

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

**July 19, 2012
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, June 21, 2012 (*Page 1*)
- B. Executive Session Minutes, June 21, 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. 59 Extending Congratulations to Ms. Arnelle Gonsalves for Completing the Hawaii Public Housing Authority's Housing Choice Voucher Family Self-Sufficiency Program (*Page 2-3*)
- B. Motion: To Reappoint Mr. Stanley Young to the HPHA's Oahu Eviction Board and Ms. Arleila Andrade to the the Kona Eviction Board for a Two-Year Term Expiring on July 15, 2014 and September 31, 2014 respectively (*Page 4-9*)
- C. Motion: To Authorize the Executive Director to Investigate and Assess Redevelopment Opportunities at the Property Located at 1002 N. School Street, Honolulu, Hawaii 96817 (*Page 10-11*)

V. REPORTS

A. Executive Director's Report: *(Pages 12-72)*

Updates and Accomplishments Related to Public Housing Occupancy, Maintenance Repairs; Design and Construction Project Updates; Media Inquiries, Summary of 2012 Legislative Session, Contracts & Procurements Executed During June 2012; Rent Collections and Evictions.

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 73)*

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 Hawaii Public Housing Authority's Board of Directors will convene its annual meeting immediately after the conclusion of this 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, JULY 19, 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, July 19 2012 at 9:00 a.m.

The meeting was called to order by Secretary Jason Espero and on roll call, those present were as follows:

PRESENT: Director Jason Espero, Secretary
Director Roger Godfrey
Director Desiree Kihano
Director Debbie Shimizu
Director Trevor Tokishi
Designee Wilfredo Tungol
Director George Yokoyama

Executive Director, Hakim Ouansafi
Deputy Attorney General, Jennifer Sugita

ENTERED: Director Gierlach Gierlach, Chairperson at 10:43 a.m.

EXCUSED: Director Matilda Yoshioka, Vice-Chair

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
Rochelle Akamine, Resident Services Program Specialist
Gail Lee, Asset Management Project (AMP) 35 Manager
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
Derek Salis, Kamehameha Homes resident

Peggy Wiles, private resident
Jean Peters, Kalakaua Homes resident

Proceedings:

Secretary Espero declared a quorum present.

Secretary Espero asked that the June 21, 2012 Meeting Minutes be deferred until the meeting.

Director Godfrey moved,

That the June 21, 2012 minutes be deferred until the next Board meeting.

The motion was unanimously carried.

Secretary Espero deferred the approval of the Executive Session Meeting Minutes until later in the meeting.

Director Tokishi moved,

That the June 21, 2012 Executive Session minutes be deferred until later in the meeting.

The motion was unanimously carried.

Public Testimony

Fetu Kolio, Mayor Wright Homes Resident, stated that Matt Levi security is doing a great job. Mr. Kolio stated that the Samoan community has put together a citizens patrol. He believes the citizen patrol should do the walk outside of Mayor Wright Homes (MWH). The patrol has members that are not legal tenants of MWH and are gang members and drug dealers. He believes that his job as a tenant is to take care of his family, live by the standard of rules, and pay the rent. He stated that according the Tenant Association By-Laws new officers can only be added when a term is up. Someone has authorized Board members to be appointed and this is disrespectful to the By-Laws and unfair for the tenants.

Derek Salis, Kamehameha Homes resident, stated he has been living with anger, depression and stress for the past two years. The U.S. Department of Housing and Urban Development (HUD) expects the tenants to be the eyes and ears of the community and to keep the community safe, sanitary and secured. He said he informed management of the rule breakers and now these tenants want to "poke his eyes out."

Peggy Wiles, private resident, stated she understands the affordability rules have changed within the last three years. She stated she has lived and worked in Hawaii for 35 years and feels the ruling is unfair because people come from the mainland and receive housing before people on the waiting list. She would like to know how she can get the rule changed.

For Action:

Director Yoshioka moved,

To Adopt Board Resolution No. 59 Extending Congratulations to Ms. Arnelle Gonsalves for Completing the Hawaii Public Housing Authority's Housing Choice Voucher Family Self-Sufficiency Program.

Secretary Espero read Resolution No. 59 extending congratulations to Ms. Arnelle Gonsalves for completing the Hawaii Public Housing Authority's Housing Choice Voucher Family Self-Sufficiency Program.

The motion was unanimously carried.

