

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building E
Honolulu, Hawaii 96817**

**June 21, 2012
9:10 a.m.****

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, May 17, 2012 (*Pages 1-10*)
- B. Executive Session Minutes, April 19, 2012
- C. Executive Session Minutes, May 17, 2012

III. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda shall be taken at this time. 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.

IV. FOR ACTION

- A. Motion: To Adopt Board Resolution No. 57 Expressing Appreciation to Director Travis Thompson (*Pages 11-12*)
- B. Motion: To Adopt Resolution No. 58 Approving the Hawaii Public Housing Authority's ("HPHA") Operating Budget for the Fiscal Year July 1, 2012 to June 30, 2013 and Authorizing the Executive Director to Undertake all Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (*Pages 13-19*)
- C. Motion: To Adopt Revisions to the HPHA's Policy on Collection of Vacated Tenant Accounts Receivable (*Pages 20-23*)

D. Motion: **(1)** To Approve a Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) Between HPHA and the U.S. Department of Housing and Urban Development (HUD) for Executive Director Hakim Ouansafi as related to:

- (a) AECOM Technical Services, Inc.;
- (b) AECOM Pacific, Inc.;
- (c) AECOM Design;
- (d) AECOM Energy & Power;
- (e) AECOM Environment;
- (f) AECOM Government Services, Inc.;
- (g) AECOM, Inc.;
- (h) AECOM Services, Inc.;
- (i) AECOM Technology Corporation;
- (j) AECOM Transportation;
- (k) AECOM USA, Inc.;
- (l) AECOM Water;
- (m) Davis Langdon, Inc. (collectively, the “AECOM Companies”); and
- (n) any other entities owned by any of the AECOM Companies doing business in the State of Hawaii;

Provided the Executive Director Recuses Himself from the Procurement, Selection, Award, Monitoring, or Administration of any Contracts and Subcontracts (“Procurement and Contract Authority”) Involving or Potentially Involving the AECOM Companies; and **(2)** to Delegate Procurement and Contract Authority to Executive Assistant Barbara Arashiro, Acting Contracts and Procurement Officer Rick Sogawa, or to Other Appropriate HPHA Staff Regarding Any Matters Related to, Involving, or Possibly Involving the AECOM Companies. **(Pages 24-27)**

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.

V. **REPORTS**

A. Board Task Force(s): None

B. Executive Director’s Report:

Updates and Accomplishments Related to Public Housing Occupancy, Maintenance Repairs; Design and Construction Project Updates; Media Inquiries, Contracts & Procurements Executed During May 2012; Rent Collections and Evictions. **(Pages 28-84)**

VI. FOR DISCUSSION/INFORMATION

- A. For Information: *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority Denise Wise in Her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795) (Page 85)*

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 as related to *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise In Her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)*

(The HHA Wilikina Apartment Project, Inc. Regular Board meeting will start promptly at 9:00 am and the HPHA Regular Board meeting will convene immediately following the adjournment of the HHA Wilikina Apartment Project, Inc. Board meeting.)**

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Taryn Chikamori at (808) 832-4690 by close of business two days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E,
HONOLULU, HAWAII 96817
ON THURSDAY, JUNE 21, 2012
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Board Meeting at 1002 North School Street, on Thursday, June 21, 2012 at 9:37 a.m.

The meeting was called to order by Chairperson David Gierlach and on roll call, those present were as follows:

PRESENT: Director David Gierlach, Chairperson
Director Matilda Yoshioka, Vice-Chair
Director Jason Espero, Secretary
Director Roger Godfrey
Director Desiree Kihano
Director Debbie Shimizu
Director Travis Thompson
Director Trevor Tokishi
Designee Wilfredo Tungol
Director George Yokoyama

Executive Director, Hakim Ouansafi
Deputy Attorney General, Jennifer Sugita

EXCUSED: None

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Clarence Allen, Acting Chief Financial Management Advisor
Becky Choi, State Housing Development Administrator
Rick Sogawa, Contracts and Procurement Officer
Joanna Renken, Acting Public Housing Supervisor
Daniel Cardona, Property Management Specialist
Rochelle Akamine, Resident Services Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS: Gloria Castro, Mayor Wright Homes Resident
Augafa Ene, Mayor Wright Homes Resident
Fetu Kolio, Mayor Wright Homes Resident
Bob Loren, HPHA Public Housing Resident

Proceedings:

Chairperson Gierlach declared a quorum present.

The business of the Board proceeded with approval of the Regular Meeting Minutes of May 17, 2012.

Director Yoshioka moved to approve the minutes.

Director Shimizu stated there is a spelling error on page 4, last paragraph “Amy” should be changed to “Army”.

