

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

**November 15, 2012
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, October 18, 2012
- B. Executive Session Minutes, August 16, 2012
- C. Executive Session Minutes, September 20, 2012 (not for public release)
- D. Executive Session Minutes, October 18, 2012 (not for public release)

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 Schedule Hearing on Petition For Declaratory Relief, GR 113118, filed by Tenant Lynn Colleado (Puahala Homes) filed on September 24, 2012
- B. Motion: To Reappoint Ms. Sylvia Wilmeth to the HPHA's Oahu Eviction Board for a Two-Year Term Expiring on November 30, 2014
- C. Motion: To Authorize the Finance Task Force to Approve the Draft Financial Audit Report or to Convene a Special Board Meeting in December to Approve and Accept the Audited Financial Report

V. REPORTS

A. 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 September 2012; Staffing; Rent Collections and Evictions; and Follow-Up Report on Board Inquiries

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)*

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)*

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, NOVEMBER 15, 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, November 15, 2012 at 9:00 a.m.

The meeting was presided over by Vice Chairperson Matilda Yoshioka and called to order by Chairperson Yoshioka and upon the call to order, those present were as follows:

DIRECTORS

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

Deputy Attorney General, John Wong

DIRECTORS

EXCUSED: Director David Gierlach, Chairperson

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Clarence Allen, Acting Chief Financial Management Advisor
Nicholas Birck, Chief Planner
Kiriko Oishi, Compliance Officer
Rick Sogawa, Procurement Officer
Becky Choi, State Housing Development Administrator
Joanna Renken, Acting Public Housing Supervisor
Diane Johns, Property Management Specialist
Rochelle Akamine, Resident Services Specialist
Taryn Chikamori, Secretary to the Board

OTHERS: Augafa Ene, Mayor Wright Homes Resident
Fetu Kolio, Private Resident
Matt Taufetee, Peacemakers

Proceedings:

Chairperson Yoshioka declared a quorum present.

Chairperson Yoshioka obtained concurrence from the Board to move the Executive Director's public testimony follow-up report on the agenda to be heard after the approval of the minutes and to move all Executive Session items to the end of the agenda.

The business of the Board proceeded with approval of the Regular Meeting Minutes of October 18, 2012.

Director Godfrey moved,

To approve the Regular Meeting Minutes of October 18, 2012.

The minutes were unanimously approved.

Reports:

Executive Director's Report Public Testimony Follow-Up:

Chairperson Yoshioka requested that Executive Director Ouansafi report any confidential information during Executive Session at the end of the meeting.

Executive Director Ouansafi reported that during public testimony there was a concern that property managers are allowing unauthorized tenants. Executive Director Ouansafi reported that the Hawaii Public Housing Authority (HPHA) investigated the situation and concluded that the property managers are not condoning unauthorized tenants. He stated that this does not mean that there are not unauthorized tenants, if managers are informed of unauthorized tenants the issue is investigated and if there are unauthorized people, violations are issued.

Executive Director Ouansafi reported that all individuals who send HPHA any requests are sent a formal response.

During last month's meeting, one tenant questioned why he was not allowed to add his nieces and nephews to his household. Executive Director Ouansafi reported that nieces and nephews maybe allowed to transfer into a household, but the verification process needs to be followed.

Executive Director Ouansafi also reported that although the tenant had questions about his rent calculations, it was verified that the rent calculation for this tenant was correct.

Executive Director Ouansafi reported that the HPHA does not interfere with the resident walks or tenant association.

During last month's meeting one tenant complained that they were not provided adequate notice of the water shut on their property. Executive Director Ouansafi reported that the HPHA agrees every effort needs to be made to inform residents in advance when the water will be shut off.

Chairperson Yoshioka asked whether the HPHA looked into installing speed bumps at Mayor Wright Homes. Executive Director Ouansafi reported that the HPHA is looking into installing speed bumps, but there are also tenants who feel the speed bumps are not needed. It is hard to speed in the area where the incident happened, but the HPHA will be considering additional speed bumps during the modernization.

Executive Director Ouansafi reported that the applicant who claimed he did not get a response from the HPHA did not update his contact information with the HPHA, so there was no way of contacting the applicant.

Director Godfrey asked if it getting a hold of applicants a major problem. Executive Director Ouansafi responded that the HPHA makes efforts to contact the applicant at all known addresses. The HPHA mails a letter and when the letter is returned, the address is checked to ensure the HPHA addressed it correctly. Next the HPHA attempts to call the applicant. If there is no way to contact the applicant, then the applicant is removed from the waitlist.