**RESOLUTION NO. 57
HAWAII PUBLIC HOUSING AUTHORITY**

EXPRESSING APPRECIATION TO DIRECTOR TRAVIS THOMPSON

WHEREAS, Director Travis Thompson is a member and immediate past Chairperson of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

WHEREAS, as the former Director of Finance for Maui County, Director Thompson brought with him a wealth of housing and finance experience which was reflected in his thoughtful inquiries, discussions and decisions at the Board level; and

WHEREAS, Director Thompson worked tirelessly to improve services and programs for the families in the HPHA's programs; and

WHEREAS, Director Thompson has been instrumental in resolving policy issues, serving on numerous task force committees and encouraging Board training; and

WHEREAS, in his role as a Board member, Director Thompson was particularly interested in increased accountability at all levels; and

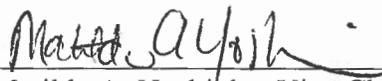
WHEREAS, the HPHA's Board of Directors hold Director Thompson in the highest personal regard.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 57 Expressing Appreciation to Director Travis Thompson on this 21st day of June 2012;

AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Director Travis Thompson reflecting sincere appreciation of the Board for his contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.



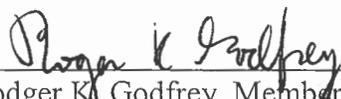
David Gierlach, Chairperson



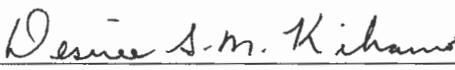
Matilda A. Yoshioka, Vice Chair



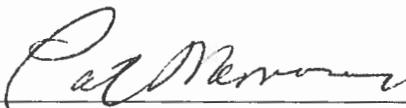
Jason T. Espero, Secretary



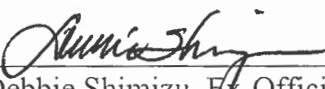
Rodger K. Godfrey, Member



Desiree S. M. Kihano, Member



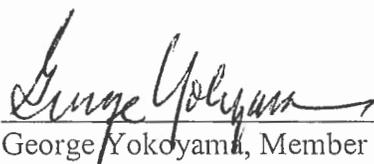
Patricia McManaman, Ex-Officio Member
for PM



Debbie Shimizu, Ex-Officio Member



Trevor N. Tokishi, Member



George Yokoyama, Member



For Action:

Director Tokishi moved,

To Reappoint Mr. Stanley Young to the HPHA's Oahu Eviction Board and Ms. Arleila Andrade to the Kona Eviction Board for a Two-Year Term Expiring on July 15, 2014 and September 31, 2014 respectively.

Mr. Ouansafi reported that these are qualified individuals. Mr. Young is retired attorney and has been on the Eviction Board for many years. He stated that Ms. Andrade is an auditor and has a strong financial background.

Director Shimizu supported Mr. Young's reappointment to the Oahu eviction Board.

The motion was unanimously carried.

For Action:

Director Godfrey moved,

To Authorize the Executive Director to Investigate and Assess Redevelopment Opportunities at the Property Located at 1002 N. School Street, Honolulu, Hawaii 96817

Mr. Ouansafi reported that for the agency to grow, move forward, and to provide the necessary housing the HPHA needs also look at other areas. The HPHA wants to issue a request for information (RFI) to have developers come up with ideas on how to best use the property.

Director Godfrey asked if the HPHA will be demolishing buildings. Mr. Ouansafi reported that Building A has structural problems, and the HPHA is in the process of moving staff to other buildings.

Director Godfrey stated that the original plan was if Kuhio Park Terrace (KPT) worked, then the HPHA would look at another property like MWH. Director Godfrey was concerned that starting a new redevelopment at School Street would be too much work based on the HPHA's current capacity to handle multiple redevelopments. Mr. Ouansafi stated that staff can do both. He stated MWH is a federal property and the only option is a private-public partnership and would take a couple of years. The Board has a MWH task force that will be working with staff. Staffs concentration is on vacant units.

Designee Tungol asked if the HPHA is looking at 200 elderly units will the units be one and two bedroom units. Mr. Ouansafi reported that the funds available will pay for about 200 units and it will be one, two, and three bedroom units and in the Kalihi area can be up to eight stories high. This will also be used as a master plan because the property is 12 acres. The Legislature has authorized the HPHA to have commercial buildings.

Designee Tungol asked if a private developer would be allowed tax credits. Mr. Ouansafi reported the HPHA would review the RFI's and if the proposal was attractive then the HPHA would pursue the tax credits.

Director Tokishi asked if this is an exploratory phase. Mr. Ouansafi confirmed that this is only an exploratory phase.

Director Tokishi asked if it would be feasible to use the School Street property for more housing rather than offices. Mr. Ouansafi stated the main office does not need that much space and that is being looked into.

Secretary Espero asked when the RFI would be issued. Mr. Ouansafi responded three to six months because the vacant units are the HPHAs current priority.

The motion was unanimously carried.

