management Project - 37	(152,538)	61,005	(213,543)	<-100%	(1,934,930)	1,782,392	92%
(242,404)	27,906	(270,310)	<-100%	Asset Management Project - 38	(794,114)	110,771	(904,885)	<-100%	(212,258)	(581,856)	<-100%
(146,567)	(33,785)	(112,782)	<-100%	Asset Management Project - 39	(7,826,861)	207,574	(8,034,435)	<-100%	(804,164)	(7,022,697)	<-100%
(38,841)	(39,073)	232	1%	Asset Management Project - 40	(172,393)	252,183	(424,576)	<-100%	(329,211)	156,819	48%
(63,536)	27,274	(90,810)	<-100%	Asset Management Project - 43	(223,448)	184,179	(407,627)	<-100%	(384,957)	161,509	42%
(27,904)	36,948	(64,852)	<-100%	Asset Management Project - 44	(317,852)	303,198	(621,050)	<-100%	(316,552)	(1,300)	0%
12,393	34,494	(22,101)	-64%	Asset Management Project - 45	251,778	214,444	37,334	17%	36,473	215,304	>100%
(87,804)	1,281	(89,085)	<-100%	Asset Management Project - 46	(662,038)	75,822	(737,860)	<-100%	(672,425)	10,387	2%
220,100	27,855	192,245	>100%	Asset Management Project - 49	(27,735)	106,988	(134,723)	<-100%	(441,199)	413,464	94%
972,231	24,586	947,645	>100%	Asset Management Project - 50	2,115,308	180,159	1,935,149	>100%	(740,382)	2,855,690	>100%
-	-	-	0%	Asset Management Project - 52	-	-	-	0%	-	-	0%
$ 1,177,027	**401,752**	**775,275**	**>100%**	**Total Net Income(Loss)**	**$ (12,277,042)**	**2,936,546**	**(15,213,588)**	**<-100%**	**(10,559,221)**	**(1,717,822)**	**-16%**

HAWAII PUBLIC HOUSING AUTHORITY

Federal Low Rent Program

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025				CASH BASIS	Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
402,031	507,677	(105,646)	-21%	**Asset Management Project - 30**	6,099,435	5,316,622	782,813	15%	3,834,031	2,265,405	59%
706,708	536,977	169,731	32%	**Asset Management Project - 31**	6,302,827	4,851,354	1,451,473	30%	5,126,842	1,175,985	23%
392,597	493,057	(100,460)	-20%	**Asset Management Project - 32**	1,955,510	5,073,244	(3,117,734)	-61%	7,083,504	(5,127,994)	-72%
896,330	442,342	453,988	>100%	**Asset Management Project - 33**	5,187,961	4,056,886	1,131,075	28%	3,877,601	1,310,359	34%
674,100	643,301	30,799	5%	**Asset Management Project - 34**	7,516,596	5,751,662	1,764,934	31%	6,324,909	1,191,687	19%
614,155	685,377	(71,222)	-10%	**Asset Management Project - 35**	7,255,235	6,320,950	934,285	15%	5,608,739	1,646,495	29%
1,454,896	282,983	1,171,913	>100%	**Asset Management Project - 37**	4,777,708	2,797,580	1,980,128	71%	2,812,482	1,965,226	70%
268,743	325,505	(56,762)	-17%	**Asset Management Project - 38**	4,124,615	3,031,634	1,092,981	36%	4,910,840	(786,224)	-16%
179,112	178,189	923	1%	**Asset Management Project - 39**	2,934,023	2,256,570	677,453	30%	2,087,389	846,634	41%
228,637	234,226	(5,589)	-2%	**Asset Management Project - 40**	2,644,193	3,028,284	(384,091)	-13%	2,428,230	215,963	9%
174,769	208,058	(33,289)	-16%	**Asset Management Project - 43**	3,021,000	2,019,638	1,001,362	50%	2,028,061	992,939	49%
247,104	257,503	(10,399)	-4%	**Asset Management Project - 44**	2,566,415	2,519,206	47,209	2%	2,658,602	(92,188)	-3%
238,854	236,071	2,783	1%	**Asset Management Project - 45**	2,622,813	2,253,964	368,849	16%	2,325,082	297,730	13%
85,182	103,329	(18,147)	-18%	**Asset Management Project - 46**	969,943	1,103,484	(133,541)	-12%	956,735	13,208	1%
441,085	228,956	212,129	93%	**Asset Management Project - 49**	2,058,756	2,135,380	(76,624)	-4%	1,618,915	439,841	27%
1,226,272	142,794	1,083,478	>100%	**Asset Management Project - 50**	4,259,148	1,388,046	2,871,102	>100%	1,327,982	2,931,166	>100%
-	-	-	0%	**Asset Management Project - 52**	-	-	-	0%	-	-	0%
$ 8,230,575	**5,506,345**	**2,724,230**	**49%**	**Total Revenues**	**$ 64,296,177**	**53,904,504**	**10,391,673**	**19%**	**55,009,946**	**9,286,231**	**17%**
				NET INCOME(LOSS)							
(34,582)	28,552	(63,134)	<-100%	**Asset Management Project - 30**	884,684	504,561	380,123	75%	197,137	687,547	>100%
68,238	84,043	(15,805)	-19%	**Asset Management Project - 31**	1,349,579	304,934	1,044,645	>100%	613,954	735,624	>100%
22,613	(11,387)	34,000	>100%	**Asset Management Project - 32**	(2,313,409)	151,930	(2,465,339)	<-100%	674,934	(2,988,343)	<-100%
79,703	36,839	42,864	>100%	**Asset Management Project - 33**	1,174,995	181,113	993,882	>100%	592,856	582,138	98%
240,183	91,070	149,113	>100%	**Asset Management Project - 34**	2,132,514	219,739	1,912,775	>100%	874,974	1,257,540	>100%
116,522	87,245	29,277	34%	**Asset Management Project - 35**	1,339,407	303,366	1,036,041	>100%	82,988	1,256,419	>100%
1,004,705	24,197	980,508	>100%	**Asset Management Project - 37**	1,996,024	98,515	1,897,509	>100%	355,204	1,640,821	>100%
(12,694)	27,906	(40,600)	<-100%	**Asset Management Project - 38**	779,458	110,771	668,687	>100%	1,391,563	(612,105)	-44%
(9,325)	(25,451)	16,126	63%	**Asset Management Project - 39**	(6,754,486)	290,914	(7,045,400)	<-100%	325,940	(7,080,425)	<-100%
(28,159)	(31,996)	3,837	12%	**Asset Management Project - 40**	59,010	322,953	(263,943)	-82%	(41,699)	100,710	>100%
1,593	35,309	(33,716)	-95%	**Asset Management Project - 43**	303,352	264,529	38,823	15%	306,271	(2,918)	-1%
65,626	38,447	27,179	71%	**Asset Management Project - 44**	639,003	318,188	320,815	>100%	731,371	(92,367)	-13%
74,388	36,993	37,395	>100%	**Asset Management Project - 45**	941,238	239,434	701,804	>100%	748,972	192,266	26%
(12,845)	2,531	(15,376)	<-100%	**Asset Management Project - 46**	72,991	88,322	(15,331)	-17%	96,084	(23,093)	-24%
256,769	30,355	226,414	>100%	**Asset Management Project - 49**	500,666	131,988	368,678	>100%	83,648	417,018	>100%
1,072,018	29,686	1,042,332	>100%	**Asset Management Project - 50**	3,034,597	231,159	2,803,438	>100%	237,955	2,796,642	>100%
-	-	-	0%	**Asset Management Project - 52**	-	-	-	0%	-	-	0%
$ 2,904,752	**484,339**	**2,420,413**	**>100%**	**Total Net Income(Loss)**	**$ 6,139,625**	**3,762,416**	**2,377,209**	**63%**	**7,272,151**	**(1,132,527)**	**-16%**