Chairperson Yoshioka asked if the HPHA meets with applicants to get updated information, so they can be put back on the waitlist. Executive Director Ouansafi reported that the applicant cannot be put back on the waitlist in the same slot. It is the responsibility of the applicant to keep the HPHA updated with current information.

Chairperson Yoshioka asked whether an applicant that is removed from the list can reapply. Executive Director Ouansafi responded that applicants can reapply.

Director Espero asked if the applicant is sent a letter asking them to update their information. Executive Ouansafi reported the HPHA used to purge the waitlist once a year, but currently purges twice a year.

Director Espero asked if all applicants are sent the letter. Executive Director Ouansafi confirmed that all applicants are sent a request to update their current information.

Director Espero asked how many applicants are on the waitlist. Executive Director Ouansafi reported that there are approximately 10,000 families on the waitlist.

Director Tokishi asked if the HPHA sends applicants electronic letters. Executive Director Ouansafi reported there are a few applicants with email, but not all applicants have access to email or a computer.

Designee Tungol asked whether the application states that it is the applicant's responsibility to keep the HPHA informed of updated information. Executive Ouansafi confirmed that the application states that it is the applicant's responsibility to keep the HPHA informed of current information.

Executive Director Ouansafi reported that the HPHA will be converting to a one page pre-application form. Currently, the application packet is extensive and requires submission of all income and eligibility documents from the applicant. The HPHA will change the application to request contact information only. Approximately six months before being placed in a unit the applicant will need to complete the full application packet.

Public Testimony

Mr. Fetu Kolio, private resident, stated that the citizens patrol is harassing tenants. He attended a citizens patrol training in 2009 and he learned that the citizens patrol is not allowed to harass or hit anyone. He stated that the Executive Director stated that creating a citizens patrol is up to the tenants, which is true, but management should not be allowing patrol members to harass others. He stated that the Eviction Board should have a resident member in order to have a fair process.

For Action:

Director Espero moved,

To Schedule Hearing on Petition For Declaratory Relief, GR 113118, filed by Tenant Lynn Colleado (Puahala Homes) filed on September 24, 2012.

Deputy Attorney General Wong reported that on September 24, 2012 attorney for Ms. Lynn Colleado, Puahala Homes resident, filed for a Petition for Declaratory Relief, pursuant to public housing authority's (PHA) administrative rule 17-2000-71. The grievance hearing was held on August 21, 2012. The Deputy Attorney's (AG) office is still looking for an attorney to represent the Board of Directors. This "For Action" is for scheduling only. He stated that the petitioner will present their case first. Ms. Colleado is represented by Ms. Sheila Lippot of Legal Aid Society of Hawaii. Ms. Colleado can appeal the Board decision by going to the Circuit Court and then the Supreme Court. The petitioner must be given 15 days notice of the hearing. He stated his best guess is the hearing should not take more than two hours. He stated the Chairperson needs to complete the notice and he will serve the petitioner.

Director Tokishi asked if he foresees anything unusual for the January meeting. Executive Director Ouansafi responded that he does not foresee anything unusual for January.

Director Kihano asked if she could be excused because she is somewhat familiar with the situation. Deputy Attorney General Wong responded that her request should be submitted to the Chairperson in writing.

Chairperson Yoshioka stated that she will be unable to attend the January Board meeting as she will be on the mainland.

Director Godfrey asked how many days notice does the petitioner need if the Board needs to cancel the hearing. Deputy Attorney General Wong stated that the rule only states that the petitioner needs 15 days notice.

Discussion ensued regarding whether the Board would have quorum in January and regarding the date and time of the administrative hearing.

Chairperson Yoshioka confirmed the hearing will be scheduled on January 17, 2013 at approximately 11:00 a.m.

The motion was unanimously carried.

For Action:

Director Espero moved,

To Reappoint Ms. Sylvia Wilmeth to the HPHA's Oahu Eviction Board for a Two-Year Term Expiring on November 30, 2014.

Executive Director Ouansafi reported that Ms. Sylvia Wilmeth is a retired English teacher and she is familiar with the HPHA rules and eviction rules. She has also expressed interest in continuing to serve.

