

U.S Department of Housing and Urban Development  
**Public Housing and HCV NEWSLETTER**  
Honolulu Field Office  
500 Ala Moana Blvd, Suite 300, Honolulu, Hawaii 96813  
www.hud.gov

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### FEATURED SPOTLIGHT

*The Honolulu Office of Public Housing congratulates the 20 Homeowners. Their accomplishments and a summary of the last five Homeownership participants are submitted by the Department of Community Services of the City and County of Honolulu.*

#### CONGRATULATIONS TO SECTION 8'S 20 HOMEBUYERS IN HONOLULU

Lani J. couldn't be happier. The single parent and proud homeowner moved into her two-bedroom condo in Kaneohe last September, with a sound credit rating, savings in the bank, and a gift from her father.

Across the island in Nanakuli, Mata and Robyn and their two children are all smiles now that they reside in a three-bedroom house in Nanakuli, a far cry from the crowded abodes they've shared in recent years.

These new homeowners are just two of 20 homeowner success stories of the Section 8 Housing Choice Voucher Program of the City and County of Honolulu's Department of Community Services.

Since 2003, as participants in the Family Self-Sufficiency Program (FSS) and/or the Homeownership Option Program (HOP), they have purchased six single family dwellings, four townhouses, nine condominiums, and one, 6-unit, multi-family dwelling. Twelve of the 20 are "subsidy free" and receive no assistance from Section 8. The remaining eight receive monthly Section 8 subsidies that range from \$239 to \$917.

Twelve of the homeowners were enrolled in the Family Self-Sufficiency program and four of these participants accrued FSS escrow money which they used towards their down payments. The average household income of these homeowners is \$29,170 and they were able to qualify for mortgage loans ranging from \$77,000 to \$295,000 to purchase homes which ranged in price from \$92,000 (Self-Help House in 2003) to \$338,000 (Single Family House in 2008).

City officials credit their partnerships with Aloha United Way's Individual and Family Self-Sufficiency Program, Alu Like, Inc., American Savings Bank, Bank of Hawaii, City and County of Honolulu Rehabilitation Loan Branch, Hawaii Homeownership Center, Hawaii National Bank, Hawaiian Community Assets, Honolulu Board of Realtors, Self-Help Housing Corporation, Territorial Savings Bank, and USDA Rural Development. The services enabled participants to have the expert counsel that they needed to embark on this often frustrating but still exciting homeownership adventure.

Said Ernie Martin, Deputy Director of the City's Department of Community Services, "Overall, our participants have worked hard to increase their income, establish and improve their credit histories, increase their savings, and learn all they could about buying and maintaining their homes. To date, we're proud that none of our families have defaulted on their mortgages, despite the hard times and high cost of living that every one is experiencing."

#### January 28, 2008

Mata and Robyn T. , 2 Parent Family with 2 children

**\$338,000 3 bedroom house in Nanakuli,, Hawaii**

**FSS Graduate: July 1, 2007**

In 4 years of FSS /HOP Participation, the family:

- ✓ Increased Annual Household Earned Income by \$5,884.
- ✓ Completed On-the-Job Training for Career Advancement
- ✓ Received \$2,275.62 in FSS Escrow Funds
- ✓ Saved an additional \$6,329 in personal funds for down payment
- ✓ Uses only Public Transportation to decrease living expenses
- ✓ Improved Credit History, from no credit history to good credit history, by using credit cards but **paying balance in full every month**
- ✓ Completed Financial Literacy and Homeownership Training



Home Sweet Home!



Robyn, Kason, Mata & Travis



Lani enjoying her kitchen!

A New Adventure ...

**September 29, 2007**

Lani J., a Single Parent with 1 child.

***\$327,000 2 bedroom condominium in Kaneohe, Hawaii***

In her 3 years of HOP Participation, she:

- ✓ Completed Financial Literacy and Homeownership Training
- ✓ Improved her credit history, from no credit history to good credit history, by taking out a secured loan and paying on time.
- ✓ Increased her savings balance from \$0 to \$1,000
- ✓ Secured down payment gift funds from a family member.