HAWAII PUBLIC HOUSING AUTHORITY
Housing Assistance Voucher Programs
Actual vs Budget Comparison
For the Month of April 2025, and the 10 Months ended April 30, 2025
(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance Amount	Variance %		Actual	Budget	Variance Amount	Variance %	Prior Year	Variance Amount	Variance %
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
5,446,787	5,601,114	(154,327)	-3%	HUD Operating Grants	56,094,537	56,011,139	83,398	0%	55,662,409	432,128	1%
(0)	-	(0)	-100%	CFP Grant Income	536,491	-	536,491	100%	(0)	536,491	>100%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	State CIP Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	430,000	-	430,000	100%	-	430,000	100%
60,790	1,960	58,830	>100%	Other Income	368,453	19,602	348,851	>100%	64,502	303,951	>100%
$ 5,507,577	**5,603,074**	**(95,497)**	**-2%**	**Total Revenues**	**57,429,480**	**56,030,740**	**1,398,740**	**2%**	**55,726,911**	**1,702,569**	**3%**
				EXPENSES							
256,971	205,807	51,165	25%	Administrative	2,410,872	2,093,576	317,296	15%	1,834,575	576,297	31%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
89,197	102,131	(12,934)	-13%	Management Fees	954,560	1,021,312	(66,752)	-7%	1,052,317	(97,757)	-9%
25,611	28,140	(2,529)	-9%	Bookkeeping Fees	265,789	281,400	(15,611)	-6%	280,838	(15,048)	-5%
5,397,850	5,083,275	314,575	6%	Housing Assistance Payments	52,802,028	50,832,746	1,969,282	4%	50,902,561	1,899,467	4%
67	127	(60)	-47%	Tenant Services	271	1,266	(995)	-79%	56,555	(56,284)	-100%
687	3,887	(3,200)	-82%	Utilities	30,370	38,872	(8,502)	-22%	32,934	(2,564)	-8%
5,980	981	4,999	>100%	Maintenance	16,002	9,846	6,156	63%	17,415	(1,413)	-8%
859	827	32	4%	Protective Services	6,349	8,274	(1,925)	-23%	7,183	(834)	-12%
966	1,437	(471)	-33%	Insurance	9,664	14,373	(4,709)	-33%	14,373	(4,709)	-33%
4,309	-	4,309	100%	Depreciation Expense	44,986	-	44,986	100%	47,830	(2,844)	-6%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
99,443	12,143	87,301	>100%	General Expenses	936,358	121,425	814,933	>100%	399,630	536,728	>100%
5,881,941	**5,438,755**	**443,186**	**8%**	**Total Expenses**	**57,477,250**	**54,423,091**	**3,054,159**	**-6%**	**54,646,210**	**2,831,039**	**5%**
$ (374,364)	**164,319**	**(538,683)**	**<-100%**	**Net Income(Loss)**	**(47,769)**	**1,607,649**	**(1,655,419)**	**<-100%**	**1,080,701**	**(1,128,470)**	**<-100%**
				CASH BASIS:							
(374,364)	**164,319**	**(538,683)**	<-100%	Net Income(loss) per Above	**(47,769)**	**1,607,649**	**(1,655,419)**	**<-100%**	**1,080,701**	**(1,128,470)**	**<-100%**
				Add back non cash items:							
4,309	-	4,309	100%	Depreciation Expense	44,986	-	44,986	100%	47,830	(2,844)	-6%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ (370,055)	**164,319**	**(534,374)**	**<-100%**		**(2,783)**	**1,607,649**	**(1,610,433)**	**<-100%**	**1,128,531**	**(1,131,314)**	**<-100%**

HAWAII PUBLIC HOUSING AUTHORITY

State Low Rent

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance Amount	Variance %		Actual	Budget	Variance Amount	Variance %	Prior Year	Variance Amount	Variance %
				REVENUES							
159,353	120,928	38,425	32%	Dwelling Rental Income	1,227,399	1,199,324	28,075	2%	1,174,177	53,222	5%
-	-	-	0%	HUD Operating Grants	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
8,770	-	8,770	100%	State CIP Fund	8,770	-	8,770	100%	7,306	1,464	20%
30,882	558,692	(527,810)	-94%	Grant Income	1,452,634	2,234,768	(782,134)	-35%	648,081	804,553	>100%
4,522	2,514	2,008	80%	Other Income	61,137	25,140	35,997	>100%	69,952	(8,815)	-13%
$ 203,527	**682,134**	**(478,607)**	**-70%**	**Total Revenues**	**2,749,940**	**3,459,232**	**(709,292)**	**-21%**	**1,899,516**	**850,424**	**45%**
				EXPENSES							
45,089	55,151	(10,062)	-18%	Administrative	446,048	549,973	(103,925)	-19%	428,461	17,588	4%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
18,907	20,103	(1,196)	-6%	Management Fees	188,302	198,714	(10,412)	-5%	193,824	(5,522)	-3%
2,131	1,988	143	7%	Bookkeeping Fees	19,168	19,665	(497)	-3%	19,170	(2)	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	1,333	(1,333)	-100%	Tenant Services	169	9,830	(9,661)	-98%	4,508	(4,339)	-96%
72,242	72,779	(537)	-1%	Utilities	683,923	727,790	(43,867)	-6%	651,612	32,310	5%
157,721	152,956	4,765	3%	Maintenance	1,355,214	1,470,309	(115,095)	-8%	1,069,277	285,937	27%
13,884	12,772	1,112	9%	Protective Services	112,009	127,810	(15,801)	-12%	110,543	1,466	1%
5,312	4,624	688	15%	Insurance	50,043	46,240	3,803	8%	46,337	3,706	8%
106,962	-	106,962	100%	Depreciation Expense	1,065,336	-	1,065,336	100%	1,063,366	1,970	0%
18,551	6,011	12,540	>100%	Bad Debt Expense	126,977	60,110	66,867	>100%	124,458	2,518	2%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
440,798	**327,717**	**113,081**	**35%**	**Total Expenses**	**4,047,188**	**3,210,441**	**836,747**	**-26%**	**3,711,556**	**335,632**	**9%**
$ (237,271)	**354,417**	**(591,688)**	**<-100%**	**Net Income(Loss)**	**(1,297,248)**	**248,791**	**(1,546,039)**	**<-100%**	**(1,812,040)**	**514,792**	**28%**
				CASH BASIS:							
(237,271)	**354,417**	**(591,688)**	<-100%	Net Income(loss) per Above	**(1,297,248)**	**248,791**	**(1,546,039)**	**<-100%**	**(1,812,040)**	**514,792**	**28%**
				Add back non cash items:							
106,962	-	106,962	100%	Depreciation Expense	1,065,336	-	1,065,336	100%	1,063,366	1,970	0%
18,551	6,011	12,540	>100%	Bad Debt Expense	126,977	60,110	66,867	>100%	124,458	2,518	2%
$ (111,758)	**360,428**	**(472,186)**	**<-100%**		**(104,935)**	**308,901**	**(413,836)**	**<-100%**	**(624,216)**	**519,281**	**83%**