Reports:

Executive Director's Report:

Mr. Ouansafi reported that the job fair was a success. The fair was held because the Legislature has given the HPHA exempt positions. The HPHA converted some civil service positions into exempt positions. The positions are for maintenance, electrician and plumbers. There were about 200 people who applied. The HPHA can hire 50 people. The HPHA's intentions are to convert the positions to civil service positions in the future. The HPHA is losing about \$3.7 million from HUD because of vacant units. Once the units are occupied the HPHA will be receiving the funds and the funds will be used to pay for the positions. There will be five teams of ten people. Each team will have a team leader. The HPHA spoke with the Department of Human Resources and Development (DHRD) and was informed that the HPHA will be allowed to convert the position and person in the position to civil service.

Mr. Ouansafi reported that as of June 16, 2012, Stephanie Fo is no longer the Property Management and Maintenance Branch (PMMSB) Chief and she has been temporarily assigned to oversee Section 8. The HPHA is recruiting for the PMMSB Chief. The HPHA is evaluating the need to separate the PMMSB chief position into two sections, one for property management and one for maintenance.

Mr. Ouansafi reported that the consultants from Akron Metropolitan Housing Authority (AMHA) will be assessing the Section 8 program next month. They will be looking at what improvements Section 8 needs to make and evaluating our fiscal reports.

Mr. Ouansafi reported that staff has been informed to start the process of leasing approximately 150 vouchers. Section 8 has issued about 70 of the 150 vouchers.

Mr. Ouansafi reported that AMHA was a troubled agency and now they are a high performing agency. AMHA has spent time with the Fiscal Management Office (FMO) this week identifying findings before the audit and helping prepare for the auditors field work.

Mr. Ouansafi reported that software will be updated at the Asset Management Projects (AMP) and training will be provided.

Director Tokishi asked what the Elite software is used for. Mr. Ouansafi reported the program is used to track items and generate reports for property management, Section 8, and FMO. Once the software is fully operational, the HPHA will have four computers set up at the Applications Office so applicants can apply on-line.

Designee Tungol asked if the system is tied in with the State's system. Mr. Ouansafi reported that the software is a little more advanced and is designed for public housing authorities. The DHS consultant stated that in about two years the HPHA will be able to give the requirements to tie in with the State.

Mr. Ouansafi reported that HUD will start conducting the Real Estate Assessment Center (REAC) inspections of the HPHA's properties next month. The HPHA started preparing for REAC months ago to ensure the HPHA does not lose unnecessary points.

Mr. Ouansafi reported that 35 type C units will ready soon. Mr. Ouansafi reported that Lanakila will be having 16 units renovated and another 20 by the end of the month. Maui will have 15 units ready and another 7 units in August. Kauai and Oahu will have three units ready.

The HPHA is evicting the non-payers. The AMP with the most problems is AMP 44 (Waianae). Waianae will be having about 15 to 20 evictions coming up. The amount owed to the HPHA for Waianae is about \$100,000. About \$27,000 is on the six month plan.

Secretary Espero asked what a six month plan is. Mr. Ouansafi reported that during an eviction hearing a tenant can request the Hearing Board for six months to pay off the past due rent. If approved, the family is given 6 months to pay off the back rent.

Director Godfrey asked if the HPHA worked on a procedure on getting the vacant units filled. Mr. Ouansafi reported that the HPHA started mass certifications. Mr. Ouansafi stated last month the HPHA moved in 36 families and processed 15 transfer requests. The HPHA is meeting with HUD to see what can be done about the transfers. Transferring families already in housing to different units, rather than admitting a new family gives the HPHA a net gain of zero on its vacant unit count.

Mr. Ouansafi reported that HPHA has signed a memorandum of agreement with the Department of Accounting and General Services (DAGS) to help repair vacant units.

Designee Tungol asked if the HPHA is still working with volunteers. Mr. Ouansafi reported that the Institute of Human Services (IHS) had approximately 240 people volunteering at Kaahumanu

Homes on July 14th. The volunteers cleaned, swept, restriped the parking lot, and painted the curbs. The HPHA will continue to work with the volunteers.

Director Yokoyama reported that Governor Abercrombie visited Hilo and he supported the idea of volunteers. Mr. Ouansafi reported that the HPHA does not have as many volunteers on the neighbor islands as on Oahu.

Mr. Ouansafi reported that in September the HPHA will be working with New Hope and there will be hundreds of volunteers. Because the neighbor islands do not have as many volunteers the HPHA has a memorandum of agreement with the Correctional Industries (CI) to take prisoners to neighbor islands to help get units fixed and cleaned.

