

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

**April 18, 2013  
9:00 a.m.**

**AGENDA**

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

**II. APPROVAL OF MINUTES**

- A. Regular Meeting Minutes, March 21, 2013 (*Pages 1-15*)
- B. Executive Session Minutes, March 21, 2013 (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 Reappoint Ms. Elaine Watai to the Hawaii Public Housing Authority's Kona Eviction Board for a Two-Year Term Expiring on May 31, 2015 (*Pages 16-19*)
- B. Motion: To Amend the January 17, 2013 Regular Meeting Minutes Previously Approved by the Board of Directors of the Hawaii Public Housing Authority (*Pages 20-29*)
- C. Motion: To Adopt Amendments to and Compilation of Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 to Implement the Amendments (*Pages 30-66*)

(All proposed revisions have been reviewed by the Department of the Attorney General.)

- D. Motion: To Adopt Amendments to and Compilation of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments **(Pages 67-93)**

(All proposed revisions have been reviewed by the Department of the Attorney General.)

- E. Motion: To Adopt Amendments to and Compilation of Chapter 15-185-25 “Section 8 - Housing Choice Voucher Program”, Hawaii Administrative Rules, and Adopt Amendments to the Section 8 Housing Choice Voucher Program’s Administrative Plan to Remove Waitlist Preferences, to Update all Chapter Numbers, and Update References to Applicable State Statutes and Federal Regulations, Subject to Review by the Department of the Attorney General; and to Authorize the Executive Director to Take All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments, including Amending the Rules to Incorporate Revisions Recommended by the Department of the Attorney General **(Pages 94-164)**
- F. Motion: To Amend the Section 8 Housing Choice Voucher Program’s Administrative Plan and the Federal Public Housing Program’s Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes **(Page 165-217)**

## V. REPORTS

- A. Executive Director’s Report: **(Pages 218-262)**

Updates and Accomplishments Related to Public Housing Occupancy, Maintenance Repairs; Design and Construction Project Updates; Review of Financial Contracts & Procurements Executed During March 2013; Staffing; Rent Collections and Evictions; and Follow-Up Report on Board Inquiries; Request for Finance Task Force to Review Operating Budget for FY 2013 – 2014; Audited Financial Data Schedule Submitted to HUD; PHA Plan Certifications and Salary Comparability Task Force

## 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 263)**

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 Discussion: Status and Updates of the Federal Section 8 Voucher and Project Based Contract Administration (PBCA) Program (**Page 264**)

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 related to the PBCA program.

- C. For Discussion: To Seek Board Input on Proposed Revision to the Hawaii Public Housing Authority's Policy Regarding Retraction of Section 8 Housing Choice Vouchers from Families Most Recently Issued Vouchers to Retraction of Vouchers from Families Who Have Been on the Section 8 Program the Longest (**Pages 265-266**)

- D. For Discussion: Update on Status of Ke Kumu (**Page 267**)

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.

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, APRIL 18, 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, April 18, 2013 at 9:00 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 Matilda Yoshioka, Vice-Chair  
Director Jason Espero, Secretary  
Director Roger Godfrey  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Wilfredo Tungol  
Director George Yokoyama

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

**DIRECTORS**

**EXCUSED:**

Director Desiree Kihano

**STAFF PRESENT:**

Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Clarence Allen, Acting Chief Financial Management Advisor  
Kiriko Oishi, Chief Compliance Officer  
Rick Sogawa, Contracts & 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  
Diane Johns, Property Management Specialist  
Veronica Malbey, Property Management Specialist  
Taryn Chikamori, Secretary to the Board

**OTHERS:**

Scott Jepson, EJP Consulting  
Brian Matson, Assistant Governor's Homelessness Coordinator

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Director Espero moved,**

**To approve the Regular Meeting Minutes of March 21, 2013.**

Director Shimizu corrected page 8 stating she did not “abstain”, she voted “nay”.

The minutes were unanimously approved as amended.

**Public Testimony**

With there being none, Chairperson Gierlach moved on with the next order of business.