Chairperson Yoshioka asked why Kona and Maui does not have a resident Board member who resides on the island. Executive Assistant Arashiro stated that Ms. Jane Moana Gray travels to the neighbor islands and that the neighbor island Eviction Board member position is in continuous recruitment.

The motion was unanimously carried.

For Action:

Director Espero moved,

To Authorize the Finance Task Force to Approve the Draft Financial Audit Report or to Convene a Special Board Meeting in December to Approve and Accept the Audited Financial Report.

Executive Director Ouansafi reported that the HPHA has not received the audit from the auditors. He was informed by the auditors that the audit will be ready at the end of November and must be submitted by the first week of December to the Department of Accounting and General Services (DAGS). No extensions will be granted based on the need to complete the State's Consolidated Annual Financial Report (CAFR) on a timely basis.

Director Tokishi and other Board members expressed their concerns about the lack of adequate time for the Board to review the audit prior to submission and their responsibility to provide feedback on the audit. Executive Director Ouansafi agreed, but also reported that historically a Board task force has reviewed the draft audit to facilitate meaningful discussion by the Board members at the regular meeting. Executive Director Ouansafi stated that the “For Action” is asking for a task force to review and approve the draft audit.

Deputy Attorney General John Wong clarified that it would be inappropriate for a task force (which is made up of less than a quorum) to take action to approve the audit on behalf of the whole Board. He did confirm, however, that the Board could authorize the Executive Director to submit the draft audit, subject to review by the Board task force. The Board could subsequently ratify the submission of the audit to the appropriate parties.

Executive Director Ouansafi commented that the amount of work it takes to balance 87 properties with different funds is difficult.

Director Tokishi stated that the audit will be submitted with footnotes and disclosures and open to interpretations. Executive Assistant Arashiro confirmed that the staff would like Board input on the footnotes and disclosures.

Chairperson Yoshioka deferred the motion to later in the meeting pending HPHA’s request for an extension to the due date.

Reports continued:

Executive Director’s Report continued:

Executive Director Ouansafi reported that the HPHA has gone “live” with the new software program. He stated that the Information Technology Office (ITO) is doing a great job coordinating staff training and working on software issues.

Executive Director Ouansafi reported the HPHA is cutting down on delinquencies.

Executive Director Ouansafi reported that on October 27, 2012, hundreds of volunteers participated in clean-up projects at a few properties on Oahu.

Executive Director Ouansafi reported that on November 17, 2012, the HPHA will be holding its third job fair to recruit for open positions in the agency. The HPHA hired four people last month, but four people retired, so it is important for HPHA to be in continuous recruitment.

Executive Director Ouansafi reported that Property Management staff are still being sent to Kauai to help with re-certifications and other management functions.

Executive Director Ouansafi reported that the HPHA conducted two presentations on the status of the HPHA, one to the Governor’s cabinet and one at the Homeless Conference.

Executive Director Ouansafi reported that the HPHA drafted a competitive grant application for \$150,000 for the emergency security safety. The HPHA hopes to receive the grant.

Executive Director Ouansafi reported that the delinquencies are \$486,000 and going down. Occupancy went up by .3 percent which does not seem like a lot, but it is because of the transfers and transfers are going down.

Executive Director Ouansafi reported that the HPHA held a ground breaking ceremony for the modernization of Palolo Valley Homes. The event was attended House Speaker Calvin Say, Chairperson Gierlach, Director Shimizu, Designee Tungol, and members of the resident association.

Executive Director Ouansafi reported that the HPHA submitted a budget request to the State for \$182 million in capital improvement funds.

Director Godfrey questioned whether the HPHA received any scores back from the U.S. Department of Housing and Urban Development's (HUD) Real Estate Assessment Center (REAC). Executive Director Ouansafi reported that Kalakaua Homes score has been changed from 86 to 93, but the HPHA has not received responses for the other six contested scores.

Executive Director Ouansafi reported that the HPHA applied for a water conservation grant. If the HPHA receives the grant, the plan is to install artificial grass on HPHA's properties.

Director Yokoyama asked whether the HPHA is still researching establishing a non-profit arm of the agency. Executive Director Ouansafi reported that the HPHA will be asking the legislature to create a non-profit subsidiary and a for-profit subsidiary for HPHA.

Director Godfrey asked what is being done to the vacant units at Kalihi Valley Homes (KVH) and Lanakila Homes. Executive Director Ouansafi reported that HPHA has started on the modernization at KVH. As for Lanakila Homes, the HPHA's consultant is conducting an assessment of the current infrastructure to determine its remaining useful life.

