

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

**June 20, 2013
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, April 18, 2013 (*Pages 1-11*)
- B. Executive Session Minutes, April 18, 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 Adopt Board Resolution No. 60 Expressing Appreciation to Director Roger Godfrey (*Pages 13-014*)
- B. Motion: To Reappoint Ms. Radiant Chase, Mr. Earl Mente, Ms. Joyce Nakamura, Mr. Solomon Kuresa and Ms. Sylvianne Young to the Oahu Eviction Board, Mr. George DeMello to the Hilo Eviction Board, Mr. Mark Nishino to the Maui Eviction Board and Mr. Ross Oue to the Kona Eviction Board for an additional Two-Year Term Expiring on July 31, 2015. To Reappoint Ms. Jane Moana Gray to the Oahu, Hilo, Kauai, Kona and Maui Eviction Boards for an additional Two-Year Term Expiring on June 30, 2015 (*Pages 15-35*)
- C. Motion: To Ratify the Determination of the Executive Director that the Decision of the Grievance Hearing Officer in Case No. 113161 was not Based Solely and Exclusively Upon the Facts Presented at the Hearing as Required by 24 CFR 966.56; and that Such Determination Does Not Reflect a Waiver of Rights of the Tenant to Further Review or Relief (*Pages 36-210*)

- D. Motion: To Update the Utility Allowance Rates Provided by National Facilities Consultants for the Fiscal Year July 1, 2013 to June 30, 2014 for the Federal Low Income Public Housing Program **(Pages 211-218)**
- E. Motion: To Adopt Resolution No. 61, Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2013 – 2014 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574) **(Pages 219-223)**

V. REPORTS

- A. Executive Director's Report: **(Pages 224-278)**

Updates and Accomplishments Related to Public Housing Occupancy, Maintenance Repairs; Design and Construction Project Updates; Review of Financial Contracts & Procurements Executed During April/May 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

- B. Task Force Report: Report from the Executive Director's Compensation Task Force as Requested in April 2013

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 personnel matters.

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 279)*

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: State Representative Rida Cabanilla to Discuss Her Vision for Public Housing with the HPHA Board of Directors **(Page 279)**

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

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, JUNE 20, 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, June 20, 2013 at 9:00 a.m. The meeting was called to order by Vice Chair Yoshioka and upon the call to order, those present were as follows:

DIRECTORS

PRESENT:

Director Matilda Yoshioka, Vice-Chair
Director Jason Espero, Secretary
Director Debbie Shimizu
Director Trevor Tokishi
Designee Barbara Yamashita
Director George Yokoyama

Deputy Attorney General, Jennifer Sugita

DIRECTORS

EXCUSED:

Director David Gierlach, Chairperson
Director Roger Godfrey

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
Rene Blondin-Nip, Hearings Officer
Stephanie Fo, Section 8 Subsidy Program Branch Chief
Joanna Renken, Public Housing Supervisor
Rochelle Akamine, Resident Services Program Specialist
Veronica Malabey, Property Management Specialist
Taryn Chikamori, Secretary to the Board

OTHERS:

Ene Augafa, Mayor Wright Homes resident
Rida Cabanilla, State Representative
Ira Calkins, Punchbowl Homes resident
Tim Garry, private resident
Bob Loren, Punchbowl Homes resident

Jesse Wu, U.S. Department of Housing and Urban Development,
Director, Office of Public Housing

Proceedings:

Vice Chair Yoshioka declared a quorum present.

Director Espero moved,

To approve the Regular Meeting Minutes of April 18, 2013.

The minutes were unanimously approved.

Vice Chair Yoshioka stated that the Executive Session minutes will be deferred to Executive Session.

Vice Chair Yoshioka welcomed Ms. Barbara Yamashita, Designee for the Department of Human Services (DHS). Designee Yamashita is the Deputy Director for DHS (and replaces Wilfredo Tungol as the designee).

Public Testimony

Vice Chair Yoshioka reminded the testifiers that they have three minutes to speak according to the Board's rules. She also asked that the testifier state which item on the agenda they are addressing.

Ira Calkins, Punchbowl Homes resident, stated he would like to comment on the Hawaii Public Housing's (HPHA) website. Mr. Calkins stated that the agenda is on the website and every item is on the agenda.

