

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

**August 15, 2013  
9:05 a.m. \*\***

**AGENDA**

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

**II. APPROVAL OF MINUTES**

- A. Regular Meeting Minutes, June 20, 2013 (*Pages 1-17*)
- B. Annual Meeting Minutes, July 18, 2013 (*Pages 18-21*)
- C. Regular Meeting Minutes, July 18, 2013 (*Pages 22-31*)
- D. Executive Session Minutes, July 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 per agenda item.

**IV. FOR ACTION**

- A. Motion: To Adopt Resolution No. 63 Approving the Section 8 Management Assessment Program (SEMAP) Certification For The Fiscal Year July 1, 2012 to June 30, 2013 and to Authorize the Executive Director to Undertake All Actions Necessary to Submit the SEMAP Certification to the U.S. Department of Housing and Urban Development (*Pages 32-43*)
- B. Motion: To Adopt Revisions and Clarifications to the Hawaii Public Housing Authority's Statement of Procurement Policy (*Pages 44-73*)
- C. Motion: To Authorize the Executive Director to Execute the Capital Fund Program Amendment No. 148 (form HUD 52840-A) to the Consolidated Annual Contributions Contract to Accept \$9,066,970 in Federal Funds under the U.S. Department of Housing and Urban Development's Capital Fund Program (*Pages 74-79*)

## V. REPORTS

- A. Executive Director's Report Highlights: *(Pages 80-125)*
- HUD Assessment of the Property Management and Maintenance Services Branch (PMMSB) started on 8/12/13
  - PMMSB continues purging of the federal public housing waitlist
  - Capital Fund Certification and Operating Fund Submission due August 16<sup>th</sup>
  - AMP 31 and AMP 33 planning community clean-up events
  - PMMSB Implementation of Pre-Application Form
  - Update on Choice Neighborhood Initiative Planning Grant
  - Section 8 Lease up Status
  - Design and Construction Project Updates: Large Capacity Cesspools are closed or converted; AMPs are preparing for REAC inspections by HUD;
  - Review of Financial Contracts & Procurements Executed During August/September 2013
  - AG's approval for vacated tenant accounts receivable write offs

## 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 126)*

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise In Her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)*.

**\*\* The start time for the meeting is an approximate time. The HPHA Regular Board meeting will start immediately following the HHA Wilikina Apartments Project Inc. Regular meeting.**

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

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E  
HONOLULU, HAWAII 96817  
ON THURSDAY, AUGUST 15, 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, August 15, 2013 at 9:08 a.m. Chairperson Gierlach called the meeting to order. Those present were as follows:

**PRESENT:** Director David Gierlach, Chairperson  
Director Jason Espero, Secretary  
Director Myoung Oh  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Barbara Yamashita  
Director George Yokoyama  
  
Deputy Attorney General, Jennifer Sugita

**EXCUSED:** Director Matilda Yoshioka, Vice-Chair

**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  
Benjamin Park, Housing Planner  
Rochelle Akamine, Resident Services Program Specialist  
Taryn Chikamori, Secretary to the Board

**OTHERS:** Ene Augafa, Mayor Wright Homes resident  
Colin Kippen, Hawaii Interagency Council on Homelessness  
Brian Matson, Hawaii Interagency Council on Homelessness  
Dan Pucell, private resident  
Jesse Wu, U.S. Department of Housing and Urban Development,  
Director, Office of Public Housing

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Approval of Minutes:**

**Director Tokishi moved,**

**To approve the Regular Meeting Minutes of June 20, 2013; Annual Meeting Minutes of July 18, 2013; and Regular Meeting Minutes of July 18, 2013.**

Director Shimizu asked if she can address the public testimony follow-up. Deputy Attorney General Sugita responded that the public testimony follow-up is not on the agenda, but will research whether Director Shimizu's request can be addressed during the Executive Director's report.

The motion was unanimously approved.

Chairperson Gierlach stated that the Executive Session minutes will be deferred to Executive Session.