**For Action:**

**Director Yoshioka moved,**

**To Reappoint Ms. Elaine Watai to the Hawaii Public Housing Authority’s  
Kona Eviction Board for a Two-Year Term Expiring on May 31, 2015.**

Executive Director Ouansafi reported that Ms. Watai is fair and qualified to serve. The staff recommends the reappointment of Ms. Watai.

The motion was unanimously approved.

**For Action:**

**Director Espero moved,**

**To Amend the January 17, 2013 Regular Meeting Minutes Previously  
Approved by the Board of Directors of the Hawaii Public Housing Authority.**

Executive Director Ouansafi reported that staff meets and discusses the events that occurred after each Board meeting. The statement about the vouchers and preferences was an issue. In turn, the HPHA asked the Attorney General’s office to review the tape of the January 17, 2013 meeting. The Attorney General’s office found that what was reported in the January minutes were incorrect.

Director Shimizu asked if it is proper to amend minutes that the Board already approved. Deputy Attorney General Sugita responded that it is proper to amend the minutes, but there will be two versions on record.

The motion was unanimously approved.

**For Action:**

**Director Yoshioka moved,**

**To Adopt Amendments to and Compilation of Chapter 17-2028 “Federally-Assisted Housing Projects”, Hawaii Administrative Rules and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 to Implement the Amendments.**

Executive Director Ouansafi reported that staff, along with Deputy Attorney General Sugita, has put in hundreds of hours on the proposed amendments. Many of the proposed amendments are necessary to comply with State laws and federal regulations. Some of the items are related to health and safety issues. One of the issues is the utility allowance, the HPHA wants to remove the current schedule and add that “the schedule would be developed annually based on the listed factors.” Another change is that the current rule only requires applicants not to “be engaged in drug-related criminal activity or violent criminal activity” and the HPHA wants to add “or other criminal activity.” The HPHA would also like to amend the motion to remove the definition of household.

Director Shimizu asked if the percentages and years are determined by the U.S. Department of Housing and Urban Development (HUD). Executive Director Ouansafi responded that the utility allowance rates were determined by a consultant and the three year period on criminal activity is based on federal regulations.

Designee Tungol asked if the smoking ban is for federal and State housing projects. Executive Director Ouansafi confirmed that the smoking ban is for all HPHA projects. However, the rules under consideration only govern federal public housing.

Designee Tungol asked if the HPHA discussed the smoking ban with HUD. Executive Director Ouansafi responded that HUD recommends the smoking ban, but does not mandate it.

Designee Tungol asked if the smoking ban would apply to all units or whether there would be designated smoking buildings. Executive Director Ouansafi responded that the smoking ban covers all dwelling units and areas within 20 feet from all dwelling units.

Designee Tungol asked if each Asset Management Project (AMP) will decide where the designated smoking area will be. Executive Director Ouansafi confirmed that the AMPs are working with each community to identify a designated smoking area. The designated area needs to meet two criterias: 1) be accessible to all and 2) be located 20 feet from any window, door or unit.

Designee Tungol stated that he is concerned about the disabled tenants who are unable to go to the designated smoking area. Ms. Oishi stated that tenants can submit a reasonable accommodation request and the HPHA will review each request on a case by case basis.

Director Shimizu asked how the HPHA prohibits medical marijuana usage if State law allows it. Chairperson Gierlach responded that this rule applies only to federal public housing because medical marijuana usage is not allowed in federal public housing units.

Director Shimizu stated that this will also apply to the State units. Ms. Oishi responded that these rules do not apply to the State public housing units.

Director Yoshioka asked when the rules will take effect. Executive Director Ouansafi responded that the time table is on page 33 and the HPHA is working towards a July 1, 2013 implementation date.

The motion was unanimously approved as amended.

**For Action:**

**Director Yoshioka moved,**

**To Adopt Amendments to and Compilation of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments.**

Executive Director Ouansafi stated that the proposed amendments are necessary to implement State law and have been reviewed by the Attorney General’s Office. Many of the revisions were proposed by the Attorney General’s Office for consistency between Chapter 17-2020 and Chapter 17-2028.