A Townhouse to call her own...

**April 15, 2008**

Harrilyn C., a Single Individual

***\$191,000 Studio Townhouse in Waipio, Hawaii***

***FSS Graduate: June 1, 2007***

In 5 years of FSS/HOP Participation, she:

- ✓ Increased Annual Household Earned Income by \$29,692
- ✓ Earned Certification as a Child Care Specialist
- ✓ Received \$20,300.33 in FSS Escrow Funds
- ✓ Saved an additional \$11,462.67 in personal funds for down payment
- ✓ Improved Credit History by Repairing Credit & Remaining **DEBT FREE**
- ✓ Completed Financial Literacy and Homeownership Training



Harrilyn opening the door...

**May 15, 2008**

Tero and Helen S., 2 parent family with 2 children

***\$180,000 2 bedroom condominium in Kalihi, Hawaii***

***FSS Graduate: November 1, 2007***

In 2 years of FSS/HOP Participation, the family:

- ✓ Increased Annual Household Earned Income by \$34,077
- ✓ Completed Forklift training for career advancement
- ✓ Received \$1,797.42 in FSS Escrow Funds
- ✓ Saved an additional \$2,966.00 in personal funds for down payment
- ✓ Improved Credit History by paying all bills on time
- ✓ Completed Financial Literacy and Homeownership Training



Helen, Tero, and baby Tomita



View from the patio

**August 1, 2008**

Byron C., a Single Person

***\$195,500 Studio condominium in Waipahu, Hawaii***

In his 4 years of HOP Participation, he:

- ✓ Completed Financial Literacy and Homeownership Training
- ✓ Maintained his good credit history by using credit cards and **paying the balance in full every month**
- ✓ Increased his savings balance from \$0 to \$2,000
- ✓ Secured down payment gift funds from a family member.



Byron with his HOP Gifts  
(It's sparkling cider!)



Byron's Home-  
The brand new  
Plantation Town Apartments

*Is there someone you know who should be acknowledged in our Featured Spotlight? Send your spotlight to [marie.miguel-cortez@hud.gov](mailto:marie.miguel-cortez@hud.gov). The Honolulu Office of Public Housing of the US Department of Housing and Urban Development welcomes the opportunity to acknowledge the accomplishments of staff members, residents, tenants, and management partners.*

**STEVE PRESTON, SECRETARY**  
**U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**

(Excerpted from July 17, 2008 Town Hall Meeting, Washington D.C.)

iMPACT 200: 200 Days and Beyond of Progress

At a town hall meeting of HUD officials, employees and guests, Mr. Preston introduced iMPACT 200, a results-focused agenda for the next 200 days and beyond. iMPACT 200 is built on the idea that “we must engage our customers and empower our employees to accomplish three strategic goals.”

- Promote responsible, sustainable homeownership for all Americans
- Maximize options for safe and affordable housing so all Americans can embark on a path to self-sufficiency
- Deliver effective, timely service to our customers, employees and partners

Promote responsible, sustainable homeownership for all Americans

- Service the current demand for FHA products and execute on our expanded role
- Lead on counseling, servicing and financial literacy initiatives, partnering smartly with public and private organizations
- Help consumers make wise decisions through effective and timely rollout of RESPA reform rule

Maximize options for safe and affordable housing so all Americans can embark on a path to self-sufficiency

- Continue our efforts to provide the best service to our residents and strengthen their communities
- Continue to drive down homelessness, and be prepared to serve citizens impacted by the dramatic increase in foreclosure rates
- Make substantive progress on the New Orleans/HANO developments, and deliver a long-term view for Gulf Coast housing availability and affordability
- Serve as an effective partner in national disasters