Director Godfrey asked what progress is being made in Wahiawa. Executive Director Ouansafi reported that construction has started in Wahiawa.

Designee Tungol asked for an update on delinquencies in rent collection. Executive Director Ouansafi reported that the HPHA's is showing approximately 3.04 % delinquent accounts.

Director Yokoyama asked if the HPHA received a response from the Attorney General regarding its status as an administratively attached agency. Executive Director Ouansafi reported that the request was made to the Department of the Attorney General and is awaiting their response. Deputy Attorney General Wong reported that he is working on the response for the Attorney General's review.

Director Shimizu asked for a report on recent tsunami and tenant evacuations. Acting Public Housing Supervisor Joanna Renken stated that all Asset Management Project's (AMP) have a

list of the disabled tenants. There were also no reported damages at any project. Executive Director Ouansafi stated that the managers have been asked to report on the tsunami event. Executive Assistant Arashiro stated the HPHA have already met with the Property Management staff and the HPHA's safety officer to evaluate the procedures followed during the recent tsunami warning. All offices have already begun the process of updating emergency contacts and phone trees.

Director Tokishi (referring to the financial report) stated the asset management fees is zero because it will be booked at the end of the year, but questioned whether the HPHA should be accruing the monthly amount. Executive Assistant Arashiro clarified that the HUD rule requires that the HPHA collect the asset management fees based on the previous year's cash balance and the HPHA is waiting for the financials to close to determine the cash balance.

Director Tokishi asked why tenant services are less than budgeted, as the report only states "reflect payments to Bermerton..." Acting Chief Financial Management Advisor Allen clarified that budget was prepared with a different contractor for the project based contract administration program, but HUD did not make the awards on a timely basis. As such, the current expenses reflect payments to Bremerton, rather than the new contract. HPHA will pay more for the new contractor because they will be doing consultant work for HPHA.

Executive Director Ouansafi reported the HPHA will be reviewing the budget after the end of the six months and will possibly submit budget revisions to the Board in January.

Director Kihano stated that residents at Palolo Homes are concerned with relocation. She reported that some of the tenants are being right sized to other properties and some are allowed to stay on property. Executive Director Ouansafi reported that the HPHA needed the vacant units. The decision was made to right size all families first. He stated all properties will be going through right sizing.

Director Kihano said that the families were told that they do not qualify for relocation expenses. Executive Director Ouansafi reported that the HUD rules state families being relocated due to rights sizing do not qualify for relocation expenses.

Director Kihano was concerned that tenants who are right sized on property are receiving relocation expenses; whereas, tenants who moved off property will not be receiving relocation expenses. Executive Director Ouansafi reported that to his knowledge no one who was right sized qualified for relocation expenses, but he stated he will speak to the management company. Director Kihano stated it was not management's decision, it was HPHA's decision.

Acting Public Housing Supervisor Renken stated the tenants that were relocated on property will be permanently relocated to another unit on property after the renovation and therefore qualify for relocation expenses.

Director Kihano stated that one tenant moved from a three bedroom unit to a two bedroom unit and one tenant moved from a four bedroom unit to a three bedroom unit. Executive Director Ouansafi clarified that because these tenants are being relocated for the renovation the HPHA is

obligated to pay the moving expenses; whereas, other tenants were moved for right sizing only. Director Kihano stated that they were moved for renovations because if they were not moved, the HPHA would not be able to relocate tenants for the renovations.

Director Kihano asked why a tenant was transferred to the one bedroom unit on the property temporarily. Executive Director Ouansafi reported that the HPHA is in the process of looking for an appropriate units for all of the families. Director Kihano stated that she believes that the HPHA favors this family because they pay a higher rent. Executive Director Ouansafi reported that the HPHA does not condone favoritism, and he will look into the situation. He stated that there is a panel of people who reviewed the relocation plan and not one person.

Designee Tungol asked if it would be expensive to provide boxes to all tenant that have to transfer units. Executive Director Ouansafi reported that it is not the current policy, but the Board can change the policy.

Director Kihano stated that when there is only one or two weeks between one tenant moving out and the next tenant moving in, it looks like the tenant was right sized to make units available for the renovation. Executive Director Ouansafi reported that the tenants were given three months notice.

Director Kihano stated that tenants were told the American Disability Act (ADA) units will be filled from a master waitlist and not by the current residents on property. Executive Director Ouansafi confirmed that all families that request reasonable accommodations served from one wait list and could come from other properties.

