

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

**October 10, 2013
10:30 a.m.**

AGENDA

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, August 15, 2013 (*Pages 1-10*)
- B. Executive Session Minutes, August 15, 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 Appoint Ms. Fay Rapoza to the Kauai Eviction Board, Ms. Mary Hoffman to the Kona Eviction Board and Mr. Courtney Young as a Neighbor Islands Floating Board Member for a Two-Year Term Expiring on October 31, 2015 (*Pages 11-16*)
- B. Motion: To Authorize the Executive Director to Grant a Temporary Construction Right of Entry at Hale Olaloa (Hilo) to the County of Hawaii and to Request Approval from the U.S. Department of Housing and Urban Development to Grant the County of Hawaii an Easement in the Same Area for the Kapi`olani Street Extension Project, Tax Map Key: (3) 2-4-056:021 (*Pages 17-26*)
- C. Motion: To Adopt Revisions to the Hawaii Public Housing Authority's Statement of Procurement Policy, dated October 10, 2013 (*Pages 27-57*)
- D. To Adopt Further Amendments to following sections of Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules previously adopted by the Board: (*Pages 58-164*)

Section 17-2028-21 [Placement of applicant on waiting list];

Section 17-2028-22(a)(1)(D) [Eligibility for admission and participation - not have an outstanding liability];

Section 17-2028-22(a)(1)(E) [Eligibility for admission and participation – providing social security numbers for all family members];

Section 17-2028-22(a)(1)(G) [Eligibility for admission and participation - not have been evicted from assisted housing by reason of drug-related criminal activity];

Section 17-2028-22(a)(1)(J) [Eligibility for admission and participation – not currently or during a three year period preceding ...be engaged in drug related criminal activity or violent criminal activity or other criminal activity];

Section 17-2028-22(a)(1)(M) [Eligibility for admission and participation – not have a record of conduct or behavior];

Section 17-2028-22(a)(1)(N) [Eligibility for admission and participation – disclose tobacco use];

Section 17-2028-22(b) [Eligibility for admission and participation – applicant’s past performance in meeting financial obligations];

Section 17-2028-23(b) [Placement of applicant on waiting list];

Section 17-2028-32 [Income Targeting];

Section 17-2028-34(a) [Local Preferences – priority groups];

Section 17-2028-36(a) [Waiting List];

Section 17-2028-59(b)(6) [Rental agreement termination – fails to disclose use];

Section 17-2028-59(b)(9) [Rental agreement termination – has been convicted of a felony]; and

Section 17-2028-92(b)(7)(B) [Pet fees];

and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and present them for public hearing

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 attorney(s) on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities.

- E. Motion: To Adopt Further Amendments to following sections of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules previously adopted by the Board: Section 17-2020-5(b), *Grounds for termination of tenancy and eviction*; Section 17-2020-11, *Notice of Cause for Cases referred for eviction prior to June 28, 2002*; Section 17-2020-12, *Notice of Cause for Cases referred for eviction on or after June 28, 2002*; Section 17-2020-13, *Notice of Hearing*; Section 17-2020-14, *Request for Subpoena*; and Section 17-2020-33, *Curable and Non-curable violations*, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and present them for public hearing

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 attorney(s) on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities. **(Pages 165-214)**

- F. Motion: To Approve Settlement of *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director of the Hawaii Public Housing Authority, et al.* (Civil Case No. CV11-00266), and to Authorize the Executive Director to Execute a Settlement and Release Agreement on behalf of the Hawaii Public Housing Authority **(Pages 215-217)**

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, et al.* (Civil Case No. CV11-00266).

V. REPORTS

- A. Executive Director's Report Highlights: **(Pages 218-268)**
- 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 16th
 - 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 INFORMATION/DISCUSSION

- A. For Discussion: *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority* (Civil No. 11-1-0795-04) **(Page 269)**

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; Civil No. 11-1-0795-04*

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 SPECIAL MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, OCTOBER 10, 2013
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held a Special Board Meeting at 1002 North School Street, on Thursday, October 10, 2013 at 10:33 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

Deputy Attorney General, Jennifer Sugita

EXCUSED: Director Matilda Yoshioka, Vice-Chair
Director George Yokoyama

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
Joanna Renken, Acting Public Housing Supervisor
Shirley Befitel, Personnel Supervisor
Benjamin Park, Housing Planner
Renee Blondin-Nip, Hearings Officer
Stephanie Fo, Section 8 Branch Chief
Veronica Malabey, Program Specialist
Rochelle Akamine, Resident Services Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS: None

Proceedings:

Chairperson Gierlach declared a quorum present.

