

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

**January 17, 2013  
9:00 a.m.**

**AGENDA**

**I. CALL TO ORDER/ROLL CALL**

**II. APPROVAL OF MINUTES**

- A. Regular Meeting Minutes, December 20, 2012 (*Pages 1-6*)

**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 Reappoint Mr. Melvin Kawahara to the HPHA's Hilo Eviction Board and Mr. Douglas Kaya to the HPHA's Oahu Eviction Board for a Two-Year Term Expiring on January 31, 2014 and March 31, 2014 Respectively (*Pages 7-12*)
- B. Motion: To Authorize the Executive Director to Execute the Choice Neighborhoods Initiatives (CNI) Planning Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) and Any and All Future Documents Related to the CNI Planning Grant (*Pages 13-66*)
- C. Motion: To Approve the Timeline for the Hawaii Public Housing Authority's Five Year and Annual Plan; To Authorize the Executive Director to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2013 – 2014 and Draft Amendments to the PHA 5-Year and Annual Plan for Fiscal Years 2009 – 2014; and To Authorize the Executive Director to Submit the Plan to the U.S. Department of Housing and Urban Development (HUD) (*Pages 67-68*)

## V. REPORTS

- A. Executive Director's Report: **(Pages 69-134)**  
Approval of the HPHA's Request to HUD for Waiver of the Conflict of Interest with the ACC  
Legislative Proposals for the 2013 Submitted to the Office of the Governor  
Monthly Financial Report for the Period Ended December 2012  
Request To Establish Finance Task Force to Review Single Audit Findings  
Procurements and Contracts Executed During December 2012  
Follow-Up Report on Board Inquiries from the December 2012 Board meeting  
Updates and Report on Public Housing Occupancy, Rent Collection, Evictions, Maintenance Repairs, and Community Activities

## 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 135)*

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)*

- B. For Information: U.S. Department of Housing and Urban Development (HUD) Recovery Plan, Hawaii Public Housing Authority **(Pages 136-141)**

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, JANUARY 17, 2013  
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, January 17, 2013 at 9:05 a.m.

The meeting was called to order by Chairperson Gierlach and upon the call to order, those present were as follows:

**DIRECTORS**

**PRESENT:**

Director David Gierlach, Chairperson  
Director Jason Espero, Secretary  
Director Roger Godfrey  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Wilfredo Tungol  
Director George Yokoyama

Deputy Attorney General, John Wong  
Deputy Attorney General, Jennifer Sugita

**DIRECTORS**

**EXCUSED:**

Director Matilda Yoshioka, Vice-Chair  
Director Desiree Kihano

**STAFF PRESENT:**

Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Clarence Allen, Acting Chief Financial Management Advisor  
Kiriko Oishi, Compliance Officer  
Rick Sogawa, Procurement Officer  
Becky Choi, State Housing Development Administrator  
Stephanie Fo, Section 8 Subsidy Program Branch Chief  
Joanna Renken, Public Housing Supervisor  
Rochelle Akamine, Resident Services Program Specialist  
Benjamin Park, Planner  
Gail Lee, Asset Management Project 31, Property Manager  
Taryn Chikamori, Secretary to the Board

**OTHERS:**

Greg Carroll, Michaels Development Company  
Douglas Chin, Carlsmith Ball, LLP

Augafa Ene, Mayor Wright Homes Resident  
Fetu Kolio, Private Resident  
Makani Maeva, Vitus Group  
Monika Mordasini, Michaels Development Company  
Matt Taufetee, Peacemakers  
Shane Kauai, Peacemakers

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Director Espero moved,**

**To approve the Regular Meeting Minutes of December 20, 2012.**

Director Tokishi asked that on page 3 “Director Tokishi confirmed that the auditors did not see any indication of fraud or misuse of funds. The auditors test a larger than normal sample of cash disbursements until they have a level of comfort to issue the unqualified opinion” be changed to “Director Tokishi clarified that an unqualified opinion means that the financial statements are fairly presented. An unqualified opinion has nothing to do with fraud.

The minutes were unanimously approved as amended.

**Public Testimony**

Ms. Monika Mordasini, Michaels Development Company, stated that she is available for questions on the “For Action” item regarding the Choice Neighborhoods Initiatives (CNI) grant agreement. She also reported that at the end of last year both towers at Kuhio Park had been renovated and re-occupied. She stated that the Towers of Kuhio Park has 58 affordable units (without subsidy) that were in high demand and were leased as soon as the units became available.