Director Kihano asked whether the Admissions and Continued Occupancy Policy (ACOP) states that current residents of a property must be placed in units first. Executive Director Ouansafi reported that the transfer list for tenants waiting for a reasonable accommodation is maintained on a first-come, first-served basis.

Executive Director Ouansafi reported that the HPHA intends to construct more ADA units than what's required by law and will also be creating units that can be converted to accessible units, if needed.

Chairperson Yoshioka asked about the status of the Kauai manager position. Executive Director Ouansafi reported that a deputy manager was recently hired. In addition, the Property Management Branch staff has been sent to Kauai to assist with daily operations.

Executive Director Ouansafi reported that one of the open positions at the job fair will be for the property manager position.

Chairperson Yoshioka asked for a status on the Capital Improvement Project (CIP) funds. State Housing Development Administrator Choi responded that the HPHA is starting to issue contracts and no funds should lapse. Executive Director Ouansafi reported that last January the HPHA was set to lapse \$15 million, but the HPHA was able to reduce it to \$4.5 million. Executive Director Ouansafi reported that the CIP funds are reviewed twice a month.

Chairperson Yoshioka called for a recess at 10:40 a.m. and reconvened at 10:55 a.m.

Chairperson Yoshioka stated the Board will continue with the deferred item of:

To Authorize the Finance Task Force to Approve the Draft Financial Audit Report or to Convene a Special Board Meeting in December to Approve and Accept the Audited Financial Report.

Executive Director Ouansafi reported that the HPHA confirmed with DAGS that the deadline has not been extended from December 7, 2012.

Chairperson Yoshioka stated the task force was formed to give the Board task force sufficient time to review the audit and give recommendations to the full Board. Director Godfrey concurred that in the past the task force would review the audit and then present the recommendations to the entire Board for discussion and approval.

Director Godfrey asked if the auditor will attend the Board meeting. Executive Director Ouansafi reported the auditor will be available for the task force meeting and the HPHA will invite them to the Special Board meeting, if there is one.

Executive Director Ouansafi stated maybe the motion can be amended to “To Authorize the Executive Director to Submit the Financials after Meeting with the Finance Task Force.”

Director Tokishi asked how the audit was submitted last year. Chairperson Yoshioka responded that last year, time was not restricted because it was due in March.

Executive Assistant Arashiro stated that all the State agencies receive the Other Post Employment Benefits (OPEB) numbers from DAGS at the same time. The auditors need to make adjusting journal entries to all AMP’s and branches and then roll it up into each fund.

Deputy Attorney General Wong suggested that the Board consider amending the For Action item “To Authorize the Executive Director to Submit the Financial Audit Report Subject to Review by the Task Force, if any.”

Deputy Attorney General Wong stated it is the Chairperson’s prerogative to add Board members to the task force. Chairperson Yoshioka confirmed that the current task force of Directors Gierlach, Godfrey, and Tokishi, was expanded to include Director Shimizu and Designee Tungol, in the event that Director Tokishi was unable to attend the task force meeting due to scheduling conflicts.

Designee Tungol moved,

To Amend the Motion to: To Authorize the Executive Director to Submit the Audited Financial Report to the Proper Agencies Subject to Comments by the Financial Task Force, if Any.

The motion to amend the main motion was unanimously carried.

The main motion as amended was unanimously carried.

The business of the Board proceeded with approval of the Executive Session Meeting Minutes of October 18, 2012.

Chairperson Yoshioka asked that the Board takes a few minutes to review the Executive Session minutes and that Deputy Attorney General Wong informed her that the Board does not need to go into Executive Session to approve the minutes, unless there are corrections. She also stated that the Board does not have Executive Session minutes for August 16, 2012 and September 20, 2012.

Director Tokishi moved,

To approve the Executive Session Minutes of October 18, 2012.

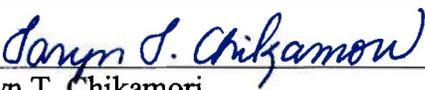
The motion was unanimously approved.

Deputy Attorney General Wong stated there is no update on 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).

With no further business for the Board to conduct, the meeting adjourned at 11:25 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Taryn T. Chikamori
Secretary to the Board

DEC 20 2012

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on December 20, 2012: [] As Presented [] As Amended



Jason Espero
Director/Board Secretary

DEC 20 2012

Date