HAWAII PUBLIC HOUSING AUTHORITY
State Elderly Program
Actual vs Budget Comparison
For the Month of April 2025, and the 10 Months ended April 30, 2025
(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
203,338	190,155	13,183	7%	Dwelling Rental Income	1,988,758	1,901,550	87,208	5%	1,897,305	91,453	5%
-	-	-	0%	HUD Operating Grants	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	State CIP Fund	-	-	-	0%	14,612	(14,612)	-100%
-	7,488	(7,488)	-100%	Grant Income	200,000	29,952	170,048	>100%	1,051,167	(851,167)	-81%
6,985	6,683	302	5%	Other Income	84,184	66,830	17,354	26%	126,086	(41,902)	-33%
$ 210,323	**204,326**	**5,997**	**3%**	**Total Revenues**	**2,272,942**	**1,998,332**	**274,610**	**14%**	**3,089,171**	**(816,228)**	**-26%**
				EXPENSES							
71,129	61,974	9,155	15%	Administrative	642,924	641,970	954	0%	644,475	(1,551)	0%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
14,516	15,695	(1,179)	-8%	Management Fees	144,984	156,950	(11,966)	-8%	136,871	8,113	6%
4,126	4,321	(195)	-5%	Bookkeeping Fees	41,247	43,210	(1,963)	-5%	40,485	762	2%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	977	(977)	-100%	Tenant Services	2,340	9,770	(7,430)	-76%	7,008	(4,668)	-67%
103,749	133,030	(29,281)	-22%	Utilities	1,123,779	1,330,300	(206,521)	-16%	1,206,301	(82,522)	-7%
122,565	111,162	11,403	10%	Maintenance	1,034,178	1,114,020	(79,842)	-7%	1,029,338	4,840	0%
-	234	(234)	-100%	Protective Services	2,131	2,340	(209)	-9%	6,145	(4,014)	-65%
22,021	7,563	14,458	>100%	Insurance	168,792	75,630	93,162	>100%	75,752	93,040	>100%
151,429	-	151,429	100%	Depreciation Expense	1,514,299	-	1,514,299	100%	1,514,299	-	0%
(494)	-	(494)	-100%	Bad Debt Expense	(275)	-	(275)	-100%	7,508	(7,783)	<-100%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
489,039	**334,956**	**154,083**	**46%**	**Total Expenses**	**4,674,399**	**3,374,190**	**1,300,209**	**-39%**	**4,668,182**	**6,216**	**0%**
$ (278,716)	**(130,630)**	**(148,086)**	**<-100%**	**Net Income(Loss)**	**(2,401,456)**	**(1,375,858)**	**(1,025,598)**	**-75%**	**(1,579,012)**	**(822,445)**	**-52%**
				CASH BASIS:							
(278,716)	**(130,630)**	**(148,086)**	<-100%	Net Income(loss) per Above	**(2,401,456)**	**(1,375,858)**	**(1,025,598)**	**-75%**	**(1,579,012)**	**(822,445)**	**-52%**
				Add back non cash items:							
151,429	-	151,429	100%	Depreciation Expense	1,514,299	-	1,514,299	100%	1,514,299	-	0%
(494)	-	(494)	-100%	Bad Debt Expense	(275)	-	(275)	-100%	7,508	(7,783)	<-100%
$ (127,781)	**(130,630)**	**2,849**	**2%**		**(887,433)**	**(1,375,858)**	**488,425**	**35%**	**(57,205)**	**(830,228)**	**<-100%**

HAWAII PUBLIC HOUSING AUTHORITY
State Rent Supplement Program
Actual vs Budget Comparison
For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
-	-	-	0%	HUD Operating Grants	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	State CIP Fund	-	-	-	0%	-	-	0%
683,158	573,128	110,030	19%	Grant Income	2,297,259	2,300,987	(3,728)	0%	5,611,823	(3,314,564)	-59%
-	15	(15)	-100%	Other Income	80	147	(67)	-46%	179	(99)	-55%
$ 683,158	**573,143**	**110,015**	**19%**	**Total Revenues**	**2,297,339**	**2,301,134**	**(3,795)**	**0%**	**5,612,002**	**(3,314,664)**	**-59%**
				EXPENSES							
539	7,089	(6,550)	-92%	Administrative	126,621	80,659	45,962	57%	76,994	49,627	64%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
531	1,275	(744)	-58%	Management Fees	5,295	12,750	(7,455)	-58%	5,676	(381)	-7%
333	799	(466)	-58%	Bookkeeping Fees	3,318	7,990	(4,672)	-58%	3,557	(239)	-7%
81,744	181,475	(99,731)	-55%	Housing Assistance Payments	832,141	1,814,750	(982,609)	-54%	840,539	(8,398)	-1%
22	7	15	>100%	Tenant Services	90	68	22	32%	68	22	33%
122	144	(22)	-15%	Utilities	1,386	1,443	(57)	-4%	1,222	165	13%
60	35	25	72%	Maintenance	475	347	128	37%	672	(198)	-29%
36	36	0	1%	Protective Services	266	357	(91)	-26%	298	(32)	-11%
194	54	140	>100%	Insurance	1,938	540	1,398	>100%	540	1,398	>100%
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
83,580	**190,914**	**(107,333)**	**-56%**	**Total Expenses**	**971,530**	**1,918,904**	**(947,374)**	**49%**	**929,566**	**41,965**	**5%**
$ 599,578	**382,230**	**217,348**	**57%**	**Net Income(Loss)**	**1,325,808**	**382,230**	**943,579**	**>100%**	**4,682,437**	**(3,356,628)**	**-72%**
				CASH BASIS:							
599,578	**382,230**	**217,348**	57%	Net Income(loss) per Above	**1,325,808**	**382,230**	**943,579**	**>100%**	**4,682,437**	**(3,356,628)**	**-72%**
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ 599,578	**382,230**	**217,348**	**57%**		**1,325,808**	**382,230**	**943,579**	**>100%**	**4,682,437**	**(3,356,628)**	**-72%**

HAWAII PUBLIC HOUSING AUTHORITY
Section 8 Contract Administration
Actual vs Budget Comparison
For the Month of April 2025, and the 10 Months ended April 30, 2025
(Amounts in Full Dollars)