Mr. Fetu Kolio, private resident, stated that he feels tenants are being intimidated or manipulated into signing move out agreements. He claimed that many times tenants do not understand what they are signing because of the language barrier. He also stated that he was told 19 hour tenant aides were not allowed to work at the property they live at, but Mayor Wright Homes (MWH) has 19 hour aides who live at MWH. He stated that he notices that the eviction Board is comprised of people from the community and feels that there should be a tenant representative.

**For Action:**

**Director Espero moved,**

**To Reappoint Mr. Melvin Kawahara to the HPHA’s Hilo Eviction Board and Mr. Douglas Kaya to the HPHA’s Oahu Eviction Board for a Two-Year Term Expiring on January 31, 2014 and March 31, 2014 Respectively.**

Executive Director Ouansafi stated that the candidates are fair, hard workers and with integrity, and that staff are recommending their appointment to the HPHA's eviction boards.

The motion was unanimously carried.

**For Action:**

**Director Espero moved,**

**To Authorize the Executive Director to Execute the Choice Neighborhoods Initiatives (CNI) Planning Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) and Any and All Future Documents Related to the CNI Planning Grant.**

Executive Director Ouansafi reported that the Hawaii Public Housing Authority (HPHA) is applied for planning grant with Michaels Development Company (MDC). MDC was the lead applicant and HPHA is considered a co-applicant. The grant funds will be used to develop a transformation plan for the redevelopment of the Kuhio Park Terrace (KPT) community.

The motion was unanimously carried.

**For Action:**

**Director Espero moved,**

**To Approve the Timeline for the Hawaii Public Housing Authority's Five Year and Annual Plan; To Authorize the Executive Director to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2013 – 2014 and Draft Amendments to the PHA 5-Year and Annual Plan for Fiscal Years 2009 – 2014; and To Authorize the Executive Director to Submit the Plan to the U.S. Department of Housing and Urban Development (HUD).**

Kiriko Oishi, Compliance Officer, stated that the HPHA will not be making any changes to the 5-year plan. The annual plan will include the following proposed changes and activities for the coming fiscal year:

- 1) Adopting policies and implementing a non-smoking policy for public housing;
- 2) Changes to the Section 8 Administrative Plan;
- 3) Amending the HPHA's VAWA policy to comply with recent clarifications from HUD;
- 4) Continued modernization and redevelopment of public housing;
- 5) Reviewing proposed changes to Asset Management Project groupings;
- 6) Start working on long range planning 5-yr plan;
- 7) Planning to make changes to the Hawaii Administrative Rules;
- 8) Changes in the HPHA's with eviction procedures to comply with State law;

- 9) Changes in the policies that affect the HPHA's PHAS scoring;
- 10) Planning for capital improvements are updated; and
- 11) Mixed finance redevelopment at Mayor Wright Homes.

Executive Director Ouansafi stated that the list of proposed activities is consistent with Board discussions and recent legislation that has passed.

Director Tokishi asked how the Board will be able to monitor the goals and objectives. He suggested using a dash board to track the HPHA's progress of significant or important goals for HPHA. Executive Director Ouansafi concurred that the staff will put something together for the report to the Board.

Director Yokoyama asked if the form of the PHA Plan is a template. He felt that the objectives needed to be measureable and within a timeframe. Executive Assistant Arashiro responded that the proposed changes to be made to the annual plan and the goals and objectives are listed in the 5-year plan on page 69B, section 5.2.

Director Shimizu asked if the HPHA is planning to eliminate the preferences for Section 8. Executive Director Ouansafi responded that ~~the preferences will not be eliminated~~ that we would like to remove the preferences as previously discussed. He further stated that all new placements into units are from the preference list.. Currently, all new vouchers go to the preference list. There are hard working families with no preference who has been on the waitlist for years. The change is to allow a percentage of the ~~vouchers~~ units for the preference list and a percentage of the ~~vouchers~~ units for the regular waitlist for fairness to all applicants. Executive Director Ouansafi explained that when units that become available are going to preference this encourages a lot of people unfortunately due to economic situation to actually become homeless and to jump the line.

Chair Gierlach commented that he thought the Board had previously approved the proposed change.

The motion was unanimously carried.