Director Thompson stated that on page 6, second paragraph “Chairperson” should be changed to “Director”.

The minutes were unanimously approved as amended.

Chairperson Gierlach deferred the approval of the Executive Session Meeting Minutes until later in the meeting.

Public Testimony

Fetu Kolio, Mayor Wright Homes Resident, stated that Matt Levi security is providing excellent security at Mayor Wright Homes (MWH). He stated that tenants that have formed a citizens patrol and they are bullying other tenants. The group is patrolling past the ten o'clock quite time and making noise. The manager authorized the citizen's patrol. He also stated there was a democracy process for the resident association and the residents voted twice in 2009 and the service providers are attending the meeting and are not respecting the officers.

Bob Loren, Punchbowl Homes resident, stated he had received authorization to plant flowers behind his apartment as long as he cared for his plants and the plants are not over 8 feet tall. He stated he spent over \$1000 and cleared the rocks and weeds. He stated that yesterday he was told that the plants needs to removed and placed on his lanai. He stated that the asset management project (AMP) is holding up his live-in-aide approval until the garden is removed. He alleged many other tenants have hidden gardens and this is selected enforcement. He asked the Board to approve the garden. He also asked that his appeal for the election process be reviewed and for a live-in resident manager.

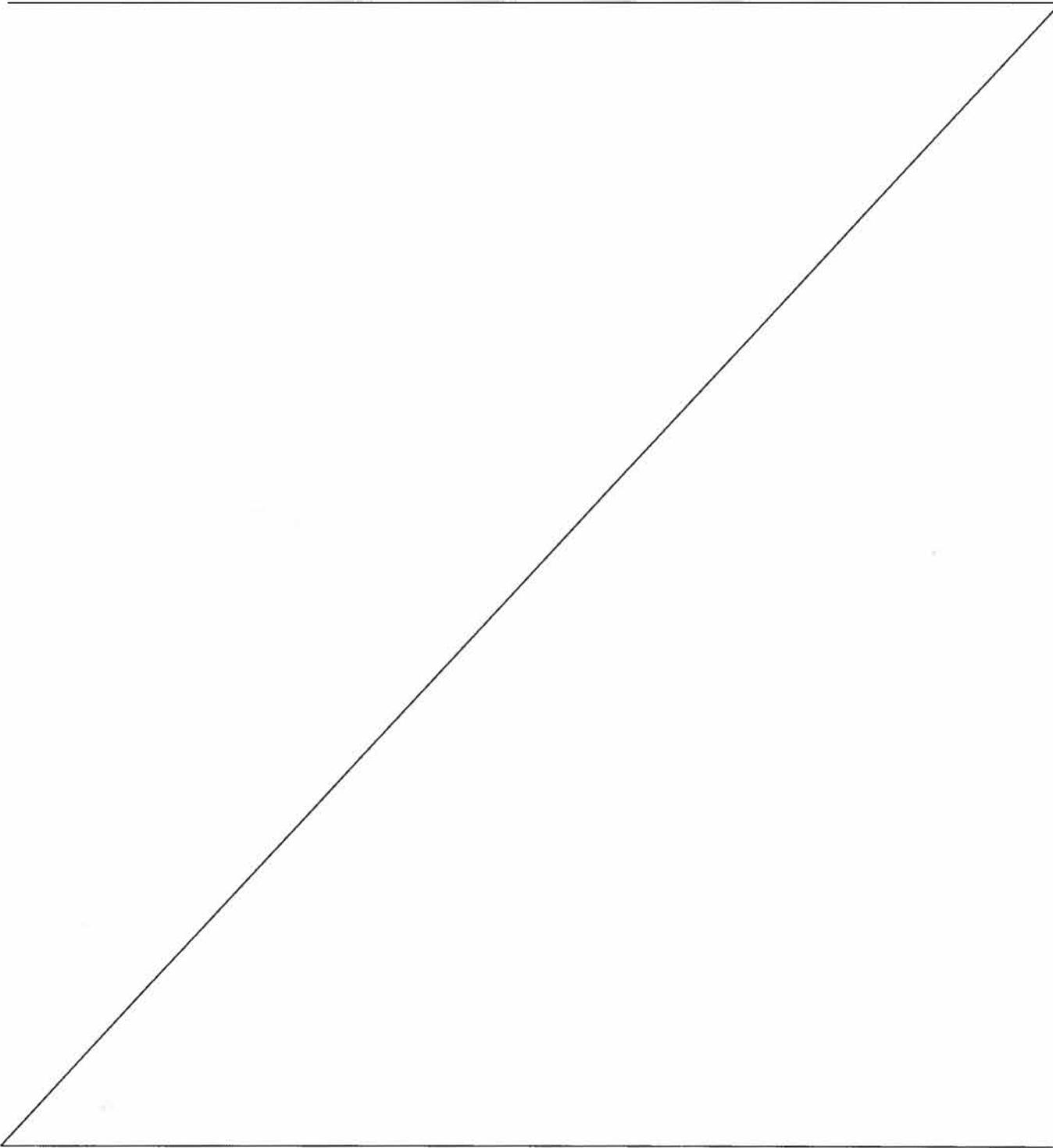
For Action:

Director Yoshioka moved,

To Adopt Board Resolution No. 57 Expressing Appreciation to Director Travis Thompson.