Director Shimizu asked if a tenant is currently a medical marijuana user in a federal unit will they be allowed to stay in the unit. Executive Director Ouansafi responded that if a person discloses that they are a medical marijuana user the HPHA places them in State public housing, not federal public housing.

The motion was unanimously approved.

**For Action:**

**Director Espero moved,**

**To Adopt Amendments to and Compilation of Chapter 15-185-25 “Section 8 - Housing Choice Voucher Program”, Hawaii Administrative Rules, and Adopt Amendments to the Section 8 Housing Choice Voucher Program’s Administrative Plan to Remove Waitlist Preferences, to Update all Chapter Numbers, and Update References to Applicable State Statutes and Federal Regulations, Subject to Review by the Department of the Attorney General; and to Authorize the Executive Director to Take All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments, including Amending the Rules to Incorporate Revisions Recommended by the Department of the Attorney General.**

Executive Director Ouansafi reported that the HPHA met with the Hawaii Interagency Council on Homelessness (HICH) and other service providers to discuss their concerns with the proposed removal of preferences. There seemed to have been a misunderstanding because the service providers were under the impression the HPHA was removing the preferences from the public housing program. The Executive Director explained that this is for Section 8 and the administrative burden it was adding to the program. With the preferences and with the HPHA receiving only 69% of its administrative fees, it needs to find ways to reduce its administrative expenses. The HPHA had \$1.8 million reduced from its housing assistance payments by the federal government and can never get those funds back. After explaining that it was for Section 8 and the reasons behind the removal of preferences, most providers supported the idea. Collin Kippen sent an email supporting the HPHA and the removal of the preferences.

Designee Tungol asked what the HPHA will do if someone needs housing quickly and requires a preference. Executive Director Ouansafi responded that the HPHA is recommending that they apply for public housing which will allow them to get housing quicker because the Section 8 waitlist has been closed since 2006.

Director Shimizu asked if the preferences are being removed permanently. Executive Director Ouansafi responded that the Board can revisit the issue at anytime, but at that time the staff would likely not recommend the reinstatement of the preferences. He stated that the preferences were causing an administrative burden to agencies nationwide, so ending the removal of the preferences is one of the strategies proposed by HUD to streamline services and make housing authorities more efficient.

The motion was unanimously approved.

**For Action:**

**Director Yoshioka moved,**

**To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and the Federal Public Housing Program's Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes.**

Executive Director Ouansafi reported that this is mandated by HUD Notice 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) system. The HPHA already follows this process, but it is not in the administrative rules.

The motion was unanimously approved.

**Chairperson Gierlach moved,**

**To Amend the Agenda to Add Item IV. G. Creation of a Mayor Wright Task Force with the Purpose to Interact with Other State Players in Terms of Moving Forward with Public Housing with a Preference on the Mayor Wright Homes (MWH) Redevelopment.**

The motion was unanimously approved.

Director Yoshioka asked if the term "redevelopment" is too broad. Chairperson Gierlach responded that it is meant to be broad so the task force can develop working relationships with many different stake holders, ranging from the Department of Public Safety (DPS) to the Department of Business and Economic Development (DBED) and for the overall redevelopment of the Kalihi-Palama area.

Executive Director Ouansafi stated that the HPHA is looking at three projects for the Rental Assistance Demonstration (RAD) program and one is potentially on Kauai.

Chairperson Gierlach, Director Espero, Designee Tungol, Director Yoshioka and Director Shimizu volunteered to be on the task force.

**Chairperson Gierlach called for a recess at 10:00 a.m. and reconvened at 10:10 a.m.**

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

- Executive Director Ouansafi reported that the HPHA is trying to cut down costs and showed the Board a new electronic format of the board packet and asked if the Board would be interested in receiving the packet electronically in this format.

Chairperson Gierlach stated he would like to get the file electronically.