**Public Testimony:**

Ene Augafa, Mayor Wright Homes resident, stated that he feels like he is living in a prison. Mr. Augafa stated that the manager provided the security company with a list of tenants residing at Mayor Wright Homes. He also stated that tenants provided management with their driver's license information in order to receive a parking decal. He questioned the need to provide the security guards with their driver's license when entering the property. Mr. Augafa stated that he received a violation because he refused to show the security guards his driver's license.

Chairperson Gierlach asked if there was any other public testimony. There being none, Chairperson Gierlach moved on to the next order of business.

**For Action:**

**Director Espero moved,**

**To Adopt Resolution No. 63 Approving the Section 8 Management Assessment Program (SEMAP) Certification For The Fiscal Year July 1, 2012 to June 30, 2013 and to Authorize the Executive Director to Undertake All Actions Necessary to Submit the SEMAP Certification to the U.S. Department of Housing and Urban Development.**

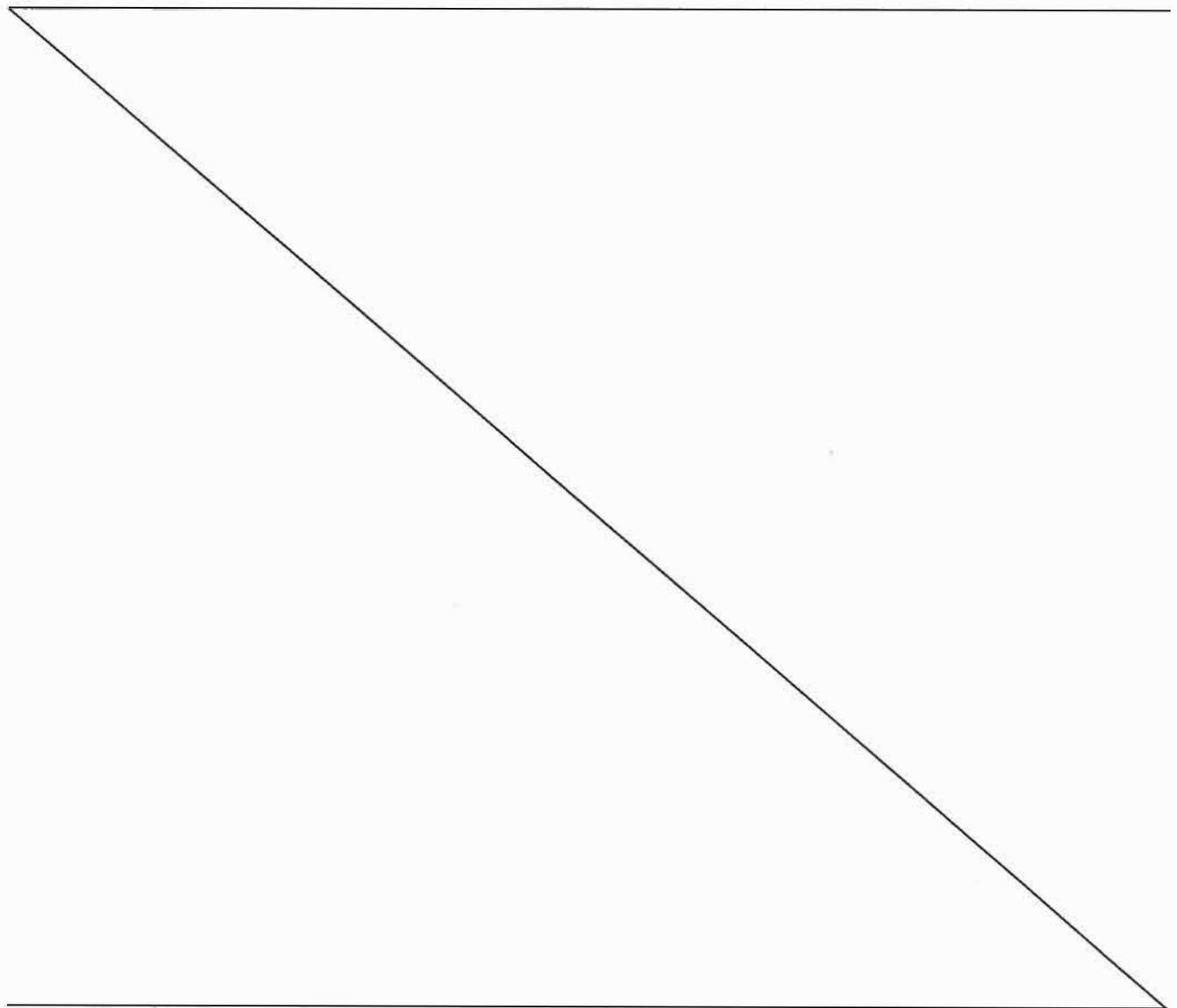
Executive Director Ouansafi reported that the SEMAP is a management assessment tool used by the U.S. Department of Housing and Urban Development (HUD). The score is determined by using reports and program data. The Hawaii Public Housing