Chairperson Gierlach read Resolution No. 57 expressing appreciation to Director Travis Thompson.

The motion was unanimously carried.



RESOLUTION NO. 59
HAWAII PUBLIC HOUSING AUTHORITY

EXPRESSING CONGRATULATIONS TO MS. ARNELLE GONSALVES

WHEREAS, Ms. Arnelle Gonsalves entered the Hawaii Public Housing Authority (HPHA) Housing Choice Voucher Family Self-Sufficiency Program (HCV FSS) in May 2007; and

WHEREAS, the purpose of the HCV FSS program is to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward achieving economic independence and housing self-sufficiency; and

WHEREAS, upon entering the HCV FSS program, Ms. Gonsalves was working two jobs, one full time and one part time, to support her family; and

WHEREAS, Ms. Gonsalves was able to attend employer-sponsored trainings to obtain a promotion to a higher paying full time position; and

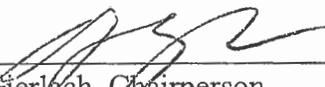
WHEREAS, this promotion resulted in a 40% increase in earned income, enabling Ms. Gonsalves to reduce her work load to one full time job and spend more time with her family; and

WHEREAS, Ms. Gonsalves completed financial education classes through Alu Like, reduced her debts, strengthened her finances, initiated an employer-sponsored 401K, paid off her car loan, and has a future goal to increase her personal savings and pursue homeownership; and

WHEREAS, the HPHA's Board of Directors hold Ms. Gonsalves in the highest regard.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 59 Expressing Congratulations to Ms. Arnelle Gonsalves on this 19th day of July 2012;

AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Ms. Arnelle Gonsalves for her completion of the HCV FSS program and best wishes toward her future goal of homeownership.



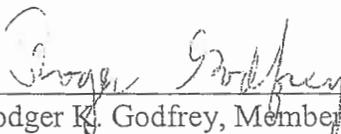
David Gierlach, Chairperson



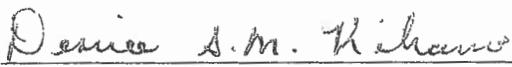
Matilda A. Yoshioka, Vice Chair



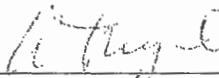
Jason T. Espero, Secretary



Rodger K. Godfrey, Member



Desiree S. M. Kihano, Member



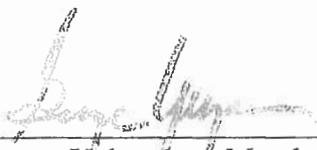
Patricia McManaman, Ex-Officio Member



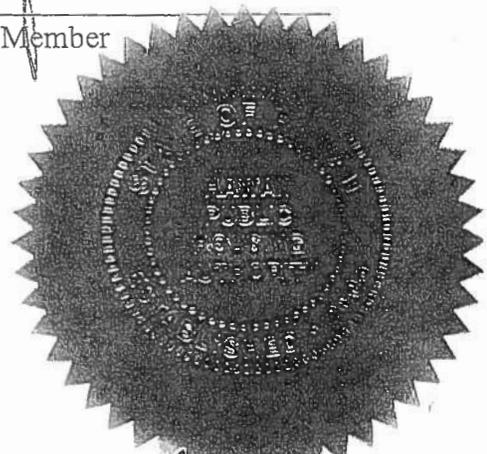
Debbie Shimizu, Ex-Officio Member



Trevor N. Tokishi, Member



George Yokoyama, Member



For Action:

Director Tokishi moved,

To Adopt Resolution No. 58 Approving the Hawaii Public Housing Authority's ("HPHA") Operating Budget for the Fiscal Year July 1, 2012 to June 30, 2013 and Authorizing the Executive Director to Undertake all Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development.

Mr. Ouansafi, Executive Director asked that the motion be held until later in the meeting.

Director Thompson asked because the budget is complicated will the Board be given time to review it. Mr. Ouansafi responded that staff has been working on the budget for the last two and a half months and corrections are being made.

Director Yoshioka asked if the budget needs to be submitted to the U.S. Department of Housing and Urban Development (HUD) by June 30, 2012. Mr. Ouansafi confirmed that the budget is due to HUD by June 30, 2012.