Vice Chair Yoshioka responded that the website is not on the agenda.

Mr. Calkins argued that the only way to communicate with the Board is public testimony, but many items he would like to discuss are not the agenda. He asked how he can communicate with the Board.

Vice Chair Yoshioka stated that Mr. Calkins can communicate with the administration.

Mr. Calkins stated that the administration is the problem and he only has three minutes to communicate with the Board on agenda items only.

Vice Chair Yoshioka informed Mr. Calkins that he can communicate with the Board through an agenda item.

Mr. Calkins stated he will be addressing item IV. D utility allowance. He reported that the utility rate was not posted at Punchbowl Homes pursuant to the administrative rules section 17-2028-7 which requires that the utility rate change be posted. He stated that he spoke to Lori at Punchbowl Homes and she informed him that the rates do not need to be posted because Punchbowl Home tenants do not pay for their own utilities. He asked the Board if they remember voting on changing administrative rule 20-2028 to have the tenant pay the excess utility rate if the tenant goes beyond the allowable utility rate.

Deputy Attorney General Sugita informed Mr. Calkins that he is not allowed to ask questions of the Board.

Mr. Calkins remarked that he can question the Board if he wants to, but they don't have to answer him. Mr. Calkins stated that State law section 8, chapter 91-91 refers to administrative procedures. He stated in order for the HPHA to create administrative rules they must follow the administrative procedures which requires that the rules be posted on the Lt. Governor's website. He commented that since 1961, the rules have not been posted on the Lt. Governor's website as required by law and that means that all the HPHA's administrative rules can be over turned by a judge.

Tim Garry, private resident, stated he will speak on item V. Executive Director's report on staffing. He stated that Puahala Homes needs a property manager on-site. He stated that there are a lot of problems on the property and he has no one to call except Hakim (Ouansafi). He suggested that the HPHA look into a private-public partnership and redevelop the area. He stated that he has a friend who is going through chemotherapy and the noise from the children screaming is unbearable.

Vice Chair Yoshioka asked if there was any other public testimony. There being none, Vice Chair Yoshioka moved on with the next order of business.

At Vice Chair Yoshioka's request and with the Board's consent, Vice Chair Yoshioka took Board items out of order to discuss item VI. B "For Discussion: State Representative Rida Cabanilla to Discuss Her Vision for Public Housing with the HPHA Board of Directors."

For Discussion

State Representative Rida Cabanilla to Discuss Her Vision for Public Housing with the HPHA Board of Directors.

Representative Cabanilla stated that she has been in office for nine years and is the Chair for the Committee on Housing for the House of Representatives. She stated she is an immigrant and moved here at the age of 17. She is a nurse by profession and served 26 years in the Army and retired as a Lt. Colonel.

Representative Cabanilla stated public housing is a scarce resource and should be considered a privilege, not a right. She stated that there should be fair and equal access for all. She stated that multigenerations have been living in public housing. About five years ago, Representative Cabanilla introduced a bill limiting the number of years a family could remain in public housing. She stated she would like to re-introduce the bill because the waitlist has 8,000 families. She stated that the bill excludes the elderly and disabled. She believes that by not having a time limit for occupancy the HPHA is promoting poverty.

Representative Cabanilla stated that there should also be a minimum rent to keep public housing sustainable. She stated that the government cannot provide for everyone. She stated that when she receives complaints she informs them that they can move to market rent or the homeless shelter. If people are looking for amenities, they should not be living in public housing.

Director Tokishi asked if she is recommending that HPHA start the rent at market rate or have an escalating scale. Representative Cabanilla responded that rents should increase on an escalating scale.

Director Shimizu asked where public housing residents can transition to. Representative Cabanilla responded public housing is transitional. People can move to market rent or if they cannot afford market rent then they can go to a homeless shelter. Representative Cabanilla also stated that they have 5 years to become self-sufficient and most of the families receive welfare which provides the services.

Vice Chair Yoshioka stated that after 5 years there will be a greater homeless problem if the HPHA send people back to the homeless shelters.

Director Shimizu asked Representative Cabanilla whether she would support services for public housing families. Representative Cabanilla responded that if the HPHA can find the funds she would be open to the idea. Director Shimizu responded that the HPHA would need the Legislature's help to secure funding. Representative Cabanilla responded that she would prefer to fund homeless shelters because people in public housing already receive other forms of benefits, like food stamps.