Authority (HPHA) anticipates receiving 140 points out of 145 points. The HPHA lost points on the rent calculations and did not receive the bonus points on deconcentration.

Director Tokishi questioned why the 2010 and 2011 points are labeled as “anticipated.” Executive Director Ouansafi responded that the scores should not say anticipated as they have been confirmed by HUD.

Chairperson Gierlach asked how the HPHA is keeping on top of the rent collection errors that were made. Executive Director Ouansafi responded that the pilot program includes a Quality Control (QC) Department which will provide 100% check and the new software will not allow you to proceed if there are errors.

The motion was unanimously approved.



**RESOLUTION NO. 63**

**HAWAII PUBLIC HOUSING AUTHORITY  
STATE OF HAWAII**

**RESOLUTION APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT  
PROGRAM (SEMAP) CERTIFICATION**

**WHEREAS**, the Board of Directors of the Hawaii Public Housing Authority, in compliance with the U.S. Department of Housing and Urban Development (HUD) management performance requirements for Fiscal Year July 1, 2012 to June 30, 2013, has reviewed the Section 8 Management Assessment Program (SEMAP) Certification, herein attached; and

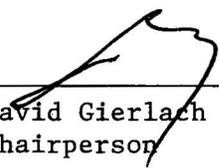
**WHEREAS**, SEMAP provides policies and procedures for HUD's use in identifying Public Housing Agency management capabilities and deficiencies; and

**WHEREAS**, HUD will utilize the SEMAP to practice accountability, monitoring, and risk management.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Hawaii Public Housing Authority hereby approves the SEMAP Certification for the fiscal period July 1, 2012 to June 30, 2013.

The **UNDERSIGNED**, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 15, 2013.

Adopted by the Board of Directors on the date  
set forth above

  
\_\_\_\_\_  
By: David Gierlach  
Its: Chairperson

**For Action:**

**Director Tokishi moved,**

**To Adopt Revisions and Clarifications to the Hawaii Public Housing Authority's Statement of Procurement Policy.**

**Designee Yamashita moved,**

**To Postpone the Motion: To Adopt Revisions and Clarifications to the Hawaii Public Housing Authority's Statement of Procurement Policy until the September 19, 2013 Board of Director's Meeting.**

Designee Yamashita explained that she is asking that the motion be deferred because she is not sure if the HPHA Board of Directors has the authority to adopt such changes. She has tried to discuss the issue with the State Procurement Office (SPO), but has not received a definitive answer.

Executive Assistant Arashiro clarified that the HPHA has the statutory authority to make and execute contracts as stated in Chapter 356D, Hawaii Revised Statutes (HRS) and that the Director does in fact delegate procurement authority to HPHA.

Designee Yamashita stated that according to Chapter 103D, HRS the SPO delegated the authority to department directors and the department directors can delegate the authority to the attached agencies.

Chairperson Gierlach asked what the impact on the HPHA would be if the motion was deferred. Executive Director Ouansafi responded that this would be another delay by the Department of Human Services (DHS).

Executive Assistant Arashiro commented that a member of the audience was recording the Board meeting. Mr. Purcell confirmed that he was tape recording the meeting and stated that he has a right to record a public meeting.

Pursuant to Board policy on the recording of Board meetings, Chairperson Gierlach asked the Board members if there were any objections to the recording. With there being none, the recording of the Board meeting was allowed.