### **Executive Director's Report:**

Executive Director Ouansafi introduced the new Planner, Benjamin Park. He stated Mr. Park was the office manager for former House Majority Leaders Pono Chong and Representative Blake Oshiro.

Executive Director Ouansafi thanked Ms. Yvonne Tanaka of DHS for helping the HPHA hire Mr. Park expeditiously.

Executive Director Ouansafi stated that he has been with the agency for a year now and would like to thank the staff for all their hard work. He reported that the HPHA moved in 136% more new families than the previous year; reduced the vacant unit by 17%; the occupancy rate is

approximately 93%; provided approximately \$2.3 million more of Section 8 housing assistance; cut the administrative cost down by over a million dollars; and cut the general expenses by about \$3.5 million.

Executive Director Ouansafi reported the HPHA will be drafting a letter to tenants regarding the implementation of the non-smoking policy. The tenants will be given two months to get used to complying with the policy, then they will be required to sign an amended lease. The HPHA has been working with the Department of Health (DOH) and the Coalition for a Tobacco Free Hawaii as well as other agencies. For tenants who want to quit smoking, the HPHA will work with the DOH and the Coalition for a Tobacco Free Hawaii to provide patches and other cessation programs when available.

Executive Director Ouansafi stated that the HPHA will be working with each community to determine if a designated smoking area is wanted by tenants or complete no smoking properties.

Director Tokishi asked what the penalty is if a tenant gets caught smoking in their unit. Executive Director Ouansafi responded that it will be a lease violation.

Director Tokishi asked if the HPHA needs to catch the tenant smoking or just smell the smoke. He commented that it could be difficult to catch someone smoking in their unit. Executive Director Ouansafi agreed that the policy may be difficult to enforce, but the HPHA hopes that as time goes on the community will see the benefits of non-smoking.

Designee Tungol asked if the no-smoking policy would apply to guests. Executive Director confirmed that the policy would apply to a tenant's guests and the lease states that tenants are responsible for their guests.

Designee Tungol suggested that the HPHA put up no smoking signs. Executive Director Ouansafi reported that the HPHA will be putting up signs and the DOH has agreed to provide some signs at no cost to the HPHA.

Director Gierlach asked if the HPHA received the HUD approval on the waiver of conflict of interest. Executive Assistant Arashiro responded that the HPHA recently received approval of the Board's request for a waiver of the conflict of interest.

Executive Director Ouansafi reported that the list of Legislative proposals is on page 97.

Director Shimizu stated that the Governor's office and the HPHA are still in discussions regarding the exemption from chapter 26-35 (a)(1), (5), (6) which exempts the authority from having to go through the DHS and the Governor's office in terms of communication, procurement and allocation of space.

Director Shimizu stated the problem is that other Board's are not exempt.

Chairperson Gierlach asked if the HPHA is different from other Board's because the HPHA is majority federally funded. Director Shimizu responded that the HPHA still receives some State funds.

Executive Director Ouansafi stated that the HPHA is different because HUD mandates that the Board must be govern as a separate entity. He feels the HPHA is a full service agency and different than other attached agencies and the Board should be in charge of the final say. He stated that if the Board makes a decision, the decision should not be over ruled by any other individual.

Executive Director Ouansafi recommended that the Board go into Executive Session to further discuss the matter.

Chairperson Gierlach deferred the issue till Executive Session.

Executive Director Ouansafi asked that the Board create a Finance Task Force to review the single audit findings.

Chairperson Gierlach stated the Finance task force will consist of Directors Tokishi, Espero, Godfrey, Shimizu and himself for the purpose of meeting with the staff to review the single audit findings and the HPHA's draft responses.

Executive Director Ouansafi reported that the HPHA requested \$180 million from the State, but the administration requested \$90 million for 2013 and nothing at this time for 2014.

Executive Director Ouansafi reported that the HPHA currently is on track to spend all of the funds, once Budget and Finance (B & F) releases the funds. Currently, there are multiple requests for the release of funds that have been in the review process at B&F for several months.

Director Tokishi asked for clarification on page 109, Revenues: Capital Improvement Projects (CIP) Administrative drawdown budgeted beginning in November (\$456k monthly through July 2013) awaiting current CIP allotment for revenue recognition. Executive Director Ouansafi responded that the HPHA expects to receive administrative fees for some of the CIP.

**Director Tokishi moved at 10:45 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. 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); and**
- 2. Deferred Item on 2013 Legislative Proposals Submitted to the Office of the Governor**