Director Thompson moved,

To Lay on the Table the Motion.

The motion was unanimously carried.

For Action:

Director Godfrey moved,

To Adopt Revisions to the HPHA's Policy on Collection of Vacated Tenant Accounts Receivable (TARS) as Follows:

- A. Vacated TARs over \$1.00 and over 90 days old and accrued before July 1, 2012 will be written off. Once written off, efforts will still be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenants' vehicle registration).**
- B. Vacated TARs below \$20,000 and over 90 days old and accrued on or after July 1, 2012 will be written off. Once written off, efforts will still be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenant's vehicle registration).**

Mr. Ouansafi stated the staff is requesting that the bad debt be removed from the books because the HPHA is unable to collect this debt. This would provide the HPHA with cleaner financials in

the future. The staff has gone through the procedures and submitted it to the Attorney General's (AG's) office. Some of the bad debts have been on the books for eight to ten years.

Director Tokishi asked if charging off the bad debt affect the vacated tenant account receivable negatively under the Public Housing Assessment System (PHAS). Mr. Ouansafi responded that it will not be reported in the PHAS and in the fiscal audit.

Director Godfrey asked why there is a dollar threshold amount. Mr. Ouansafi responded because the HPHA did not have policy and is trying to put a policy in place. Ms. Arashiro added that the previous policy basically stated "write off debt", but there was no threshold amount established in the policy.

Director Yoshioka asked why the threshold is at \$20,000. Mr. Ouansafi reported that the majority of the tenants would not be able to pay that amount and anything above that the AG's office can take court action.

Director Thompson stated that \$20,000 equals about four years of rent. Mr. Ouansafi stated that this is not only for rent, but damages too.

Chairperson Gierlach asked if the HPHA will continue making efforts to collect bad debt. Mr. Ouansafi reported that the HPHA will continue its efforts to collect bad debt.

Designee Tungol stated the threshold is high and gives the HPHA discretion to write-off in 90 days instead of making an attempt to collect the debt. Mr. Ouansafi responded that this does not mean that the HPHA is not going to make a good faith effort to collect. The threshold is because the HPHA does not want to take someone who owes \$800 to court because it would cost more to the HPHA than what is owed.

Designee Tungol stated he is concerned with the \$2.4 million to be written off.

Director Thompson moved at 10:54 a.m.

Motion: To 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 as related to:

- 1. To Adopt Revisions to the HPHA's Policy on Collection of Vacated Tenant Accounts Receivable (TARS) as Follows:**
 - A. Vacated TARs over \$1.00 and over 90 days old and accrued before July 1, 2012 will be written off. Once written off, efforts will still be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenants' vehicle registration).**
 - B. Vacated TARs below \$20,000 and over 90 days old and accrued on or after July 1, 2012 will be written off. Once written off, efforts will still**

be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenant's vehicle registration).

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:00 a.m.

Chairperson Gierlach stated that the Board discussed the adoption of revisions to the HPHA's policy on collection of vacated tenant accounts receivable in Executive Session.

In executive Session the Board made a motion to amend the motion to:

To Adopt Revisions to the HPHA's Policy on Collection of Vacated Tenant Accounts Receivable (TARS) as Follows:

- A. Vacated TARS over \$1.00 and over 90 days old and accrued before July 1, 2012 may be written off. Once written off, efforts will still be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenants' vehicle registration) subject to AG's approval.**
- B. Vacated TARS below \$20,000 and over 90 days old and accrued on or after July 1, 2012 will be written off. Once written off, efforts will still be made to collect the bad debt utilizing tax intercept and other tools (e.g., encumbrance of the former tenant's vehicle registration).**

The motion to amend was unanimously carried.

The main motion was carried by the vote of: Ayes:	Chairperson Gierlach Director Espero Director Godfrey Director Shimizu Director Tokishi Designee Tungol Director Yokoyama
Abstain:	Director Thompson
Not Present:	Director Yoshioka Director Kihano

For Action:

Director Espero moved,

- 1) To Approve a Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) Between HPHA and the U.S. Department of Housing and Urban Development (HUD) for Executive Director Hakim Ouansafi as related to:**

- (a) AECOM Technical Services, Inc.;**
- (b) AECOM Pacific, Inc.;**
- (c) AECOM Design;**
- (d) AECOM Energy & Power;**
- (e) AECOM Environment;**
- (f) AECOM Government Services, Inc.;**
- (g) AECOM, Inc.;**
- (h) AECOM Services, Inc.;**
- (i) AECOM Technology Corporation;**
- (j) AECOM Transportation;**
- (k) AECOM USA, Inc.;**
- (l) AECOM Water;**
- (m) Davis Langdon, Inc. (collectively, the “AECOM Companies”);**
- and**
- (n) any other entities owned by any of the AECOM Companies doing business in the State of Hawaii;**