**Executive Session:**

**Director Espero moved at 9:27 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. To Postpone the Motion: To Adopt Revisions and Clarifications to the Hawaii Public Housing Authority's Statement of Procurement Policy till the September 19, 2013 Board of Director's Meeting.**

The motion was unanimously approved.

**The Board reconvened from Executive Session at 9:38 a.m.**

Chairperson Gierlach stated the Board discussed postponing the Motion: To adopt revisions and clarifications to the Hawaii Public Housing Authority's Statement of Procurement Policy until the September 19, 2013 Board of Director's meeting.

The motion to postpone was unanimously approved.

Chairperson Gierlach welcomed new Director Myoung Oh to the Board.

**For Action:**

**Director Tokishi moved,**

**To Authorize the Executive Director to Execute the Capital Fund Program Amendment No. 148 (form HUD 52840-A) to the Consolidated Annual Contributions Contract to Accept \$9,066,970 in Federal Funds under the U.S. Department of Housing and Urban Development's Capital Fund Program.**

Executive Director Ouansafi stated that the Capital Fund program was included in the approved Public Housing Agency Plan. The Board's execution of the amendment would allow the HPHA to access the funds via HUD's Electronic Line of Credit Control System (eLOCCS).

Director Shimizu asked if the amount is less than the HPHA usually receives. Executive Director Ouansafi responded that it is approximately \$3 million less than in previous years. The reduction in funds is based on the current economic trend.

The motion was unanimously approved.

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

- Executive Director Ouansafi reported that HUD contracted technical consultants to help the HPHA in all areas. The consultants are assessing HPHA's programs and financial systems and will be providing training and recommendations for improvements.
- Executive Director Ouansafi reported that the software consultants are on-site providing training and completing the software customization that was requested.
- Executive Director Ouansafi reported that the financial consultants have been on-site for the past two months reviewing the financials and making the necessary adjustments.
- Executive Director Ouansafi reported that the single audit which is required by the State will also be starting soon. A memo was sent to all State agencies requiring that the financial audit be completed two months earlier than last year.
- Executive Director Ouansafi reported that the utilities consultant is assessing the HPHA's properties. The study is being conducted on a property-by-property basis, rather than extrapolating utility consumption across the entire HPHA inventory.
- Executive Director Ouansafi reported that the HPHA's public housing occupancy is at 95% and is on track to reach its end of the year goal of 97%.
- Chairperson Gierlach asked why Maui's occupancy is so low. Executive Director Ouansafi reported that Maui has three issues which are: 1) many of the units are vacant "C" units or bad "B" units which require major repairs; 2) there have been approximately 17 evictions of tenants for criminal activities; and 3) there have been several transfers. PMMSB is working with the Manager to get the AMP to improve occupancy.
- Executive Director Ouansafi handed out a "dashboard" of how each AMP is doing in occupancy, re-certification, rent collections, and Real Estate Assessment Center (REAC) scores. He stated "green" represents on target; "yellow" represents completion within the next two months; and "red" means the HPHA is paying close attention to those items.
- Executive Director Ouansafi reported that, after an eight year delay, Ke Kumu Ekahi is officially part of the HPHA's inventory.
- Executive Director Ouansafi reported that all the large capacity cesspools have been closed or converted and accepted by the Environmental Protection Agency (EPA). The HPHA is working to close the Consent Agreement and Final Order with the EPA.