Approval of Minutes:

Director Tokishi moved,

To approve the Special Meeting Minutes of October 10, 2013.

The motion was unanimously approved.

Public Testimony:

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

For Action:

Director Espero moved,

To Appoint Ms. Fay Rapoza to the Kauai Eviction Board, Ms. Mary Hoffman to the Kona Eviction Board and Mr. Courtney Young as a Neighbor Islands Floating Board Member for a Two-Year Term Expiring on October 31, 2015.

Executive Director Ouansafi stated that staff recommends the appointment of Ms. Rapoza, Ms. Hoffman and Mr. Young to their respective Boards.

The motion was unanimously approved.

For Action:

Director Espero moved,

To Authorize the Executive Director to Grant a Temporary Construction Right of Entry at Hale Olaloa (Hilo) to the County of Hawaii and to Request Approval from the U.S. Department of Housing and Urban Development to Grant the County of Hawaii an Easement in the Same Area for the Kapi`olani Street Extension Project, Tax Map Key: (3) 2-4-056:021.

Executive Director Ouansafi stated that the County of Hawaii is doing improvements at the University of Hawaii - Hilo. The Hawaii Public Housing Authority (HPHA) owns a small portion of the property and the County is requesting an easement. The HPHA

requested and received a letter of indemnification from the County for any work performed in that area.

Executive Assistant Arashiro clarified that staff is requesting approval for a temporary right of entry and approval from the Board to seek approval from the U.S. Department of Housing and Urban Development (HUD) for an easement.

The motion was unanimously approved.

Chairperson Gierlach deferred item IV. C: Revisions to the Hawaii Public Housing Authority's Statement of Procurement Policy, dated October 10, 2013 to later in the meeting.

For Action:

Director Espero moved,

To Adopt Further Amendments to following sections of Chapter 17-2028 “Federally-Assisted Housing Projects”, Hawaii Administrative Rules previously adopted by the Board:

Section 17-2028-21 [Placement of applicant on waiting list];

Section 17-2028-22(a)(1)(D) [Eligibility for admission and participation - not have an outstanding liability];

Section 17-2028-22(a)(1)(E) [Eligibility for admission and participation – providing social security numbers for all family members];

Section 17-2028-22(a)(1)(G) [Eligibility for admission and participation - not have been evicted from assisted housing by reason of drug-related criminal activity];

Section 17-2028-22(a)(1)(J) [Eligibility for admission and participation – not currently or during a three year period preceding ...be engaged in drug related criminal activity or violent criminal activity or other criminal activity];

Section 17-2028-22(a)(1)(M) [Eligibility for admission and participation – not have a record of conduct or behavior];

Section 17-2028-22(a)(1)(N) [Eligibility for admission and participation – disclose tobacco use];

Section 17-2028-22(b) [Eligibility for admission and participation – applicant’s past performance in meeting financial obligations];

Section 17-2028-23(b) [Placement of applicant on waiting list];

Section 17-2028-32 [Income Targeting];

Section 17-2028-34(a) [Local Preferences – priority groups];

Section 17-2028-36(a) [Waiting List];

Section 17-2028-59(b)(6) [Rental agreement termination – fails to disclose use];

Section 17-2028-59(b)(9) [Rental agreement termination – has been convicted of a felony]; and

Section 17-2028-92(b)(7)(B) [Pet fees];

and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and present them for public hearing.

Executive Director Ouansafi stated that the Board of Directors adopted the amendments on September 2012 and in the Public Housing Agency’s (PHA) Annual Plan in January 2013. The Board approved the submittal of the PHA Annual Plan to HUD in April 2013. In May 2013, the Board approved additional changes to the draft administrative rules and the HPHA sent the amendments to the Governor’s office for comments. He stated that the majority of the proposed changes before the Board were requested by the Governor’s office.

The motion was unanimously approved.