Provided the Executive Director Recuses Himself from the Procurement, Selection, Award, Monitoring, or Administration of any Contracts and Subcontracts (“Procurement and Contract Authority”) Involving or Potentially Involving the AECOM Companies; and (2) to Delegate Procurement and Contract Authority to Executive Assistant Barbara Arashiro, Acting Contracts and Procurement Officer Rick Sogawa, or to Other Appropriate HPHA Staff Regarding Any Matters Related to, Involving, or Possibly Involving the AECOM Companies.

Mr. Ouansafi stated that his wife works for AECOM. She is in charge of procurements and contracting. She is not in the division that works with the HPHA, but Mr. Ouansafi stated he will not be making any decisions regarding AECOM.

Mr. Ouansafi stated his wife has worked for AECOM for about ten years. AECOM has been doing business with the HPHA on environmental issues.

Director Thompson asked how a consultant is selected. Mr. Ouansafi responded that once a year consultants respond the HPHA’s Request for Qualifications (RFI). The Construction Management Branch (CMB) reviews the proposal and rates the consultants. Based on the rating

and evaluation of a consultant's qualifications, negotiation begins. If everything works out the consultant is hired. If not, then negotiations begin with the next consultant on the list.

Director Thompson asked if the Executive Director (ED) or Executive Assistant (EA) are involved in the process. Mr. Ouansafi responded that the ED is not involved, but the EA is involved.

Director Shimizu asked how the review and selection committee is selected. Mr. Ouansafi responded Becky Choi, State Housing Development Administrator, recommends the staff.

Director Thompson asked if Ms. Choi makes the final decision with no review by the ED or EA. Ms. Arashiro explained that the selection committee makes a recommendation of the top three consultants to Ms. Choi. The recommendation is then submitted to the Fiscal Management Office (FMO) to concur there are funds for the project. After FMO approves the recommendation, it goes to the Contracts and Procurement (CPO) to concur the procurement was handled correctly. Final approval is made by the EA.

Chairperson Gierlach asked if the AG's office reviewed the waiver and if they have given a recommendation. Ms. Sugita stated that pursuant to the Annual Contributions Contract (ACC) the AG's office needs to provide a legal opinion that it does not violate state or federal law. The AG's opinion is that it does not violate the law provided that certain items are in place. Ms. Sugita stated that as for the AECOM contracts that are currently in place because Mr. Ouansafi recued himself from all items AECOM related issues the AG's office does not see any violation of the State's ethic code.

Director Thompson asked is Ms. Choi is a civil servant or exempt employee. Mr. Ouansafi confirmed that Ms. Choi is a civil service employee.

Director Espero moved at 11:05 a.m.

Motion: To 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 as related to:

- 1. Approval of Executive Session Minutes of April 19, 2012 and May 17, 2012 Executive Session minutes;**
- 2. To Approve a Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) Between HPHA and the U.S. Department of Housing and Urban Development (HUD) for Executive Director Hakim Ouansafi as related to:**

(a) AECOM Technical Services, Inc.;

(b) AECOM Pacific, Inc.;

(c) AECOM Design;

- (d) AECOM Energy & Power;**
- (e) AECOM Environment;**
- (f) AECOM Government Services, Inc.;**
- (g) AECOM, Inc.;**
- (h) AECOM Services, Inc.;**
- (i) AECOM Technology Corporation;**
- (j) AECOM Transportation;**
- (k) AECOM USA, Inc.;**
- (l) AECOM Water;**
- (m) Davis Langdon, Inc. (collectively, the “AECOM Companies”);**
and
- (n) any other entities owned by any of the AECOM Companies doing business in the State of Hawaii;**

Provided the Executive Director Recuses Himself from the Procurement, Selection, Award, Monitoring, or Administration of any Contracts and Subcontracts (“Procurement and Contract Authority”) Involving or Potentially Involving the AECOM Companies; and (2) to Delegate Procurement and Contract Authority to Executive Assistant Barbara Arashiro, Acting Contracts and Procurement Officer Rick Sogawa, or to Other Appropriate HPHA Staff Regarding Any Matters Related to, Involving, or Possibly Involving the AECOM Companies;

The motion was unanimously carried.

Director Yokoyama left at 11:34 a.m.

The Board reconvened from Executive Session at 11:42 a.m.