Deliver effective, timely service to our customers, employees and partners

- Accelerate and improve hiring, recruiting, retention and succession planning
- Streamline the procurement and acquisition process
- Continuously improve managerial effectiveness, with tools and training for agency managers and leaders
- Continue to bring transparency to working capital fund mechanics and improve clarity of the agency IT investment plan
- Ensure timely grant announcements and flow of funds to customers

## PUBLIC HOUSING NEWS

### REASONABLE ACCOMMODATION - PART 2 OF 2

1. Analyzing a Reasonable Accommodation Request (See Newsletter #2)
2. **Legally Recognized Defenses for Denying a Reasonable Accommodation Request**

#### A. Undue Administrative or Financial Burden

An undue burden means that granting the accommodation would jeopardize the PHA's business. An example: A request that a PHA install a \$10,000 elevator to permit access to a second floor unit may create an undue financial burden for most PHA's. Alternatively, offering to help a mobility-impaired resident to relocate to a ground floor unit using the complex maintenance staff for an hour or two may in most cases not pose undue burden.

The concept of proportionality must be considered: A large complex with greater resources and financial assets, the availability of other funding and financial assets, the availability of other funding from HUD or other sources to help defray possible costs, and other options should be considered.

Requests cannot be rejected on merely speculative grounds: A PHA refusing to install an entry door ramp for a mobility-impaired requester cannot reject the request because it thinks a ramp would cost thousands of dollars. An actual estimate must be obtained as part of the financial burden analysis.

#### B. Fundamental Change to the Nature of the Program

Generally, the law does not require a PHA to create new services for facilities in efforts to make reasonable accommodations. An example: If a HUD-202 or elderly public housing development had been admitting elderly and physically-disabled people over its history, and has support services to serve them, i.e. para-transit or meals programs, management would probably not be required to hire an educational therapist in order to house a developmentally disabled applicant as a reasonable accommodation.

PHAs must distinguish between fundamental changes, which are not required, and minor changes which can be accomplished without undue burden.

### Exploring Alternative Accommodations through an Interactive Process

If unable to provide the specific accommodations requested because of undue burden or fundamental change, a PHA still has an obligation to explore **alternative accommodations** with the requester through an **interactive process**.

An alternative accommodation is one which will still meet the requester's needs but, does not impose undue burden or fundamental change on the PHA. It is important to keep dialogue open and cordial.

As follow-up conversation, alternative accommodations should be offered in writing. Denial of accommodation requests where a PHA insisted that alternatives had been offered but the complainant denied having knowledge of these, may result in a discrimination complaint when there is nothing to substantiate that the alternatives had actually been offered. Many reasonable accommodation complaints are filed because dialogue was ineffective.

Finally, making reasonable accommodation for the special needs of a disabled tenant or applicant does NOT mean that a change to policies for the entire complex is required. An example: Other tenants in a no-pet building start asking why they cannot have a dog after noticing that a resident had obtained one (which had been admitted as a reasonable accommodation as a companion animal). Requests for reasonable accommodation from any person should not be discussed with other residents. A written Reasonable Accommodation Policy may

be handed to other tenants asking questions instructing that if they feel the policy applies to them, you are willing to discuss it with them.

Admitting a companion animal for a disabled resident does **NOT** mean the entire no-pets policy needs rescinding. Additionally, it does not mean the management becomes responsible for cleaning up after the companion animal or tolerating misconduct by it that threatens the safety of other residents. Nevertheless, imposing extra deposits on guide, service, or companion animals is prohibited.

Concerns relating to reasonable accommodation should be directed to your housing organization's compliance policy staff and disability coordinator.

## SECTION 8 VOUCHER NEWS

### HOMEOWNERSHIP REPORT

From CY 03 through CY07 there were 30 closings amongst 7 Hawaii PHAs:

PHA	CY04/07	CY08	Totals
Hawaii Public Housing Authority (HPHA)	2	0	2
Guam Housing and Urban Renewal Authority (GHURA)	0	0	0
Northern Marianas Housing Corporation (NMHC)	0	0	0
City & County of Honolulu	16	4	20
Hawaii County	1	1	2
Maui County	0	0	0
Kaua'i County	4	3	7

Contact Darlene Kaholokula at [Darlene.Kaholokula@hud.gov](mailto:Darlene.Kaholokula@hud.gov) (808-522-8175 x240) with questions relating to Homeownership.