Director Yokoyama stated that the five-year limitation was previously successfully implemented at Lanakila Housing (Hilo, Hawaii). However, the difference was that at the time, programs were provided to the residents to prepare and motivate the younger generation to serve the community and to prevent them from falling back into poverty. This program succeeded, and the current fire chief and a state senator are former residents of Lanakila Housing. Many former Lanakila residents who benefited from these programs also now serve the community as police officers, fire fighters, and county workers. Not everybody will succeed, but at least they were provided with the opportunity to succeed.

Chair Cabanilla responded that she was agreeable to discussing funding opportunities for such programs with HUD, but added that her approach was to have the residents themselves take the initiative to be responsible for getting back on their feet.

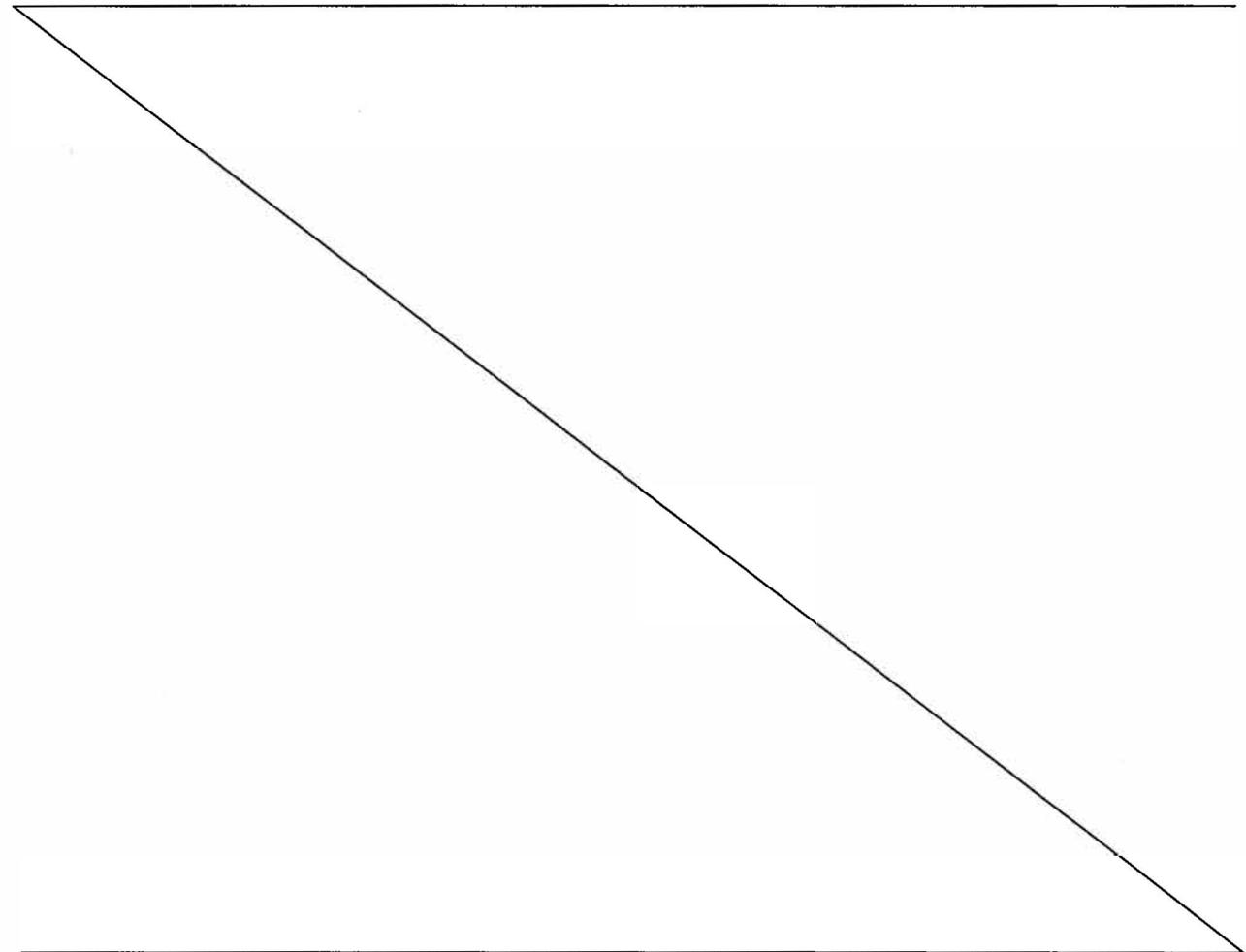
For Action:

Director Espero moved,

To Adopt Board Resolution No. 60 Expressing Appreciation to Director Roger Godfrey.