Month of April 2025					Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
4,468,029	4,191,017	277,012	7%	HUD Operating Grants	43,659,775	41,910,169	1,749,606	4%	41,279,196	2,380,579	6%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	State CIP Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
46	41	6	14%	Other Income	438	407	31	8%	402	36	9%
$ 4,468,075	**4,191,058**	**277,018**	**7%**	**Total Revenues**	**43,660,213**	**41,910,576**	**1,749,638**	**4%**	**41,279,598**	**2,380,615**	**6%**
				EXPENSES							
119,001	88,606	30,395	34%	Administrative	1,179,356	928,946	250,410	27%	955,101	224,256	23%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
4,319,978	4,045,461	274,517	7%	Housing Assistance Payments	42,099,653	40,454,613	1,645,040	4%	39,895,574	2,204,079	6%
-	-	-	0%	Tenant Services	-	-	-	0%	-	-	0%
-	-	-	0%	Utilities	-	-	-	0%	-	-	0%
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
1,266	1,037	229	22%	Insurance	12,659	10,374	2,286	22%	10,374	2,286	22%
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%
4,440,245	**4,135,105**	**305,140**	**7%**	**Total Expenses**	**43,291,668**	**41,393,933**	**1,897,736**	**-5%**	**40,861,048**	**2,430,620**	**6%**
$ 27,831	**55,953**	**(28,122)**	**-50%**	**Net Income(Loss)**	**368,545**	**516,643**	**(148,098)**	**-29%**	**418,550**	**(50,005)**	**-12%**
				CASH BASIS:							
27,831	**55,953**	**(28,122)**	-50%	Net Income(loss) per Above	**368,545**	**516,643**	**(148,098)**	**-29%**	**418,550**	**(50,005)**	**-12%**
				Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ 27,831	**55,953**	**(28,122)**	**-50%**		**368,545**	**516,643**	**(148,098)**	**-29%**	**418,550**	**(50,005)**	**-12%**

HAWAII PUBLIC HOUSING AUTHORITY

Central Office Cost Center

Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025

(Amounts in Full Dollars)

Month of April 2025						Year To Date ended April 30, 2025						
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
-	-	-	0%	HUD Operating Grants	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
491,571	525,265	(33,694)	-6%	COCC Fee Income	7,989,026	6,789,470	1,199,557	18%	6,548,221	1,440,806	22%
-	-	-	0%	State CIP Fund	-	-	-	0%	-	-	0%
33,118	113,903	(80,785)	-71%	Grant Income	(5,435,882)	455,613	(5,891,495)	<-100%	271,475	(5,707,357)	<-100%
316,912	576,454	(259,542)	-45%	Other Income	2,325,040	5,680,359	(3,355,319)	-59%	2,179,100	145,940	7%
$ 841,601	**1,215,623**	**(374,022)**	**-31%**	**Total Revenues**	**4,878,185**	**12,925,443**	**(8,047,258)**	**-62%**	**8,998,796**	**(4,120,611)**	**-46%**
				EXPENSES							
875,581	1,141,524	(265,943)	-23%	Administrative	8,283,138	11,328,560	(3,045,422)	-27%	7,592,226	690,912	9%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
34	877	(844)	-96%	Tenant Services	12,652	8,773	3,879	44%	3,168	9,485	>100%
11,562	14,286	(2,724)	-19%	Utilities	104,975	142,858	(37,883)	-27%	121,643	(16,668)	-14%
210,546	260,002	(49,457)	-19%	Maintenance	2,406,241	2,600,570	(194,329)	-7%	2,535,194	(128,954)	-5%
3,690	3,070	620	20%	Protective Services	29,083	30,703	(1,619)	-5%	30,830	(1,747)	-6%
3,146	3,108	38	1%	Insurance	31,462	31,078	383	1%	31,011	450	1%
12,383	-	12,383	100%	Depreciation Expense	125,604	-	125,604	100%	148,625	(23,021)	-15%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
6,559	115	6,444	>100%	General Expenses	82,474	1,149	81,325	>100%	67,364	15,110	22%
1,123,500	**1,422,983**	**(299,482)**	**-21%**	**Total Expenses**	**11,075,629**	**14,143,690**	**(3,068,062)**	**22%**	**10,530,062**	**545,567**	**5%**
$ (281,899)	**(207,360)**	**(74,540)**	**-36%**	**Net Income(Loss)**	**(6,197,444)**	**(1,218,248)**	**(4,979,196)**	**<-100%**	**(1,531,266)**	**(4,666,178)**	**<-100%**
				CASH BASIS:							
(281,899)	**(207,360)**	**(74,540)**	-36%	Net Income(loss) per Above	**(6,197,444)**	**(1,218,248)**	**(4,979,196)**	**<-100%**	**(1,531,266)**	**(4,666,178)**	**<-100%**
				Add back non cash items:							
12,383	-	12,383	100%	Depreciation Expense	125,604	-	125,604	100%	148,625	(23,021)	-15%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
$ (269,516)	**(207,360)**	**(62,157)**	**-30%**		**(6,071,840)**	**(1,218,248)**	**(4,853,592)**	**<-100%**	**(1,382,641)**	**(4,689,199)**	**<-100%**

Hawaii Public Housing Authority
Summary of Capital Projects
Report As Of 04/30/25

FEDERAL BUDGET/OBLIGATION: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Construction Activities (BLI 1480)	Budget Operations (BLI 1406)	Management Improvements (BLI 1408)	Budget Administration (BLI 1410)	Moving to Work Demo (BLI 1492)	Budget Contingency (BLI 1502)	CFP Obligated	% Obligatec	Unobligated Balance	Obligation Deadline	Notes
CFP 728	$13,501,112	9,250,778	2,700,222	200,000	1,350,111		-	13,501,112	100.00%	-	5/28/22	LOCCS created 05-22-18
CFP 729	$13,394,883	9,356,297	2,678,977	20,121	1,339,488		-	13,394,883	100.00%	-	4/15/23	LOCCS created 04-11-19
CFP 730	$13,799,958	9,636,127	2,759,992	-	1,379,996		23,843	13,753,174	99.66%	46,784	3/25/24	LOCCS created 04-06-20
CFP 731	$13,862,820	4,298,956	3,478,009	-	1,391,204		356,493	13,011,359	93.86%	851,461	2/22/24	LOCCS created 02-23-21
CFP 732	$14,983,151	396,000	-	-	1,503,716	3,759,291	1,132,417	-	0.00%	14,983,151	5/11/25	LOCCS created 05-12-22
CFP 733	$14,844,329	7,631,197	-	-	1,489,105	4,477,189	1,293,562	13,597,491	91.60%	1,246,838	2/16/25	LOCCS created 02-17-23
CFP 734	$15,384,579	9,056,444	-	-	1,484,433	3,846,145	997,558	-	0.00%	15,384,579	5/5/26	LOCCS created 05-06-24
CFP Budget Totals	**$84,386,253**	**40,569,356**	**11,617,200**	**220,121**	**8,453,621**	**8,236,480**	**2,806,316**	**67,258,019**	**79.70%**	**17,128,234**		**TOTALS FOR ALL ACTIVE CFP**