- Executive Director Ouansafi reported that the HPHA is also creating electronic applications for public housing and will be assigning applicants a bar code instead of using social security numbers.
- Executive Director Ouansafi reported that the HPHA requested \$180 million from the Legislature. The House budgeted \$30 million for 2014 and nothing for 2015 until the HPHA can prove it can spend the 2014 funds. The HPHA has \$134 million spoken for and \$90 million of that already being spent from previous funds. The Senate version is looking to be about \$30-\$45 million. The HPHA only receives about \$9 million from the federal with about half a billion dollars in need.

- Executive Director Ouansafi reported that the HPHA is investing in customized software and training of staff. The software and training will cost about \$500,000 which the HPHA already spends on the auditor to fix issues after the fact.

Director Shimizu asked if there is security built in. Executive Director Ouansafi responded there will be different levels of security for each staff.

- Executive Director Ouansafi introduced Scott Jepson, EJP Consulting, from Seattle who is helping the HPHA with the Choice Neighborhood Grant Planning application.
- Executive Director Ouansafi reported that the HPHA has sent staff to Maui because of numerous complaints. The staff is working with residents and law enforcement agencies on the issues.
- Executive Director Ouansafi reported that the staff is working on finalizing the request for bid (RFB) for Lanakila. The HPHA should have shovel in ground by the end of the year.
- Executive Director reported that the HPHA has been working with HUD on the Fair cloth issue. The HPHA found documents dating back to 1994 proving that the HPHA should be receiving subsidy for an additional 68 units. HPHA is awaiting HUD's response.

Director Yoshioka asked what the Fair Cloth limit is. Executive Director Ouansafi responded that in 1999 the federal government capped the amount of federal public housing units each agency can have, using the number of units from 1999. HUD did not count the units that were being demolished at Lanakila. The HPHA believes that

those units should be counted because the HPHA received HUD approval to demolish those units.

- Executive Director Ouansafi reported that the HPHA is making tremendous progress on the title search and Declaration of Trust project.
- Designee Tungol asked if the HPHA is on track with the MWH redevelopment. Chairperson Gierlach responded that because the HPHA lost the planner who oversaw the project it is a little delayed.
- Director Yoshioka stated that she drove by Kalihi Valley Homes (KVH) and asked why so many units are vacant. Executive Director Ouansafi responded that KVH has a 90% occupancy rate and the building that is vacant is currently under construction. Executive Assistant Arashiro also added that construction on some units cannot start until the retaining wall has been fixed.
- Executive Director Ouansafi stated that Budget & Finance (B & F) released the funds. The HPHA is owed around \$2.1 million. The HPHA already expended the funds because it is from fiscal year 2008-2009 and is just looking to get reimbursed from B & F. This is in addition to the 10% reimbursement for administrative costs.
- Director Tokishi asked if maintenance is not being done because of sequestration budget cuts. Executive Assistant Arashiro responded that maintenance is being done, but purchases for large items are not currently being approved. Also expenditures that qualify for capital funds are being moved to capital funds.
- Designee Tungol asked if the HPHA still has the volunteer program. Executive Director Ouansafi confirmed that the AMPs still use volunteers, and that there is a bill in the Legislature that would allow the HPHA to accept donations. The HPHA originally supported the bill, but Representative Cabanilla added preferences to the bill which the HPHA now opposes. The HPHA has met with Representative Cabanilla several times and informed her if the preferences are not removed the Governor may veto.
- Director Tokishi asked if depreciation expenses went up because projects finished earlier than expected or did the HPHA not budget for the depreciation. Mr. Allen responded that the HPHA used the actual depreciation expense from the previous year for the budget.

### **For Discussion**

Chairperson Gierlach stated that the Board will discuss:

#### **To Seek Board Input on Proposed Revision to the Hawaii Public Housing Authority's Policy Regarding Retraction of Section 8 Housing Choice**

## **Vouchers from Families Most Recently Issued Vouchers to Retraction of Vouchers from Families Who Have Been on the Section 8 Program the Longest.**

Executive Director Ouansafi stated that if sequestration goes on longer than expected the HPHA may need to recall vouchers. One of the options the HPHA has is to remove families from the program on a “first in, first out” basis. The staff is considering this option because there are families with vouchers for over 30 years. Removing families on a “last in, first out” basis will most likely mean these families will be at risk for homelessness. In any of these proposed alternatives, the elderly and disabled will be exempt.