Executive Assistant Arashiro stated that Director Godfrey's term would end this month. The HPHA did speak to Director Godfrey about being a hold over because of quorum issues, but there is an understanding that the Office of Board and Commissions has received additional names.

The motion was unanimously approved.



**RESOLUTION NO. 60
HAWAII PUBLIC HOUSING AUTHORITY**

EXPRESSING APPRECIATION TO DIRECTOR ROGER GODFREY

WHEREAS, Director Roger Godfrey is an active member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

WHEREAS, as the President of Times Super Market and the Fleming Companies in Honolulu, Director Godfrey brought with him a wealth of business and finance experience which was reflected in his thoughtful inquiries, discussions and decisions at the Board level; and

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

WHEREAS, Director Godfrey has been instrumental in resolving policy issues, serving on numerous finance task force committees; and

WHEREAS, in his role as a Board member, Director Godfrey was particularly interested in accurate and timely financial reporting; resolution of single audit findings; and in increased accountability at all levels; and

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

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 60 Expressing Appreciation to Director Roger Godfrey on this 20th day of June 2013;

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



David Gierlack, Chairperson



Matilda A. Yoshioka, Vice Chair



Jason T. Espero, Secretary



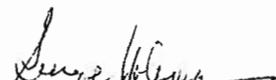
Debbie Shimizu, Ex Officio Member



Trevor N. Tokishi, Member



Barbara Yamashita, Designee



George Yokoyama, Member



For Action:

Director Espero moved,

To Reappoint Ms. Radiant Chase, Mr. Earl Mente, Ms. Joyce Nakamura, Mr. Soloman Kuresa and Ms. Sylvianne Young to the Oahu Eviction Board, Mr. George DeMello to the Hilo Eviction Board, Mr. Mark Nishino to the Maui Eviction Board and Mr. Ross Oue to the Kona Eviction Board for an additional Two-Year Term Expiring on July 31, 2015. To Reappoint Ms. Jane Moana Gray to the Oahu, Hilo, Kauai, Kona and Maui Eviction Boards for an additional Two-Year Term Expiring on June 30, 2015.

Executive Assistant Arashiro reported that staff is asking that the current nine Board members be reappointed.

The motion was unanimously approved.

For Action:

Director Espero moved,

To Ratify the Determination of the Executive Director that the Decision of the Grievance Hearing Officer in Case No. 113161 was not Based Solely and Exclusively Upon the Facts Presented at the Hearing as Required by 24 CFR 966.56; and that Such Determination Does Not Reflect a Waiver of Rights of the Tenant to Further Review or Relief.

Executive Assistant Arashiro stated that Executive Director Ouansafi, Kiriko Oishi, Chief Compliance Officer, and herself with collaboration from the Attorney General's office found that the grievance hearing officer's decision was not solely based on the facts presented.

Executive Assistant Arashiro stated that the request is to ratify the decision because the administrative rules require that a determination be made within 10 business days.

Designee Yamashita asked what is the recourse for the aggrieved party. Executive Assistant Arashiro responded that a new grievance hearing will be held.

Designee Yamashita asked what outside information was taken into consideration. Executive Director Ouansafi recommended that the Board will need to go into Executive Session to discuss further to protect confidential tenant information.

Designee Yamashita asked if the grievance officer is an experienced grievance officer and if the grievance officer is trained. Executive Director Ouansafi responded that the grievance officer is experienced and was trained.

Designee Yamashita questioned why the grievance hearing officer's decision is being questioned. Executive Director Ouansafi responded that the grievance hearing officer's decision is not being questioned, but that the Hearings Officer used information that was not presented at the hearing in contradiction of the Administrative Rules.