FEDERAL EXPENDITURE: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Construction Activities (BLI 1480)	Expended Operations (BLI 1406)	Management Improvements (BLI 1408)	Expended Administration (BLI 1410)	Moving to Work Demo (BLI 1492)	Expended Contingency (BLI 1502)	Expended to Date Total Funds	% Expended	Unexpended Balance	Expenditure Deadline	Notes
CFP 728	$13,501,112	9,250,778	2,700,223	200,000	1,350,111		-	13,501,112	100.00%	-	5/8/24	LOCCS created 05-22-18
CFP 729	$13,394,883	9,356,297	2,678,977	20,121	1,339,488		-	13,394,883	100.00%	-	4/15/25	LOCCS created 04-11-19
CFP 730	$13,799,958	2,061,107	2,744,698	-	1,372,349		-	6,178,154	44.77%	7,621,804	3/25/26	LOCCS created 04-06-20
CFP 731	$13,862,820	1,701,405	2,772,564	-	1,386,282		-	6,302,383	45.46%	7,560,437	2/22/26	LOCCS created 02-23-21
CFP 732	$14,983,151	-	-	-	1,503,716	3,759,291	-	-	0.00%	14,983,151	5/11/26	LOCCS created 05-12-22
CFP 733	$14,844,329	96,512	-	-	1,489,105	4,477,189	-	6,062,807	40.84%	8,781,522	2/16/27	LOCCS created 02-17-23
CFP 734	$15,384,579	-	-	-	-	-	-	-	0.00%	15,384,579	5/5/28	LOCCS created 05-06-24
CFP Expenditure Totals	**$84,386,253**	**22,466,100**	**10,896,461**	**220,121**	**8,441,052**	**8,236,480**	**-**	**45,439,339**	**53.85%**	**38,946,914**		**TOTALS FOR ALL ACTIVE CFP**

STATE: Capital Improvement Program (CIP)

	State Appropriation	HPHA Budget	HPHA Encumbered	HPHA Expended	HPHA % Expended/Budget	MOF	HPHA Balance Expended/Budget	CIP Contract Encumbrance Deadline	Notes
FY 23-24 Lump Sum CIP	5,000,000	5,000,000	211,661.00	-	0.00%	C	5,000,000.00	6/30/26	Allotment Granted
FY 23-24 Lump Sum CIP	5,000,000	5,000,000	2,962,024.34	761,177.27	15.22%	A	4,238,822.73	6/30/26	Allotment Granted
FY 23-24 Kalihi Valley	400,000	400,000	155,366.40	-	0.00%	A	400,000.00	6/30/26	**No Allotment**
FY 23-24 Kalihi Valley	4,400,000	4,400,000	-	-	0.00%	C	4,400,000.00	6/30/26	Allotment Granted
FY 23-24 Kapaa	2,000,000	2,000,000	-	-	0.00%	C	2,000,000.00	6/30/26	**No Allotment**
FY 23-24 Coronavirus	7,000,000	7,000,000	7,000,000.00	6,729,504.57	96.14%	V	270,495.43	6/30/26	Allotment Granted
FY 24-25 Lump Sum CIP	5,000,000	5,000,000	-	-	0.00%	C	5,000,000.00	6/30/26	
FY 24-25 Lump Sum CIP	5,000,000	5,000,000	-	-	0.00%	A	5,000,000.00	6/30/26	
FY 24-25 Kalihi Valley	800,000	800,000	-	-	0.00%	A	800,000.00	6/30/26	
FY 24-25 Affordable	5,000,000	5,000,000			0.00%	C	5,000,000.00	6/30/26	
FY 24-25 HPHA Lump	10,000,000	10,000,000			0.00%	C	10,000,000.00	6/30/26	
FY 24-25 Non-	10,500,000	10,500,000			0.00%	A	10,500,000.00	6/30/25	
STATE CIP TOTALS	**362,747,000**	**352,388,290.56**	**331,754,204.93**	**293,087,289.03**	**83.17%**		**59,301,001.53**		**STATE CIP APPROPRIATIONS**

III. Procurement

A. Solicitation(s) Issued in May 2025:

- Solicitation No. RFQ-CMB-19-2025
  Notice of Providers of Professional Services for State Capital Improvement Program & Federal Capital Fund Program, FY2026
  Initial Qualifications Due Date: May 30, 2025
  Qualifications Due Date: June 30, 2026

- Solicitation No. IFB-CMB-15-2025
  Furnish Preventive Maintenance and Repair Services to the Sewage Treatment Plant at Kupuna Home O Waialua Under Asset Management Project HI001000049 on Oahu
  Bid Due Date: June 4, 2025

- Solicitation No. IFB-PMB-18-2025
  Provision of Refrigerators to State and Federal Low Income Public Housing Properties Statewide
  Bid Due Date: June 6, 2025

B. Contract(s) Executed in May 2025:

1. Constructors Hawaii
   - *Contract No.*: CMS 25-25
   - *Purpose*: Repair of 6 Vacant Units at Kalanihuia and Pumehana (AMP 35) on Oahu
   - *Completion Date*: 90 Calendar Days from Notice to Proceed
   - *Total Contract Amount*: $593,516.00

2. C C Engineering
   - *Contract No.*: CMS 25-24
   - *Purpose*: Repair of 7 Vacant Units at Kalakaua Homes and Paoakalani (AMP 34) on Oahu
   - *Completion Date*: 90 Calendar Days from Notice to Proceed
   - *Total Contract Amount*: $341,677.00

3. T. Iida Contracting, Ltd.
   - *Contract No.*: CMS 25-23
   - *Purpose*: Repair of 7 Vacant Units at Kamehameha Homes and Kaahumanu Homes (AMP 33) on Oahu
   - *Completion Date*: 90 Calendar Days from Notice to Proceed
   - *Total Contract Amount*: $484,700.00

4. StarCom Builders, Inc.
    - *Contract No.*: CMS 25-22
    - *Purpose*: Provide Labor, Material and Equipment for Emergency Spall Repair at Mayor Wright Homes (AMP 32) on Oahu
    - *Completion Date*: 90 Calendar Days from Notice to Procced
    - *Total Contract Amount*: $422,540.00

5. Society Contracting, LLC
    - *Contract No.*: CMS 25-21
    - *Purpose*: Repair of 9 Vacant Units at Punchbowl Homes (AMP 35) on Oahu
    - *Completion Date*: 90 Calendar Days from Notice to Proceed
    - *Total Contract Amount*: $678,700.00

6. T & C Plumbing
    - *Contract No.*: CMS 25-20
    - *Purpose*: Repair of 5 Vacant Units at Salt Lake Apartments, Hale Laulima and Waipahu I (AMP 30) on Oahu
    - *Completion Date*: 90 Calendar Days from Notice to Procced
    - *Total Contract Amount*: $469,633.32

7. All Maintenance and Repair, LLC
    - *Contract No.*: CMS 25-18
    - *Purpose*: Provide Labor, Material and Equipment for Burned Unit Repair at Makua Alii and Security Improvements at AMP 34 on Oahu
    - *Completion Date*: 365 Calendar Days from Notice to Procced
    - *Total Contract Amount*: $1,496,000.00

8. Isemoto Contracting Co., Inc.
    - *Contract No.*: CMS 25-27
    - *Purpose*: Provide Labor, Material and Equipment for Site and Building Improvements at Kaimalino (AMP 43) on Hawaii Island
    - *Completion Date*: 90 Calendar Days from Notice to Procced
    - *Total Contract Amount*: $469,633.32