For Action:

Director Tokishi moved,

To Adopt Further Amendments to following sections of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules previously adopted by the Board: Section 17-2020-5(b), *Grounds for termination of tenancy and eviction*; Section 17-2020-11, *Notice of Cause for Cases referred for eviction prior to June 28, 2002*; Section 17-2020-12, *Notice of Cause for Cases referred for eviction on or after June 28, 2002*; Section 17-2020-13, *Notice of Hearing*; Section 17-2020-14, *Request for Subpoena*; and Section 17-2020-33, *Curable and Non-curable violations*, and to Authorize the Executive Director to Undertake All Actions Necessary

under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and present them for public hearing.

Chairperson Gierlach asked if the amendments to the administrative rules were reviewed by the Governor's office. Executive Director Ouansafi clarified that these amendments were proposed by the Department of the Attorney General.

Deputy Attorney General Sugita stated that most of the changes are being proposed to provide consistency with the changes just adopted in §17-2028, Hawaii Administrative Rules. The HPHA staff requested one change which is clarification of a curable violation and a non-curable violation. She stated that a non-curable violation is when the tenant does not have a chance to fix the violation and the curable violations are listed in subsection B. The HPHA deleted some of the previous non-curable provisions.

Executive Director Ouansafi also stated that the proposed revisions are being requested to provide consistency with the Hearings Board's current practices.

Director Tokishi asked why on page 185 (b)(3) "violations of any material term of the rental agreement subsequent to a finding..." is being deleted. He suggested that when the tenant was given numerous chances to cure a violation, HPHA should consider making the violation non-curable. Ms. Oishi stated as an example, a tenant who installs a fixture and refuses to remove it could be referred for eviction. However, if that tenant later removes it and fixes everything, the violation is now considered cured.

Director Tokishi stated this takes away power from the Evictions Board. Executive Assistant Arashiro clarified that the Evictions Board can still choose to evict the tenant, but if it's non-curable, the Board does not have the discretion to make it curable.

Director Espero asked who determines if it is cured or not. Executive Director Ouansafi responded that the manager makes the decision.

Director Shimizu asked if the tenant could file for a grievance hearing. Executive Assistant Arashiro confirmed the tenant could file for a grievance hearing. If the grievance hearing officer finds that the lease was violated, then the tenant will be referred for evictions and the Hearings Board will decide whether to evict the tenant. However, if the tenant is going through the process and cures the deficiency, the manager could decide not to refer the tenant for eviction.

Director Shimizu asked what if there is a discrepancy between the manager and tenant. Executive Director Ouansafi responded that the Hearings Board decides the case based on evidence presented. Each side is allowed to present pictures, witnesses, and etc. at the hearing.

Executive Director Ouansafi stated that there are tenants that the HPHA has held with writ of possession even after the Hearings Board's finding was to evict the tenant based on the evidence. The HPHA looks at the material breach and may allow the tenant to

fix the breach and have it inspected under conditions that the unit is kept clean and the tenant does not repeat the material breach.

Director Tokishi stated he agrees that every situation is different, but if every tenant comes up with a sad story, evictions will get pushed back and pushed back. Executive Director Ouansafi agreed that there are bad tenants who should be evicted, but wants to be flexible for those who should be given a chance.

Director Tokishi stated that he interpreted the chapter as the tenant went through the entire process and the Hearings Board decided to evict, but the tenant may have another chance because it's curable. Deputy Attorney General Sugita responded that she interprets the section as, if the Hearings Board finds that a violation is non-curable then the tenant is evicted. But just because a violation is curable it doesn't mean that the tenant cannot be evicted, it would depend on the circumstances.

Ms. Blondin-Nip stated generally the Hearings Board will give a tenant one chance, but if the tenant reappears before the Board again the Board will usually choose to evict the tenant.

Director Shimizu noted that on page 175 it states that a "quorum of the eviction Board consisting of one but not more than three". Executive Director Ouansafi responded that if there is only one Hearings Board member the member must be a tenant Board member.

Director Shimizu asked how often the HPHA has one Board member. Executive Director Ouansafi responded that the general practice is to have three members, but one member maybe used in an emergency case.

The motion was unanimously approved.

Executive Session:

Director Espero moved at 10:54 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 Adopt Revisions to the Hawaii Public Housing Authority's Statement of Procurement Policy, dated October 10, 2013;**
- 2. To Approve Settlement of *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director of the Hawaii Public Housing***

Capacity As Executive Director of the Hawaii Public Housing Authority, et al. (Civil Case No. CV11-00266), and to Authorize the Executive Director to Execute a Settlement and Release Agreement on behalf of the Hawaii Public Housing Authority;

3. **To Discuss a Confidential matter received from the Attorney General's Office;**
4. **Executive Session Minutes of August 15, 2013 meeting.**

The motion was unanimously approved.