Director Tokishi asked what if the Board does not ratify the decision. Executive Assistant Arashiro stated that the determination was already made so the outcome will not change and a new hearing will still need to be held.

Designee Yamashita questioned why the Board needs to ratify the determination if it will not change the outcome. Executive Assistant Arashiro responded that the Board needs to ratify the decision because federal law requires the Board to set aside the decision.

Director Tokishi moved to defer the motion until Executive Session.

The motion to defer was unanimously approved.

For Action:

Director Espero moved,

To Update the Utility Allowance Rates Provided by National Facilities Consultants for the Fiscal Year July 1, 2013 to June 30, 2014 for the Federal Low Income Public Housing Program.

Executive Assistant Arashiro stated that tenants who pay their own utilities receive a utility allowance. The HPHA's consultant works directly with the utility companies and calculates the utility allowance for HPHA.

Director Shimizu questioned whether some utility allowances may go up and some may go down. Executive Director Ouansafi confirmed her statement.

Director Shimizu asked if a family is unable to pay their share of the utilities do they get evicted. Executive Assistant Arashiro confirmed that if the family receives a utility allowance and then fails to use that allowance to pay utilities, and the utilities then get disconnected, they will get evicted because the unit needs to be a functioning unit.

Designee Yamashita asked why only Hilo has a medical allowance. Executive Assistant Arashiro responded that the notices are separate for each island and all islands have a medical allowance.

Vice Chair Yoshioka asked if there is a requirement to post the notice at all projects. Executive Director Ouansafi responded that he believes that all tenants who need to be notified were notified. He will follow up on the testifier's specific property.

Director Shimizu questioned whether the notice was only published in the paper or whether all affected tenants were notified. Ms. Joanna Renken responded that all tenants are notified when the rates take effect.

Director Shimizu asked if the utility rates are provided in the different languages. Executive Director Ouansafi responded he will need to look into that.

Executive Assistant Arashiro stated that the only properties that are affected are on page 218. She also stated that the notices were posted at all the affected properties, as it affects those tenants.

Mr. Calkins asked to address this item. Vice Chair Yoshioka informed Mr. Calkins that the public testimony portion was done.

Mr. Calkins stated that what the Board is doing is unlawful and will be taking this matter to the district court.

The motion was unanimously approved.

Vice Chair Yoshioka called for a recess at 10:06 a.m. and reconvened at 10:17 a.m.

For Action:

Director Espero moved,

To Adopt Resolution No. 61, Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2013 – 2014 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574).

Executive Director Ouansafi reported the HPHA has to roll approximately 96 different budgets into one budget. He stated he will be looking at the budget one more time because he just received news from Jesse Wu, Director of Public Housing for HUD, that there may be more budget cuts coming. Executive Director Ouansafi reported that the budget was crafted to: 1) continue renovations; and, 2) start focusing on preventative maintenance. He stated that salaries will increase because the previous 5% cut will be restored and the union negotiated a 4% increase. This will cost approximately \$2 million. The law that just passed gives the HPHA the ability to hire. Executive Director Ouansafi reported that the sequestration cuts funding, but the HPHA's occupancy rate has increased which has made up for some of the cuts.

Director Shimizu stated that on page 2 second bullet under B, says "currently the salary budget does not include the proposed salary increases negotiated for bargaining unit

(BU) 13 and other non civil service employees”; does this mean that the HPHA did not budget for BU 13. She feels that something should be included as the HPHA will need to pay those salary increases once arbitration is completed.

Executive Ouansafi reported that the HPHA has a cushion for salary because the staff estimated hiring dates for new positions, but will most likely take longer to hire than expected.

Vice Chair Yoshioka asked about how many people are included in BU 13. Director Shimizu responded that all the engineers, professionals, and architects are BU 13. Executive Director Ouansafi reported there are about 70 employees in BU13.

Director Yamashita asked where in the budget are the funds for new development. Executive Assistant Arashiro clarified that the budget before the Board is an operating budget. Vice Chair Yoshioka stated that development funds would be in the capital budget, not the operating budget.

Director Shimizu asked if the HPHA will have a CIP budget. Executive Assistant Arashiro stated the capital budget was submitted as part of the PHA plan.