9. Centric Elevator Corp.
    - Contract No.: CMS 18-08-SC06
    - Purpose: Continue to Provide Preventive Maintenance Services to Elevators at Halia Hale and Hale Poai (MU 42) on Oahu
    - End Date: April 30, 2025
    - Supplemental Contract Amount: $4,894.00
    - Total Contract Amount: $149,744.00

10. Du & Associates, Inc.
    - *Contract No.*: CO 20-02-SC08
    - *Purpose*: Increase Compensation for Section 8 Performance-Based Contract Administration Services
    - *End Date*: January 31, 2025
    - *Supplemental Amount:* $62,726.48
    - *Total Contract Amount*: $6,641,358.03

11. Professional Security Consultants
    - *Contract No.*: PMB 25-03
    - *Purpose*: Provision of Security Services at Kalihi Valley Homes (AMP 31), Mayor Wright Homes (AMP 32), Kalanihuia, Punchbowl Homes, Pumehana, and Makamae (AMP 35) on Oahu
    - *End Date*: April 30, 2026
    - *Total Contract Amount*: $2,972,742.40

12. Professional Security Consultants
    - *Contract No.*: PMB 25-02
    - *Purpose*: Provision of Security Services at Puahala Homes and the HPHA Administrative Offices on Oahu
    - *End Date*: April 1, 2026
    - *Total Contract Amount*: $211,500.52

13. Waste Pro Hawaii, LLC
    - Contract No.: PMB 23-07-SC01
    - Purpose: Continue to Provide Refuse Collection Services at Kahekili Terrace and Makani Kai Hale (AMP 39) on Maui
    - End Date: August 31, 2026
    - Supplemental Contract Amount: $51,957.36
    - Total Contract Amount: $101,806.56

C. Planned Solicitation and Contract Activities for June / July 2025

Upcoming Solicitations:

- *Request for Quotes*: Towing Services for the HPHA Administrative Offices on Oahu
- *Request for* Quotes*:* Roof Coating Services at AMP 34 on Oahu
- *Request for Quotes*: Window Repair Services at AMP 34 on Oahu
- *Request for Quotes*: Water Heater Door Replacement and Trim Repair Services at AMP 38 on Kauai
- *Invitation for Bids:* Landscape and Grounds Maintenance Services at AMP 38 on Kauai

- *Invitation for Bids*: Laundry Services for AMPs 34, 35, 44 and 49 on Oahu
- *Invitation for Bids*: Furnish Refuse Collection Services at AMP 38 on Kauai

Planned Contracts:

Execute New/Supplemental Contracts for various services on an ongoing basis as determined necessary and in the best interest of the State. Contract extensions may include services such as property management, preventive maintenance, security, refuse collection, and custodial services.

IV. Development

A. Kuhio Park Terrace Low-Rises and Kuhio Homes Redevelopment

- Building permits have been approved and issued.

- General Contractor (GC) has completed the updated Schedule of Values. The GC Contract with Hawaiian Dredging has been drafted and is being reviewed Highridge Costa and HPHA.

- Relocation Update
  The consultant, Seneca Relocation Services, will continue relocation activities onsite with all families. Coordination amongst all HPHA property managers and Michaels' property managers to identify units for relocation remains in place. Highridge Costa continues to manage this process.

  Moves that have taken place:

47	Moves to date
0	Moves Scheduled
7	Locations Selected

- Financing update: Closing calls kicked off on May 13th, 2025

- Agreements
  HPHA and Highridge Costa are working with the closing team (City & County of Honolulu, Investor, and Lender)
  - Ground Lease
  - Section 18 HUD Use Agreement
  - Condo Regime Documents
  - Recording Order and Instructions

B. School Street Elderly Housing Redevelopment

Vertical construction continues to progress smoothly with no anticipated delays. As of 5/29/25, Construction is currently 30% complete.

C. Ka Lei Momi Redevelopment project

- Mayor Wright Homes resubmitted financing application to HHFDC for Tower 1A and is awaiting HHFDC's 2025 funding announcements (expected in August). Mayor Wright Homes' working drawings continue to progress. Building 1B has received comments from the HUD architect and the architectural team is working on a resubmittal. Mayor Wright Homes Design Development Drawings ("DD") are now complete for both Building 1A and 1B.

- Kapaa Homes still awaits a financing award from HHFDC. HPHA received the initial architectural review comments from HUD. HPHA and HCDC provided responses to HUD's architectural review comments and is now addressing a second round of comments. The architectural team is working to produce an updated set that would clear all high-level design comments, with a few comments awaiting detailed elevations in the DD stage to be addressed. The final schematic design is still on track for May 2025. DDs are expected in Q3 2025. Permit submittal is expected in Q4 2025. NEPA Finding of No Significant Impact (FONSI) is still tracking for a Q4 2025 completion. Projecting a Q4 2025 Section 18 application submittal to HUD.

- Both Kaahumanu Homes Phase I and Lanakila Homes Phase I submitted financing applications to HHFDC and are awaiting funding announcements for the 2025 application round (expected in August). The consultant team continues to process the NEPA for both projects. NEPA Finding of No Significant Impact (FONSI) is still on track for Q4 2025 for Lanakila Homes and Q1 2026 for Kaahumanu Homes.

- Planning and due diligence continues to be ongoing for other Ka Lei Momi sites. Master plan analysis will begin for the following Alternative Sites: Kekaha Haaheo, Hale Nana Kai Okea, Lokahi, and Hale Olaola.

V. Property Management and Maintenance Services Branch

In May, HPHA managed 32 move-ins and 22 move-outs across its properties. Throughout the month, HPHA completed 337 annual reexaminations, 114 interim reexaminations, and facilitated 9 new admissions for tenants, ensuring efficient operations and compliance with occupancy standards.

A. Contract Monitoring

HPHA completed 42 site visits for contract monitoring, including 16 site visits for refuse collection, 12 site visits for security services, 5 site visits for elevator services, 5 site visits for laundry services, 2 site visits for waste management, and 2 site visits for property-management-related services. HPHA continues to refine its contract-monitoring programs and increase on-site monitoring for services, including laundry services, property management, maintenance and resident services, and elevator maintenance services. The branch monitoring is used to supplement AMP monitoring of contracted services.

B. Vacant Unit Contracts

As of May 2025, contracts for 119 vacant units have been completed.

C. Tenant Accounts Receivable

There is currently approximately $3.1 million owed to the HPHA by former tenants. Most of the outstanding balance is attributable to unpaid rent. However, the balance can also include other costs tenants are responsible for, such as charges related to late-rent fees and tenant-caused unit damages.

The HPHA actively pursues collection of outstanding balances. Accounts that remain unpaid are referred to the Hawaii Department of the Attorney General for collection efforts, which may include intercepting tax refunds and garnishing wages.

D. Asset Management Project 34 - Paoakalani Fire

On May 28, 2025, a fire occurred at Paoakalani, an elderly housing property. The incident was promptly addressed, and no injuries were reported. Two units sustained significant damage. The tenants of the two units were successfully relocated to new units. The AMP is currently moving forward with repairs to address the fire damage.

E. Hearings

May 2025 Summary: HPHA held ten (10) Federal eviction hearings. HPHA held two (2) State eviction hearings. HPHA held two (2) State eviction hearings.