Chairperson Gierlach stated the Board approved the Executive Session minutes for April 19, 2012 and May 17, 2012 and discussed the to approve a waiver of the conflict of interest Provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) between HPHA and the U.S. Department of Housing and Urban Development (HUD) for Executive Director Hakim Ouansafi as related to:

- (a) AECOM Technical Services, Inc.;**
- (b) AECOM Pacific, Inc.;**
- (c) AECOM Design;**
- (d) AECOM Energy & Power;**
- (e) AECOM Environment;**
- (f) AECOM Government Services, Inc.;**
- (g) AECOM, Inc.;**
- (h) AECOM Services, Inc.;**
- (i) AECOM Technology Corporation;**
- (j) AECOM Transportation;**
- (k) AECOM USA, Inc.;**

- (l) AECOM Water;
- (m) Davis Langdon, Inc. (collectively, the “AECOM Companies”); and
- (n) any other entities owned by any of the AECOM Companies doing business in the State of Hawaii;

Provided the Executive Director recuses himself from the procurement, selection, award, monitoring, or administration of any contracts and subcontracts (“procurement and contract authority”) involving or potentially involving the AECOM Companies; and (2) to delegate procurement and contract authority to Executive Assistant Barbara Arashiro, Acting Contracts and Procurement Officer Rick Sogawa, or to other appropriate HPHA staff regarding any matters related to, involving, or possibly involving the AECOM Companies;

Director Thompson moved,

To Amend the Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) Between HPHA and the U.S. Department of Housing and Urban Development (HUD) for Executive Director Hakim Ouansafi as related to:

- (a) AECOM Technical Services, Inc.;**
- (b) AECOM Pacific, Inc.;**
- (c) AECOM Design;**
- (d) AECOM Energy & Power;**
- (e) AECOM Environment;**
- (f) AECOM Government Services, Inc.;**
- (g) AECOM, Inc.;**
- (h) AECOM Services, Inc.;**
- (i) AECOM Technology Corporation;**
- (j) AECOM Transportation;**
- (k) AECOM USA, Inc.;**
- (l) AECOM Water;**
- (m) Davis Langdon, Inc. (collectively, the “AECOM Companies”);**
- and**
- (n) any other entities owned by any of the AECOM Companies doing business in the State of Hawaii;**

Provided the Executive Director Recuses Himself from the Procurement, Selection, Award, Monitoring, or Administration of any Contracts and Subcontracts (“Procurement and Contract Authority”) Involving the AECOM Companies; and (2) to Delegate Procurement and Contract Authority to Executive Assistant Barbara Arashiro, Acting Contracts and Procurement Officer Rick Sogawa, or to Other Appropriate HPHA Staff Regarding Any Matters, Involving the AECOM Companies;

The motion to amend was unanimously carried.

The main motion as amended was unanimously carried.

Reports:

Board Task Force Reports:

Chairperson Gierlach reported that there are no Task Force reports.

Executive Director's Report:

(During this meeting, the HPHA Board was provided laptops to work from at the meeting.)

Mr. Ouansafi reported that the laptops are shared with staff. This is an effort to go green for Board members who want to. For Board members who want to continue receiving hard copies will continue to receive the hard copies. All Board packet documents will be loaded on the laptop for future meetings.

Mr. Ouansafi reported there are posters on the wall for each AMP. The numbers posted are what the managers are held accountable for. Mr. Ouansafi reported every Wednesday new delinquency numbers will be posted. The Board packet number will be different from what is posted on the wall because the packet numbers are for the previous month. Director Yoshioka asked how often the numbers will be updated. Mr. Ouansafi reported that the numbers will be updated weekly.

Mr. Ouansafi reported that Section 8 is accepting applications. Section 8 is in the process of issuing between 150 and 180 new vouchers. Staff looked at the Section 8 budget and the HPHA is attempting to be at a 99% instead of 89%-90% utilization. The unrestricted funds will be used as needed.

Mr. Ouansafi reported that the occupancy numbers are not changing much because of internal transfers of current tenants. The HPHA could be completing repair of 27 units, but due to internal transfers show a net gain of only one filled unit for the month. He stated he spoke to HUD to see what can be done about the transfers.

Mr. Ouansafi reported that he met with the Governor regarding the Legislative bills. The Governor agreed with the HPHA's recommendations. Director Shimizu stated that the official list will be public on Monday.

Chairperson Gierlach asked who is managing Section 8. Mr. Ouansafi reported that Stephanie Fo is the Acting Branch Chief and Ms. Schumacher and Mr. Isobe assist managing the day to day work flow.

The Section 8 program will be working on mass certifications. Staff was reluctant to open up the waitlist, but staff was shown the budget and given the reasons why the waitlist should be opened.

Mr. Ouansfi reported of the 150 vouchers approximately 70 has been issued. Some are looking for rental units. The remainder should be issued within the next 60 days.