- Executive Director Ouansafi reported that construction on the infrastructure for Lanakila Homes has started. He stated that the HPHA has a Request for Proposals (RFP) for construction on three buildings. The RFP is only for three buildings because the HPHA is working with HUD on the Faircloth issue. Once the Faircloth issue is resolved the HPHA can decide whether to put out another RFP for the remaining buildings or demolish those buildings.
- Executive Director Ouansafi reported that on November 13, 2013, the HPHA will hold the 1<sup>st</sup> Annual Social Services and Community Partnership Conference. The HPHA is working with Senator Suzanne Chun-Oakland, service providers, and other business owners to provide services to HPHA's tenants as needed on a property by property basis. The HPHA wants to announce at the conference that the HPHA will be starting a customer service department.
- Executive Director Ouansafi asked that if any of the Board members have any Legislation that they want passed in the 2014 Legislative Session, to please let him know so the HPHA can start researching the information needed for the bill.
- Executive Director Ouansafi reported that the HPHA is working on cleaning up the Administrative Rules. The Administrative Rules has not been updated for years and refers to things that no longer exist. The HPHA received approval to go to public hearing for part one and is working on additional revisions.
- Executive Director Ouansafi reported that the HPHA started a pilot program under which maintenance staff will report to a Maintenance Supervisor who in turn reports to a Maintenance Chief, instead of the AMP manager. This will allow more time for the managers to focus on the tenants and tenant related items.

Director Tokishi asked if the Maintenance Chief will oversee all of the AMP's maintenance staff. Executive Director Ouansafi responded it is a pilot program, but if all goes well, eventually the Maintenance Chief will oversee all the AMP's maintenance staff. The HPHA may be restructuring the Property Branch by separating Property Management staff from Maintenance staff.

Executive Director Ouansafi reported that under the Maintenance Branch the HPHA will have a special team that will work on bringing units to rent ready status. There will also be a group of staff who will be responsible to conduct REAC inspections and repairs.

Executive Director Ouansafi reported that the HPHA is also preparing to create a work order department. The work order department will field all maintenance calls and dispatch staff. This will help the HPHA track activity for the entire HPHA.

- Executive Director Ouansafi reported that the HPHA is purging the public housing waitlist. The HPHA mailed out 12,000 letters and received approximately 4,000

letters back undeliverable. The staff is currently attempting to contact the applicants by other means. The waitlist is now approximately 6,000.

- Executive Director Ouansafi stated that Hawaiian Telcom is onsite installing data cables. This will be used statewide for faster connection.
- Executive Director Ouansafi reported that the HPHA has received approximately 60 of the 66 title reports for the federal properties to use in confirming ownership. Some of the title reports are showing that the ownership is not clear, so the HPHA is filing documents to clarify ownership of the property.

**Director Shimizu moved,**

**To Add to the Agenda an Update on the Hawaii Interagency Council on Homelessness (HICH).**

The motion was unanimously carried.

Mr. Benjamin Park reported that he attended the HICH meeting and indicated that the HICH was working on a data collection initiative.

Colin Kippen, Chairperson of HICH, stated that in June, HUD Secretary Shaun Donovan sent a 12 page notice on strategies to reduce homelessness. The HICH discussed the notice and the HPHA's role in reducing homelessness as a housing provider. Mr. Kippen stated that the suggestion was to work with Continuum of Care and the HPHA.

Director Shimizu requested a copy of Secretary Donovan's notice from Mr. Kippen.

Chairperson Gierlach stated the HPHA is a resource and need to work hand in hand with the HICH so that the system does not increase homelessness.

**Executive Director's Report (continued):**

- Director Shimizu asked if the HPHA is filling the positions that were approved by the Legislature. Executive Director Ouansafi responded that the HPHA advertised and interviewed. An offer was made for the Chief Financial Management Advisor, but it was turned down. He feels that since the Legislature approved the salaries there has been a better response.

**Chairperson Gierlach called for a recess at 10:11 a.m. and reconvened at 10:21 a.m.**

**Executive Session:**

**Director Tokishi moved at 10:21 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, July 18, 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)***

The motion was unanimously carried.

**The Board reconvened from Executive Session at 10:27 a.m.**

Chairperson Gierlach reported that the Board discussed the Kolio case and approved July 18, 2013 Executive Session Minutes.

**Adjournment:**

There was no further business to discuss, Chairperson Gierlach asked for a motion to adjourn the Regular Meeting.

**Director Espero moved,**

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:28 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

OCT 10 2013

*Taryn T. Chikamori*  
Taryn T. Chikamori  
Secretary to the Board

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on September 19, 2013: [] As Presented [  ] As Amended

*Jason Espero*  
Jason Espero  
Director/Board Secretary

OCT 10 2013

Date