Designee Tungol stated that like many of the Department of Human Services (DHS) programs, Section 8 is income based and asked whether people get removed from Section 8 because they are over the income limit. Executive Director Ouansafi responded it does happen, but not very often. Some participants feel like “why should I work or get a raise, and then I have to move out and pay higher rent.” There is no incentive for people to move out.

Designee Tungol asked if there is any direction from HUD. HUD has not given PHAs a directive, but during a conference call with a HUD consultant they recommended “first in, first out.”

Chairperson Gierlach stated he feels that because the idea is self sufficiency it should be “first in, first out.”

Director Godfrey asked if there is a way to determine who is closest to the income limit and recall the vouchers from those families. Executive Ouansafi stated that if the HPHA does that then many people will quit their jobs, instead of losing their voucher.

Chairperson Gierlach asked if the HPHA can set a time limit on Section 8. Executive Director Ouansafi responded that because the federal government’s intent is not to penalize anyone for being poor and as such, there is no time limit for Section 8.

Director Shimizu stated that she would like notices sent to all Section 8 voucher holders informing them that the HPHA may be recalling vouchers.

Director Godfrey stated that he feels the best way is a lottery.

Director Espero stated that he feels the fairest way is a lottery, but he also understands that families who have held the voucher for 30 years should allow others a chance of assistance.

Director Tokishi stated that he feels it should be “first in, first out” because they benefited the longest. He also stated that he feels everyone should be notified.

Designee Tugol stated that he feels a lottery would be the fairest to all because if it's "first in, first out" the HPHA may be disrupting families that are established in schools and the community.

Chairperson Gierlach stated that majority of the Board feels that a lottery system is the fairest way.

Director Shimizu stated that the resident advocate's voice is missing from this Board and feels a survey should be sent out. Executive Director Ouansafi stated that the HPHA can do a survey, but feels that if a family has been on for 30 years they will say "last in, first out" and vice versa.

Director Shimizu asked if the HPHA will give notice. Executive Director Ouansafi responded the HPHA will be sending out a notice. Executive Assistant Arashiro stated that the HPHA is still in the investigative process and would still have to amend the PHA plan, amend the Section 8 administrative plan and hold a public hearing to implement any proposed changes.

**Director Yoshioka moved at 11:04 a.m.,**

**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. Executive Session Minutes, March 21, 2013**
- 2. *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)***
- 3. Status and Updates of the Federal Section 8 Project Based Contract Administration (PBCA) Program**
- 4. Update on Status of Ke Kumu Ekahi**

The motion was unanimously carried.

**The Board reconvened from Executive Session at 11:45 a.m.**

Executive Director Ouansafi reported that the HPHA submitted the Financial Data Schedule (FDS), the PHA plan, and related certifications to HUD on time.

Chairperson Gierlach stated that the Board needs to appoint task force to make recommendations on Executive Director's compensation and the task force needs to work with Executive Assistant Arashiro.

Chairperson Gierlach stated that the task force will consist of Directors Yokoyama, Tungol, Godfrey and Tokishi.

Chairperson Gierlach stated that there is a bill that ties the Executive Director's Compensation to Governor's salary.

Chairperson Gierlach congratulated the HPHA on receiving for the second year in a row a Senate Commendation for Excellence under the leadership of Executive Director Ouansafi and Executive Assistant Arashiro.

With no further business for the Board to conduct, the meeting adjourned at 11:50 a.m.

#### MINUTES CERTIFICATION

Minutes Prepared by:

  
Taryn T. Chikamori  
Secretary to the Board

JUN 20 2013  
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on May16, 2013: [ ] As Presented [ ] As Amended

  
Jason Espero  
Director/Board Secretary

JUN 20 2013  
Date