HPHA held ten (10) Federal eviction hearings. All ten (10) Federal eviction hearings were for rent related violations. Seven (7) hearings resulted in evictions with a ten (10) business day cure, with three (3) being continued. All ten (10) tenants were in delinquency with their rental

payments. The highest delinquent amount for Federal eviction hearings in May was $21,328.04.

HPHA held two (2) State eviction hearings. One (1) State eviction hearing was for a health and safety violation, and the other was for failure to recertify. One (1) hearing resulted in eviction, with the other one (1) being continued.

VI. Construction Management

A. Program Activities and Major Projects:

Vacant Units Undergoing Modernization:

Total Units: 380 vacant units are under the Construction Management Branch as of May 31, 2025, including 57 state units and 323 federal units. 123 units are undergoing modernization, and 257 units are covered under the Emergency Proclamation.

Breakdown by County:

- O‘ahu: 259 units (187 EP vacant units)
- Maui: 65 units (22 EP vacant units, 43 casualty loss)
- Hawaii: 28 units (20 EP vacant units)
- Kauai: 28 unit (28 EP vacant units)

Vacant units are actively under construction across Oahu, Kauai, Molokai, and Hawaii. A fourth phase of contracts have been executed with the pre-construction meetings held and Notice to Proceed issued, while a fifth phase of vacant units contracts are currently being executed. There are 84 EP vacant units in Phase 4. Scoping to add an additional 139 units to the 56 units already being contracted will bring the total of Phase 5 units to 199 units for a total of 283 EP vacant units.

B. Multi-Site Projects:

2025 Environmental Reviews – The Notice to Proceed was issued on May 1, 2025, with Bowers + Kubota to perform the Environmental Review on all Federal projects required every 5 years to be able to Request Release of Capital Funds (RROF) and receive Authority to Use Grant Funds (AUGF) from the Department of Housing and Urban Development (HUD).

C. State Elderly Projects (MU 42):

- Hale Po‘ai – Site and Building Improvements: Phase 7 is nearing completion. The contractor is currently addressing punch list items.

- Hoʻolulu and Kamalu – Fire Alarm System Improvements. The AMP requested to additionally replace two existing fire pumps that are beyond economical repair on both buildings. The Contractor is preparing a cost proposal.

- Laiʻola Reroofing, Repairs, and Site Improvements: The invitation for bids will be posted in July 2025.

D. Oʻahu Projects:

- AMP 30: Fire alarm Upgrade at Puʻuwai Momi – The design-build contract is routing for review and execution. Waipahu I & II and Puʻuwai Momi Building Improvements and Security Upgrades – The bid is still under review.

- AMP 31: Kalihi Valley Homes (KVH). The consultant is working on the Department of Housing and Urban Development (HUD) Section 18 Demolition and Disposition Application) – Perimeter Fence and Site Improvements – The Notice to Proceed (NTP) for design will be issued on June 2nd, 2025. The Community Center Demolition project is currently in design. The consultant will work on the Section 18 Demolition and Disposition application and the drawings. An Environmental Assessment (EA) will also be required for the Section 18 application.

  The Phase 5 Modernization – The design contract was executed. The NTP will be issued on June 2nd, 2025. Re-roofing – Construction started on May 5, 2025, beginning with minor electrical work. The roofing work is anticipated to begin middle of June 2025. Puahala Homes – The concrete roof upgrade was completed on May 2, 2025. The replacement of the asphalt shingle roofs for buildings 10, 13, and 15 is anticipated to start late June 2025.

- AMP 33: Vacant unit repairs are ongoing. HPHA instructed contractors to submit cost proposals to retrofit grab bars and convert to roll-in or step-in showers or tub conversions to all vacant units under contract.

- AMP 34: Security improvements and repairs to a burned unit. The contract has been executed and the contractor is waiting for the Notice to Proceed (NTP). Phase 4 and 5 contracts of the vacant unit repairs under the Emergency Proclamation are underway. Contractors are providing cost proposals to retrofit grab bars and convert tubs to roll-in/step-in showers in all units.

- AMP 35: Punchbowl Homes Electrical Upgrade and Fire Alarm Replacement. The Procurement Office has received a Bid Protest for this project. All progress is suspended until the Bid Protest is resolved.

- AMP 40: Kuhio Homes Lead Removal – The design contract is routing for execution to put this project out to bid once again.

- Other Sites: Various fire alarm, ADA, infrastructure upgrades and structural improvements are ongoing at locations such as Kamalu, Hoʻolulu, Pumehana, Waimaha/Sunflower, and Wahiawa Terrace.

E. Hawai`i County Projects:

- AMP 37: Emergency Proclamation Vacant Units Phase 4 – The Contractor has turned over 4 units. The contractor was also asked to provide costs to add grab bars and convert tubs to roll-in/step-in shower to the remaining units. Hale Aloha O Puna and Pomaikaʻi Improvements: The gas tank enclosure has completed, and the propane tank was installed by Gas Company the on May 22, 2025, and the new propane tank was filled on May 23, 2025.

  The Hawaiʻi County Building Inspector inspected and passed the demising fire-rated walls in the attic in buildings 6 and 7. Phase I sidewalks and parking lot work started on May 22, 2025. The completion/turnover of Phase I is forecasted for June 30, 2025.

- Kaimalino Site and Accessibility Upgrades: The Contract was executed on May 8, 2025. A pre-construction meeting is being coordinated and the Notice to Proceed will be issued within two months.

F. Mauʻi County Projects (AMP 39):

- David Malo Circle and Piʻilani Homes Demolition: The Environmental Assessment, EA was posted on the HUD Environmental Review Online System (HEROS) for public comment. The comment period ended at the end of April. HPHA is in the process of Requesting Release of Funds (RROF) in HEROS to complete the process. The contract has been executed to demolish the remaining standing buildings not demolished by the United States Army Corps of Engineers (USACE) per the Federal Emergency Management Agency (FEMA) at Piʻilani Homes and to apply a weed inhibiting mesh over both sites utilizing the Emergency Proclamation Relating to Wildfires. The pre-construction meeting and the Notice to Proceed is pending funding

release. The permit has been submitted and is in the Maui County Building Department for permit review and approval.

- Kahale Mua (State): The Notice to proceed is scheduled for June 2. The pre-construction conference is scheduled for Wednesday, May 28, 2025.

G. Kaua‘i County Projects (AMP 38):

- Phase 4 of the Vacant Units repairs/construction is underway. The contractor has turned over 10 units.

- ‘Ele‘ele Building and Site Improvements: The supplemental contract to add additional consultant scope to address the deterioration of the sewer lines has been signed by the consultant and is routing for final execution. An additional 20 units are being priced to be added for repair.

VII. Section 8 Subsidy Program

A. HPHA manages the Housing Choice Voucher Program (HCV), Project Based Voucher Program, Veteran’s Affairs Supportive Housing (VASH), Non-Elderly Disabled Vouchers (NED), Mainstream Vouchers (MS), Performance Based Contract Administration (PBCA), State Rent Supplement Program (RSP) and Family Self-Sufficiency (FSS) Program.

HPHA expended a total of $4,988,239 in housing assistance payments (HAP) to private landlords on behalf of 3,199 voucher holders; including 434 VASH families assisted with $418,258 in housing assistance payments.