Director Kihano asked if the HPHA is looking into why Waianae has the bulk of delinquencies. She expressed concerns with the current families not paying rent and possibly engaging in criminal activities. Mr. Ouansafi reported that the HPHA is considering many options, including adding in fencing, cameras, security, and lighting.

Mr. Ouansafi reported that the HPHA met with U.S. Attorney General Florence Nakakuni on issues on the Waianae coast

Mr. Ouansafi reported that the HPHA sent a letter to the Attorney General's (AG) office requesting guidance on collecting delinquencies. Mr. Ouansafi reported that the HPHA also has a request for proposal (RFP) for a management company.

Secretary Espero asked what progress has been made on changing the preference list. Mr. Ouansafi reported that staff will have proposal for the Board next month.

Mr. Ouansafi reported that the HPHA surveyed tenants regarding smoking to every tenant. The HPHA is moving towards "smoke free" properties from next month, depending on the results of the surveys. The HPHA is working with Tobacco Free Hawaii.

Secretary Espero asked if there will be designated smoking area. Mr. Ouansafi responded that only in the beginning then the property will be smoke free.

Mr. Ouansafi reported that the HPHA will close its financial books sooner than in previous fiscal years.

Director Godfrey asked if job fairs will be held on neighbor islands. Mr. Ouansafi reported job fairs may be held next month on neighbor islands. He reported that because of the pay rate structure, it may be difficult for the HPHA to recruit people who are multi-skilled or qualified.

Director Yokoyama stated the Hawaii Island has a 9% unemployed rate where as Oahu has a 6% unemployment rate. He encouraged the HPHA to consider Hawaii's higher unemployment rate in the recruitment efforts.

Director Tokishi asked what work AMHA will be doing. Mr. Ouansafi reported they will be working with Section 8. AMHA bid \$300,000 and agreed to train the HPHA staff.

Director Tokishi asked if Akron is a public housing agency. Mr. Ouansafi confirmed that AMHA is.

Designee Tungol asked what services AMHA will provide. Mr. Ouansafi reported that AMHA will be looking at the Section 8 financials and reviewing the single audit.

Designee Tungol asked if we will be paying AMHA. Ms. Arashiro reported that AMHA will be managing the Section 8 vouchers and providing additional services to the Section 8 program. AMHA receives a portion of the administrative fee and HPHA receives a portion of the administrative fees.

Director Tokishi asked why rent collection dropped by 32%. Mr. Ouansafi reported that the Hearings office is working with the AMPs once a tenant is late on rent even if it is one day late. He stated a task force has been created to help.

Director Tokishi asked why the HPHA charged less rent and collected less rent. Mr. Ouansafi reported because the electricity cost has gone up, especially on Maui.

Secretary Espero asked if mainland Section 8 vouchers do not need to be on the waitlist. Mr. Ouansafi reported that the HPHA can absorb the voucher. The HPHA tries not to absorb vouchers but sometimes it makes good business sense to absorb vouchers. Mr. Ouansafi reported that he authorized 50 vouchers to be absorbed because May next year the HPHA will receive subsidy for the vouchers.

Director Godfrey asked on page 50 what is "other liabilities & deferred income" of \$45 million. Mr. Ouansafi reported it is the deferred income on the sale of Kuhio Park Terrace (KPT).

Director Godfrey asked if the HPHA assessed the KPT projects progress and will the HPHA be looking into doing mixed development at other properties. Mr. Ouansafi reported that the HPHA assessed the project and concluded that it is not the best deal.

Designee Tungol stated services are being provided to the KPT tenants. A new playground will be installed for the children.

Secretary Espero stated currently letters are sent to waitlist families one week in advance; is it possible to send the letter one month in advance. Many families do not check their mail on a daily basis and miss their appointment and are then they put on the end of the waitlist. Mr. Ouansafi responded that staff will assess the situation and consider the recommend procedural change.

Designee Tungol asked when the inspections are. Mr. Ouansafi responded the HPHA anticipates the inspections to start in a month and staff has been instructed to be ready in August.

Director Godfrey moved at 10:36 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 June 21, 2012;
2. 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);*

The motion was unanimously carried.

The Board reconvened from Executive Session at 10:53 a.m.

When the Board reconvened Chairperson Gierlach was present and Director Shimizu had left.

Secretary Espero reported that the Board approved the June 21, 2012 executive session minutes and received an update from its attorney on the Kolio case.

With no further business for the Board to conduct,

Director Godfrey moved to adjourn,

The motion was unanimously carried.

The meeting adjourned at 10:54 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:

Taryn T. Chikamori
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 August 16, 2012.

Jason Espero
Jason Espero
Director/Board Secretary

AUG 16 2012

Date