### PORTABILITY - DENIAL OF PORTABLE MOVES

(Excerpted from [Highlights from HUD](#), Atlanta Office)

24 CFR 982.314 (e)(1) allows PHAs to deny a move if the PHA does not have sufficient funding for continued assistance. HUD requires PHAs to document three stipulations before denying a portable move.

1. There must be insufficient funding for continued assistance.
2. It must be confirmed that the receiving PHA will not absorb the voucher.
3. The cost of the HAP will be higher in the new jurisdiction.

### Clarification of Insufficient Funding

A. View funding on a calendar year basis. HUD's annual appropriation is provided for a period from January 1 through December 31. If a PHA fiscal year ending is other than December 31, SEMAP will use funding from two federal fiscal years to determine the funding availability for Indicator 13.

The funding availability in a calendar year will be the **TOTAL** of the current calendar year allocation **PLUS** the funds available in the Net Restricted Assets (NRA) **MINUS** HAP at the beginning of the CY. The NRA **LESS** HAP account represents the portion of the prior year funding that was not expended. In a letter transmitting the CY 2008 funding, HUD provides PHAs with both amounts.

B. Base the projected HAP expense for the calendar year on actual data to date from the VMS and the HAP register **PLUS** costs projected for the remainder of the year. There are actions you might have taken which will result in your projected per unit costs to continue to increase. Increases in the Payment Standard (especially increasing the percentage of the Fair Market Rents) could cause the PUC to increase at a greater rate than provided by the Annual Adjustment Factor and, will take a full year to be completely reflected in the HAPs.

For example: If you increase the Payment Standards, effective January 1, from 100% of the FMRs to 105% of the FMRs, the impact on the average HAP could be an additional \$20.00. The increased PS would be applied to all admissions, port ins and participants moving to a new unit. The increased Payment Standards would also be applied to each month's annual reexamination schedule resulting in the HAPs increasing incrementally each month. By the end of the year, the Per Unit HAP costs may be substantially higher than at the beginning. Changes in utility allowances, subsidy standards, and income of families could have similar impact on the HAP costs.

If a deficit is projected, review the guidance provided in Notices PIH 2005-9 and 2006-32 for ways to reduce the HAP costs for the program. You should not reissue turnover vouchers until the deficit is erased.

HUD requires PHAs to maintain clear documentation of the grounds for denying portable moves. It is not unusual for families denied a move to call the local HUD Field Office, HUD Headquarters, and/or their Congressional representatives. Should this occur HUD may request of the PHA documentation supporting the denial.

Contact Jun Chung at [Jun.Chung@hud.gov](mailto:Jun.Chung@hud.gov) (808-522-8175 x260) or Darlene Kaholokula at [Darlene.Kaholokula@hud.gov](mailto:Darlene.Kaholokula@hud.gov) (808-522-8175 x240) for a suggested format to document denial of portability moves.

### **Exception Payment Standards for Persons with Disabilities**

**Notice PIH 2008-13** Issued: March 10, 2008 Expires: March 31, 2009

The purpose of Notice PIH 2008-13 is to facilitate the process for review and approval of special payment standards under the Housing Choice Voucher program as a reasonable accommodation for a family with a person with disabilities. It clarifies the calculation of the payment standard and the type of supporting documentation that should be included in the waiver request.

On a case-by-case basis, PHAs may approve a payment standard up to 110% of the FMRs to allow a family to participate in the HCV program. The exception payment standard must be requested by the family after a unit is located. The Honolulu Office of Public Housing may approve requests up to 120% of the FMRs. HUD Headquarters must approve requests above 120% of the FMRs.