HPHA leased a total of 233 vouchers for Mainstream, EHV and Port-Ins, and paid $353,573 for housing assistance payments for these programs.

B. HPHA continues to navigate delays in completing tenant certifications due to ongoing staffing shortages and a heightened administrative workload. While we initially contracted out some of the work to alleviate these pressures, we had to let the contractor go due to challenges related to union concerns, which added a considerable administrative burden.

HUD has been informed of these challenges and our efforts to mitigate their impact. Additionally, while new staff have been hired to address the backlog, training is required before they can take on a full caseload, which further affects our timelines. Despite these obstacles, we are seeing

progress and remain committed to ensuring that no tenants are unfairly impacted or terminated during this process, as we work diligently to complete all certifications as efficiently as possible.

C. Inspections update:

May 2025	
Housing Quality Standards (HQS) Inspections	221
HQS Inspections Failed	95
Quality Control Inspections	0
Total Inspection completed from 5/1/2025 – 5/27/2025	**221**
Total Rent comparable requests received	79
Approved	76
Denied	3

Landlords are provided 30 days to correct failed items during the annual inspection. Failed items are generally easy to fix. Historically, failed inspections have not been a cause for landlords to end program participation. Landlords have reported positive feedback to inspections as tenants do not always properly report issues with the unit.

D. Family Self-Sufficiency (FSS) Program:

The FSS Program continues to offer employment case management, resources, and escrow savings to its 29 active participants during the month of April 2025. The current total number of Section 8 graduates is 161, and the total number of LIPH graduates is 32 since the program's inception. Currently, there are 10 of the 25 Section 8 participants and 1 of 4 LIPH participants eligible to receive monthly escrow credits. The total monthly escrow deposits for March 2025 totaled $5,600.

E. Rent Supplement Program (RSP):

RSP made a payment of $89,280 to 196 Families. New lease ups for transfers and late ARs were paid $5,553. Actual payment for May 2025 were $83,272 for 186 Families.

Catholic Charities administered Kupuna and Family RSP made a payment of $101,573.88 to 245 Families. The Kupuna Rent Supplement Program consists of 141 Families.

F. Tenant Protection Vouchers:

The HPHA was awarded tenant protection vouchers for families in Maui public housing units that were affected by the wildfires. To date, one voucher has been issued, and two additional applications were received but no vouchers have been issued.

VIII. Compliance Office

Program Activities for May 2025

HPHA continues to actively review its programs to ensure alignment with Federal and State requirements, as well as agency and Board policies and procedures.

- Tenant Accommodation Requests

  HPHA reviews and processes tenant requests and inquiries for reasonable accommodations and modifications under the Fair Housing Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act (ADA). These requests include:

  - Installation of air conditioning
  - Approval of a live-in aide
  - Transfers to accessible or ground-floor units
  - Approval for assistance animals
  - Other modifications as requested

- For April 2025, the Reasonable Accommodation/Modification Requests were:

  - 30 - New Requests
  - 13 - Re-Activated Requests
  - 46 - Decisions Issued
    - 11 - Approved
    - 12 - Denied
    - 23 - Placed on Inactive Status (Pending Information)
  - 68 - Outstanding Requests as of May 1, 2025

- Pending Court and Administrative Actions

  HPHA assists in the defense of litigation matters against the agency and employees and takes the lead in the defense of administrative matters against the agency and employees. There are 15 current, active pending matters. Last month, there were 16.

The HPHA was dismissed with prejudice from the state court matter of Debbie Pregil, Riana Pregil v. Hawaii Affordable Properties, Inc., et al., a negligence case brought against the HPHA and HAPI. The latter is in discussions to settle the case, and we requested that the parties dismiss the HPHA from the case since HAPI is going to be financing the settlement. I've included the information for the Pregil case, below.

- Fair Housing Queries & Training

  HPHA receives and responds to questions and complaints related to Fair Housing, ensuring tenant concerns are addressed in compliance with applicable regulations. Queries from tenants and non-tenants alike.

  We are organizing another Fair Housing Training for those who did not attend the training in January 2025. Attendees will include LIPH managers and staff. We have obtained the video and PowerPoint slides from HDLI's recent Fair Housing Training for use. Attendees will qualify for an HDLI Certificate of Completion. The training will be held in June.

- Document and Process Evaluation

  Forms used for processing reasonable accommodation and modification requests undergo constant evaluation to improve efficiency and compliance. We updated the form for the "Certificate Of Need For Reasonable Accommodation Or Modification," and we are working on updating the other related forms.

- Construction Report Reviews

  Construction reports are reviewed to identify and address any ADA or compliance-related issues.

- Declaration of Trust Documentation

  HPHA continues to document and record Declarations of Trust as part of its property management responsibilities.

  We have one (1) remaining release and updated Declaration of Trust to obtain, and four (4) left for filing.

- Hale Olaloa: This is the remaining property to be updated. The title company confirmed that the 1975 DOT was missed on prior title reports. Our attorney drafted a release of the 1975 DOT. We requested that our attorney obtain a current metes and bounds description to use in the Release of the 1975 DOT. Our attorney is in the process of retaining a surveyor.

- Pumehana, Kapaa and Ka Hale Kahaluu: Releases and the updated DOTs are pending execution by the HPHA and by HUD, prior to filing.

IX. Human Resources

A. Staffing Summary

Filled Positions (FTW):	292
Tenant Aide Program:	16
Vacancies:	92

B. Program Activities

1. Recruitment

HPHA conducted interviews and made hiring decisions across multiple positions, including Engineer V, IV (OH-HI), Public Housing Supervisor IV, Public Housing Specialist I, Administrative Assistant II and I, Account Clerk II, Office Assistant III, Building Maintenance Worker I, Building Maintenance Helper, General Laborer II and I.

Positions Updates

This legislative session the agency received the various positions: permanent Hearings Administrator, permanent Grievance Officer, temporary Housing Development Specialist and permanent Public Housing Specialist. HR will be submitting request to establish and fill to the Governor's office. All positions are revolving funds.

In addition, over 117 civil service and exempt positions means of funding (MOF), were converted from federal funds to revolving funds. These positions are from Central Office (support).

2. Career Development

HPHA participated in the State of Hawaii - Department of Labor & Industrial Relations Hiring Fair on Tuesday, May 20, 2025, at the Ke'ehi Lagoon Memorial.

3. Training Programs

HPHA conducted various training sessions for staff, including First Aid, CPR, & AED, and Workers Compensation (AMP 38).

4. Workers Compensation/Safety

HPHA recorded one (1) injury incident from AMP 38 with no lost time, and one (1) injury incident from AMP 30 with no lost time.

One (1) claimant from AMP 34 withdrew claim. WC case has been closed.

One (1) claim submitted in April 2025 from AMP 38 is “for records only,” per the employee.

One (1) claim closed from AMP 34 on 5/19/25.

One (1) employee was on Temporary Total Disability (TTD) for part of May (5 days).

Eleven (11) employees were on TTD for the entire month of May. Each was out for 21 working days (not including the holiday). Updating Lockout/Tagout and Bloodborne Pathogen policies in safety manual.