Director Shimizu asked what the CIP budget was based on. Executive Assistant Arashiro responded that the capital budget covers: 1) State CIP funds; and, 2) federal capital funds. The capital planning budget is based on the physical needs assessment. Executive Director Ouansafi reported that the HPHA currently has approximately \$80 million in repairs being done with over 100 different contractors and consultants. He reported that the HPHA has a consultant conducting an assessment at every single property.

Director Shimizu asked if the Board will see that report before the Board's strategic planning meeting. Executive Director Ouansafi reported the report will take a few more months. Once it receives the report, a copy will be provided to the Board.

Director Tokishi stated that he had several questions on the proposed budget and most of them were corrected or answered by Executive Assistant Arashiro and Mr. Clarence Allen, Acting Chief Financial Management Advisor. He also stated that the budget has greatly improved from the previous fiscal year.

Designee Yamashita questioned what the sale of properties fund is for. Executive Director Ouansafi reported that the funds are from the sale of Wilikina and the Board has discretion on how the funds are used. He reported the sale of Wilikina net \$10 million.

Director Tokishi asked how much of the \$10 million sales proceeds are remaining. Executive Director Ouansafi reported that none of the sale proceeds have been spent.

Executive Director Ouansafi reported once the budget is approved the HPHA will be looking into hiring a consultant or purchasing budgeting software.

Director Shimizu questioned why there is a \$500,000 increase in tenant services.

Executive Director Ouansafi reported because: 1) the HPHA is encouraging all properties to have a tenant association; and, 2) approximately \$200,000 is being used for the Family Self Sufficiency (FSS) program.

Vice Chair Yoshioka asked if all properties do not create a tenant association what happens to the funds. Executive Director Ouansafi reported the funds will be budgeted again next year. He reported the tenant associations receive about \$25 per occupied unit for tenant activities.

Director Shimizu asked if all of Director Tokishi's questions and concerns were responded to. Director Tokishi stated there are three more questions that needs response.

Executive Assistant Arashiro responded:

1. Q: Did the audit fees go up 11%?
A: The fees have gone up by 11% and have been verified with the auditor.
2. Q: Is the fringe benefits correct?
A: Yes, these are the numbers that were provided by the Department of Accounting and General Services (DAGS).
3. Q: Are the totals in the general funds line item correct?
A: This one was corrected and moved to the Capital Funds operating budget.

Director Tokishi stated those were the outstanding questions.

Vice Chair Yoshioka thanked Director Tokishi for reviewing the budget and working with staff.

Director Shimizu asked if the Board approves the budget and changes need to be made by the Executive Director due to HUD cuts, can the budget be revisited. Deputy Attorney General Sugita stated that the Board can revisit the issue, but changes cannot be made by the Executive Director after it's approved.

Director Shimizu asked what if the HPHA submits the budget to HUD by the June 30, 2013 deadline, but has revisions. Executive Director Ouansafi reported that the HUD budget form indicates that revisions may be made.

Mr. Wu stated that the information he shared with Executive Director Ouansafi was more for future planning. He reported that the President has been advocating a return to pre-sequestration funding. He stated that the House subcommittee on Transportation, Housing and Urban Development's budget has significant changes and

that was what he was cautioning Executive Director Ouansafi about. He stated that a budget has not been passed on time for years; he doesn't feel that there is much that can be done at this time.

Executive Director Ouansafi thanked Mr. Wu. Executive Director Ouansafi stated that since Mr. Wu became the Director of the Honolulu office there have been many positive changes. He also stated that questions are being answered.

Mr. Wu stated that it works both ways and there have been tremendous improvements at the HPHA.

Vice Chair Yoshioka asked if the motion needs to be amended. Deputy Attorney General Sugita suggested that the motion be amended.

Director Tokishi stated that he doesn't feel the salary changes are going to be significant. If BU13 has 70 people with a 4% raise, that is about \$100,000.

Director Shimizu stated that the raise is the 5% reinstatement and possibility of a 4% increase. Executive Director Ouansafi reported that the 5% has been restored in the budget and he does not feel that it will be a significant amount.

Executive Director Ouansafi recommended amending the motion to include the BU 13 raise.

Director Shimizu recommended that the HPHA not count on the vacancy salaries because the Legislature can pull the positions.