Requests above 110% of the FMRs must be sent to the Honolulu Office of Public Housing. A review will be made as quickly as possible and returned to the PHA so as not to delay placing the unit under contract. The review will set an exception payment standard at a level in which the family's rent share (rent plus utilities) will be set at 40% of their monthly adjusted income.

The following documentation is required with a PHAs submission:

1. A statement from a health care provider regarding the nature of the disabled person's disability, and the features of the unit (include unit location) which meet the person's needs.
2. The contract rent and utility allowance for the unit.
3. A statement from the PHA certifying that it has determined the rent for the unit is reasonable, and that the unit has the features required to meet the need of the person with disabilities as noted in the statement from the health care provider.
4. The household monthly adjusted income.
5. The FMR of the unit size for which the family is eligible.
6. Proposed effective date of the new lease or actual effective date of the lease renewal.

Contact Jun Chung at [Jun.Chung@hud.gov](mailto:Jun.Chung@hud.gov) (808-522-8175 x260) with questions regarding Exception Payment Standards.

(The following is excerpted from Highlights from HUD, Atlanta Office)

## **FRAUD ALERT**

The July 10, 2008 Federal Register includes an OIG Fraud Alert Notice. The alert concerns landlords in the Housing Choice Voucher program who are requiring participants to pay rent in excess of the amount authorized by the PHA (side payments). The notice advises that the OIG will cooperate with efforts to bring offending landlords to justice and to remedy their wrongs.

Pursuant to the False Claims Act, 31 USC 3729 et seq, persons who submit to HUD or a HUD intermediary claims that are false, fictitious or fraudulent are liable for an assessment equal to three times the amount of the claim, plus a penalty of between \$5,500 and \$11,000 per claim. The United States may take the position that the entire amount of its HAP, not merely the amount of the excess payment by the tenant, is the claim that should be trebled where landlords make false certifications concerning excess rent charged.

**You may wish to remind landlords on your program of the prohibition against requiring participants to pay rents above the amount authorized by the PHA and of the potential penalties that may be imposed for any violations. You should also remind participants and applicants to not pay to landlords any rent payments above the amount authorized by the PHA and to report to you anytime a landlord is requesting any such payments.**

## CUSTOMER SERVICE

The Information and Resource Center (IRC) serves as a central source of information for all programs operated by the Office of Public and Indian Housing.

9:00 am to 5:00 pm, Eastern Standard Time (EST)  
Monday through Friday, except Federal holidays

Contact the IRC toll free at **1-800-955-2232**.

<b>IRC phone menu</b>	<b>Select</b>
<b>Housing Choice Voucher &amp; Public Housing Information</b>	<b>1</b>
<b>Energy Conservation &amp; Efficiency</b>	<b>2</b>
<b>Section 8 &amp; Public Housing Homeownership Information</b>	<b>3</b>
<b>To order HUD publications &amp; documents Or to speak to an Information Specialist</b>	<b>4</b>

## HUDCLIPS

The HUDCLIPS website provides direct access to HUD forms, notices, handbooks, regulations and other information about the HUD programs. HUDClips is located at

<http://www.hud.gov/offices/adm/hudclips>

## WEBCASTS

AN IMPORTANT PART OF HUD TRAINING. If you have missed a scheduled live broadcast or want to review a previously aired show Webcasts are usually archived within 24 hours after being aired. Recent and archived broadcast are located at

<http://www.hud.gov/webcasts>

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## LET US KNOW WHAT YOU THINK!

WE INVITE YOUR COMMENTS AND SUGGESTIONS ON HOW WE CAN MAKE THIS NEWSLETTER BENEFICIAL TO YOU.

PROPERTY MANAGERS, PUBLIC HOUSING STAFF AND PARTNERS ARE WELCOME TO REQUEST OUR NEWSLETTERS. IF YOU WOULD LIKE TO BE PLACED ON OUR DISTRIBUTION LIST, SEND YOUR REQUEST, COMMENTS AND SUGGESTIONS TO [marie.miguel-cortez@hud.gov](mailto:marie.miguel-cortez@hud.gov)