Director Yoshioka asked how quickly families are finding rentals. Mr. Ouansafi reported that families are having difficulties because some landlords don't want to rent to Section 8 tenants.

Director Espero asked how an applicant is chosen to move into a vacant unit. Mr. Ouansafi reported it is by preference list. Mr. Ouansafi reported that in a future meeting, staff will submit proposed revisions to the list of preferences. If you are working hard and barely getting by you are being punished because you are not homeless, a battered women, or displaced. The HPHA is looking for ways to streamline the application process. The HPHA wants to keep the preferences, but limit the amount of units given so others on the waiting list have a chance to get a unit.

Mr. Ouansfi reported staff will also be asking to raise the rents in the State public housing program. The HPHA need to raise the rent for the State public housing properties to be able to break even. The HPHA is losing money.

Director Yoshioka asked if raising the rent requires Legislative approval. Mr. Ouansafi responded it does not require Legislative approval.

Director Thompson asked shouldn't the HPHA let the Legislature know that the HPHA is trying to raise the rent. Mr. Ouansafi reported the Legislature was trying to pass a law to raise the rent.

Director Yoshioka stated that it is a State law. Director Shimizu confirmed that there is currently no legislation that sets the rent at a specific amount. She stated that Representative Cabanilla regularly proposes legislation to set a minimum rent at a dollar amount. Representative Cabanilla does not like the 30% of income calculation of rent because 30% of zero is zero.

Mr. Ouansafi reported in some cases the HPHA writes a check to the tenant at the end of the month.

Mr. Ouansafi reported that the HPHA is issuing ID cards and visitors curfew. The HPHA started with MWH and is moving on to Kaahumanu Homes and other projects.

Mr. Ouansafi reported that the HPHA extended the security contract with Matt Levi Security at MWH for one month. The request for proposal is being finalized.

Mr. Ouansfi reported that as to Mr. Kolio's issue with the community walk, the manager did not give the tenants approval, he gave them approval. Mr. Ouansafi reported anyone who wants to join the community walk is invited. The tenants have been given training by the Honolulu Police Department (HPD). They are not the police, but are there to give reminders.

Chairperson Gierlach asked if the meeting is still scheduled with the Department of Business Economic Development and Tourism (DBEDT) Director Richard Lim on July 2nd.

Director Shimizu asked for an update on Weed and Seed. Mr. Ouansafi reported that there was a meeting with Bruce Coppa and he was informed that Weed and Seed at MWH is not working. The residents approached the HPHA and informed the HPHA that they do not want Weed and Seed at MWH. The HPHA attempted to schedule another meeting with the Weed and Seed Director and she declined to attend the meeting.

Chairperson Gierlach requested to be kept in the loop with the Weed and Seed program.

Designee Tungol stated he believes that Maile Kanemaru is the Director for the Weed and Seed program. Chinatown, Kalihi/Palama, and Waipahu are the three Weed and Seed areas.

Mr. Ouansafi reported that Kahale Porter is the person who has been at the HPD sponsored events. Mr. Porter has been working with the HPHA.

Mr. Ouansafi reported that he informed Ms. Kanemaru that MWH does not need weeding and asked for a plan on the seeding. He has asked Ms. Kanemaru for the plan numerous times and has still not received the plan.

Chairperson Gierlach called for a recess at 12:23 p.m. and reconvened at 12:48 p.m.

For Action:

Director Yoshioka moved,

To Adopt Resolution No. 58 Approving the Hawaii Public Housing Authority's ("HPHA") Operating Budget for the Fiscal Year July 1, 2012 to June 30, 2013 and Authorizing the Executive Director to Undertake all Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development

Mr. Ouansafi reported that staff has put a lot of time and effort into completing an accurate budget. There are 22 budgets combined into one. He clarified that funds from one AMP cannot be used on another AMP.

Mr. Ouansafi reported that the HPHA will be having about \$52 million more income than last year.

Mr. Ouansafi reported the budget was done by property, then rolled into an AMP, and then into the agency budget. When the draft of the budget was completed, the budget shared a deficit. Staff had to go line by line and make corrections or adjustments. FMO staff went to each AMP/chief and trained them.

Mr. Ouansafi reported that for the 2012-2013 budget the HPHA budgeted about \$112 million of income. Last year, the forecast was \$64 million. The HPHA has collected about \$85 million

year to date. The reasons the forecast is higher is because 1) expecting more units to be occupied; and 2) HUD informed the HPHA that funds will not be decreased.

Chairperson Gierlach asked where the additional \$30 million is coming from. Mr. Ouansafi reported from HUD because additional units are being occupied and HUD is providing higher subsidy.