Director Shimizu moved to amend the motion:

To Adopt Resolution No. 61, Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2013 – 2014 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574) with the condition that a 4% increase be added to bargaining unit 13 salaries.

The motion was unanimously approved.

The main motion as amended was unanimously approved.

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Hawaii Public Housing Authority

PHA Code: HI001

PHA Fiscal Year Beginning: July 1, 2013

Board Resolution Number: 61

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

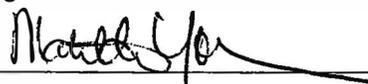
- Operating Budget approved by Board resolution on: 06/20/2013
- Operating Budget submitted to HUD, if applicable, on: 06/20/2013
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

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| Print Board Chairperson's Name: Matilda Yoshioka, Vice Chair | Signature:  | Date: 06/20/2013 |
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Vice Chair Yoshioka reported that Executive Director Ouansafi was recognized by the City & County of Honolulu (C & C) for his service and his tenacity towards promoting affordable housing. She stated that in the 7 years she served on the Board none of the past Executive Directors were recognized by any City or County Council. She stated it really shows dedication by Executive Director Ouansafi. She stated that the Board is very proud.

Executive Director Ouansafi stated he appreciates it, and gave credit to the staff for their efforts. He stated there has been a tremendous turn around and the staff has been working extremely hard and its humbling to accept recognition because the staff made it happen.

Executive Director's Report:

- Executive Director Ouansafi reported that the HPHA has reached the 96% occupancy rate. Executive Director Ouansafi reported that Kauai is no longer on the HUD watch list because it passed the 94% occupancy rate. He stated several properties are over the 98% occupancy rate. He stated Maui should be over the 98% occupancy rate by the end of the year and all properties should be over the 97% occupancy rate. He recognized the Kauai and Maui staff for moving in over 60 families in two months.
- Executive Ouansafi reported that there is a consultant at Lanakila surveying the property. He stated the contractor is INK. He also stated that the Invitation for Bids (IFB) for some units should be released by the end of the month.
- Executive Director reported that the HPHA has been working with HUD on the Fair Cloth issue. The HPHA found documents dating back from 1991, 1992, 1993 and Mr. Wu is helping the HPHA. This would give the HPHA more in funding. The HPHA provided letters proving that the HPHA should be receiving subsidy for an additional 68 units. HPHA is awaiting HUD's response.
- Executive Director Ouansafi reported that just about every single "C" unit is being addressed.
- Executive Director Ouansafi reported that the financials will be 100% accurate.
- Executive Director Ouansafi reported that HPHA is in the process of purging the public housing waitlist which has not been purged since 2007. HPHA will be sending out over 12,000 letters to wait list applicants.
- Executive Director Ouansafi reported that one of the challenges has been infrastructure. The phone system is outdated. The internet is slow and needs

upgrading. The amount of time spent waiting for the internet equals to about 17 full-time employees.

- Executive Director Ouansafi stated that the HPHA has been corresponding with the union on the pilot program for Section 8.
- Executive Director Ouansafi reported that the PIC errors have been reduced from approximately 500 to about 5 or 6.
- Executive Director Ouansafi reported that he looks forward to the Governor signing all the bills that the HPHA supported. One of the bills allows the HPHA to accept gifts. This will help with the non-profit that the HPHA is looking into. The gifts the HPHA will be looking into receiving includes money for scholarships and youth programs, clothing for job interviews, and tutoring program for tenants among others.
- Executive Director reported that the HPHA is trying to close out the corrective action order. HUD sent about 5 people to review the HPHA's procurement system. The HPHA has not received official word, but is very optimistic. He stated the HPHA will also be changing the scoring for consultant selections. Instead of one question weighing 40 points there will be sub-categories each weighing 10 points. Executive Director Ouansafi thanked Mr. Rick Sogawa, Contracts & Procurement Officer, and his staff for their efforts in the area of procurement.
- Executive Director Ouansafi reported that the HPHA has had some challenges with Mayor Wright Homes (MWH) when he received calls from the media and tenants stating that they were told that tenants will be evicted. He stated leadership maybe trying to make the HPHA follow their vision for MWH. He stated the HPHA met with the tenants to put a stop to the eviction rumors. He also stated that the organization has does a lot of good in the community, but the HPHA did not appreciate their tactics.
- Executive Director Ouansafi reported that there were approximately 32 people who wanted to meet with the Governor about rules at Kalihi Valley Homes (KVH). The HPHA confirmed that only two of the 32 people were actually KVH tenants. He further reported that of those two tenants, one is in the eviction process.
- Executive Director Ouansafi reported that he is aware of the testifier's issue with Puahala Homes. The HPHA has a police officer living on site. He reported he did meet with the testifier. He stated many times the HPHA meets with the tenants, but it is not the answer they want to hear. He stated, for example, the HPHA evicted a tenant who had 17 people living with them. Ms. Joanna Renken, Public Housing Supervisor, met with them twice, but they went to the Governor's office or Legislators reporting that the HPHA would not meet with them.