Director Thompson asked how the budget can be so much higher when the HPHA no longer has Kuhio Park Terrace (KPT) in the budget. Ms. Arashiro reported that the HPHA lost only about 150 ACC units in the first phase. The HPHA will continue receiving funds for the remaining units.

Mr. Ouansafi reported that the administrative fees are a percentage from the AMPs and are approximately \$21 million.

Mr. Ouansafi reported that the HPHA budget shows a net income of \$1.1 million for the 2012-2013 fiscal year. For 2012 the forecast was \$3 million, the forecast is lower this year because the HPHA forecasted \$3 million more in utilities, \$8 million is being put back into the units, and \$1 million is going to security.

Director Tokishi stated that it is difficult to review the budget and test the assumptions when there are only 20-40 minutes to review it. He asked if there was time to have a Special Board meeting. He asked what the timeframe for next year's budget will be. Mr. Ouansafi reported there will a couple months notice.

Director Tokishi stated that he would like to see fiscal year 2013 budgeted to fiscal year 2012 prorated actual. Mr. Ouansafi stated it should have been provided.

Director Tokishi stated based on prorated actual the HPHA is increasing revenue by 11 percent. He questioned if 11 percent increase is because more units will be occupied and does it account for units being lost. Mr. Ouansafi confirmed the increase and reported that the type C units that are being repaired will help increase rent revenues. Mr. Ouansafi reported that the income will be higher if HUD approves the request, the HPHA will be getting about \$10 to \$12 million more.

Director Tokishi stated that the budget projects 19 percent in administrative costs and asked how that compared to the current actual expenses. Mr. Ouansafi reported that the percentage should be close, but dollar amount will be higher because of the hiring that is being done.

Director Tokishi stated that the HPHA has not budgeted for any salary increase. Mr. Ouansafi responded that the budget includes vacant positions, but no salary increase.

Director Tokishi stated that overall expenses increase is 3 percent. Every month in the variance reports the utilities cost was way off base. He asked how 6 percent utilities increase was determined. Mr. Ouansafi reported that the Honolulu Star Advertiser had an article and that based on the trend for utility costs shows a projected 6.7 percent increase over the actual.

Mr. Ouansfi reported that the HPHA may save money in utilities. It was found at some properties the HPHA was paying 100% of the utilities, but after reviewing the law the HPHA does not need to pay 100%. Staff will be coming to the Board with a way to prorate utilities by square feet or some other alternative pay structure for public housing utilities.

Director Tokishi questioned why employee benefits went up from 39 percent to 42 percent. Mr. Ouansafi responded that the number was given to the HPHA by the State. Ms. Arashiro responded that premium costs for the State were increasing.

Designee Tungol questioned if utilities are paid by the HPHA. Mr. Ouansafi reported the HPHA pays for some tenant's utilities. The previous assumption was that if there is no meter, sub meter or check meter the HPHA is obligated to pay for the tenant's utilities. Mr. Ouansafi stated the law requires that if a building does not have a meter, sub meter, or check meter the public housing can adopt a policy on charging the tenants. The HPHA needs to give the tenants six months notice of the possible charge for utilities and then begin charging the tenants, not that the HPHA needs to pay 100% of the utilities cost.

Director Thompson stated that the Board is expected to do its due diligence and staff is asking the Board to vote on a budget that the Board had 20 minutes to review. He has no question about how much work was put into completing the budget, but he is unable to accept the budget.

Director Tokishi stated the budget general expenses are \$51 million, the actual after 10 months is \$10 million, is that correct. Mr. Ouansfi stated the housing assistance has \$41 million which is included in the \$51 million.

Director Yoshioka asked if the HPHA will be submitting a separate Capital Improvement Plan (CIP) budget. Mr. Ouansafi responded that the Legislature has told the HPHA where the funds need to be used. Ms. Arashiro responded that the Capitol budget is brought to the Board when the Public Housing Authority's Five Year and Annual Plan (PHA) is brought to the Board for approval.

The motion was carried by the vote of: Ayes: Chairperson Gierlach
Director Espero
Director Godfrey with reservations
Director Kihano
Director Shimizu
Director Tokishi
Designee Tungol with reservations
Director Yokoyama
Director Yoshioka

Nay: Director Thompson

Chairperson Gierlach stated the Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority Denise Wise in Her Official Capacity as Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795) will be deferred until the next meeting.

With no further business for the Board to conduct,

Director Espero moved to adjourn,

The motion was unanimously carried.

The meeting adjourned at 1:15 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:

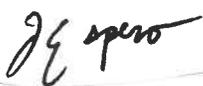


Taryn T. Chikamori
Secretary to the Board

AUG 16 2012

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on July 19, 2012.



Jason Espero
Director/Board Secretary

AUG 16 2012

Date