Vice Chair Yoshioka asked about the testifier's statement that Puahala Homes does not have a property manager. Executive Director Ouansafi reported that there is a property manager, but the testifier wants a manager to live on site. He stated the HPHA cannot have managers living on site, so the HPHA created a unit for a crime prevention officer which is occupied by a police. The testifier's main concern now is the children making noise.

- Executive Director Ouansafi reported that the HPHA received the planning grant for the Choice Neighborhood Initiative. The HPHA is conducting planning efforts to apply for an implementation grant which is approximately \$30 million. The HPHA has 5 different committees. He stated Michaels Development wanted the HPHA to go with a specific architect and the HPHA made it clear that because \$600,000 will be CIP funds it will need to go out to bid. The HPHA and Michaels have been meeting with tenants and the community to keep everything transparent. On the HPHA website, there is a tab for the Choice Neighborhood Planning Grant. The link is hpha.hawaii.gov/cni/index. He stated the implementation grant is due in about 1 ½ years.
- Vice Chair Yoshioka asked if the HPHA is receiving more bids on the private managing of properties. Executive Director Ouansafi reported that the HPHA is still only receiving proposals from the same 3 or 4 companies.

Vice Chair Yoshioka called for a recess at 11:25 a.m. and reconvened at 11:54 a.m.

Task Force Report

Report from the Executive Director's Compensation Task Force as Requested in April 2013

Designee Yamashita reported that the compensation task force met by phone and included Director Godfrey, Director Yokoyama, Director Tokishi and herself. She reported that the task force's responsibility was to come up with salary recommendation for the Executive Director and other executive positions.

Designee Yamashita reported that the task force used the report from the salary commission. The task force is recommending that the Executive Director's pay be \$133,536 from July 1, 2013.

Designee Yamashita moved at 11:56 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. Report from the Executive Director's Compensation Task Force as Requested in April 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. To Ratify the Determination of the Executive Director that the Decision of the Grievance Hearing Officer in Case No. 113161 was not Based Solely and Exclusively Upon the Facts Presented at the Hearing as Required by 24 CFR 966.56; and that Such Determination Does Not Reflect a Waiver of Rights of the Tenant to Further Review or Relief**

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:45 p.m.

Vice Chair Yoshioka stated that the Board discussed the merits of the Executive Director's decision to disregard the grievance officer's decision and consult with our attorneys. The Board also received an update on the Kolio case and discussed also the compensation of the Executive Director.

The Board considered the motion to ratify the determination of the Executive Director that the decision of the grievance hearing officer in case no. 113161 was not based solely and exclusively upon the facts presented at the hearing as required by 24 CFR 966.56; and that such determination does not reflect a waiver of rights of the tenant to further review or relief, which had been deferred earlier in the meeting.

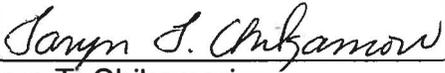
The motion was unanimously approved.

Adjournment

With no further business for the Board to conduct, Designee Yamashita moved to adjourn at 12:47 p.m.

MINUTES CERTIFICATION

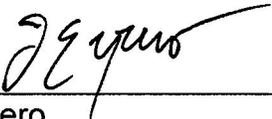
Minutes Prepared by:


Taryn T. Chikamori
Secretary to the Board

AUG 15 2013

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on August 15, 2013: [] As Presented [] As Amended


Jason Espero
Director/Board Secretary

AUG 15 2013

Date