30

The Board reconvened from Executive Session at 11:~~58~~ a.m.

Director Tokishi moved,

To Add a "For discussion" item: The Attorney's General's October 9, 2013 Opinion of the HPHA's Administrative Attachment to the Department of Human Services (DHS).

The motion was unanimously approved.

Chairperson Gierlach stated the Board discussed the procurement policy and the Kolio settlement in Executive Session.

For Action:

Director Tokishi moved,

To Approve Settlement of *Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director of the Hawaii Public Housing Authority, et al. (Civil Case No. CV11-00266)*, and to Authorize the Executive Director to Execute a Settlement and Release Agreement on behalf of the Hawaii Public Housing Authority.

The motion was unanimously approved.

Director Shimizu thanked Ms. Oishi, Executive Assistant Arashiro, Executive Director Ouansafi, and Deputy Attorney Generals Cregor, Sugita, Wong and Kim for all the hard work on the Kolio case.

For Action:

Director Tokishi moved,

To Adopt Revisions to the Hawaii Public Housing Authority's Statement of Procurement Policy, dated October 10, 2013.

Executive Director Ouansafi reported that all the revisions are due to the Attorney General's opinion, HUD's request or for clarification.

Director Shimizu asked if the HPHA met with the State Procurement Office (SPO) and if the HPHA made the changes requested by SPO. Executive Director Ouansafi responded that HPHA met with SPO and the changes were made.

The motion was unanimously approved.

Executive Director's Report:

- Executive Director Ouansafi reported the HPHA will be releasing a press release regarding the statistics from the Honolulu Police Department (HPD) at Mayor Wright Homes (MWH). The crime statistics for Mayor Wright Homes shows:
1) 50% less property damage; 2) 84% less aggravated assault; 3) 72% less nuisances and complaints, 4) 15% less graffiti; 5) 50% less drunkenness; 6) 50% less robbery; 7) 66% less auto theft; and 8) no reported murders.
- Executive Director Ouansafi reported that the federal government's shutdown should not affect the HPHA unless it continues for over four months. At that time, the HPHA would need to assess and evaluate the situation.
- Executive Director Ouansafi reported that the HPHA has 13 out of 16 AMP's at 97% occupancy or higher. He reported that 8 of the 13 AMP's are at 98% or higher, and a few are 99% or higher. He reported that the HPHA goal was 97%, but raised it to 98%. He stated that some "C" units are under construction and will be added back into inventory shortly.
- Executive Director Ouansafi reported that HUD's technical assistance consultants, Phineas Consulting LLC, helped stabilize the Fiscal Management Office (FMO) and Section 8 and now will be conducting a three day training for managers and public housing specialists (PHS) on re-certifications, rent calculations, and other items to help improve the HPHA's Public Housing Assessment Score (PHAS).
- Executive Director Ouansafi reported that managers were instructed to make a six month payment plans with all tenants who are delinquent in rent. This will achieve two goals: 1) shows the HPHA is willing to work with tenants and 2) will help bring the delinquencies down.

- Executive Director Ouansafi reported that the HPHA may be demolishing units at Lanakila Homes. The HPHA thought the remodeling cost would be about \$150,000; but bids came back at double the cost. The HPHA is considering demolishing the units and rebuilding for \$50,000 more than the remodeling cost.

Director Shimizu requested that Director Yokoyama be informed about the change in direction at Lanakila Homes.

- Executive Director Ouansafi reported that Michaels Development has been informed that the HPHA will not be spending any of the \$600,000 of the Choice Neighborhood Initiative (CNI) grant until the HPHA finds a lead applicant.
- Executive Director Ouansafi reported that the HPHA has approximately \$110 million currently in design and construction “on the street”. The funds are spread out among approximately 100 different companies.
- Executive Director Ouansafi reported that the HPHA housed 73 families in August. Twenty three families were through Section 8 and 50 families were in public housing.
- Executive Director Ouansafi reported that the First Annual Service Provider Conference will be postponed due to the timing of the conference and that lack of feedback from the residents regarding their needs.
- Executive Director Ouansafi reported phase one of the pilot program has been completed which included the maintenance staff at AMP 34 reporting to a maintenance supervisor instead of the manager. The HPHA is getting the office buildings at School Street ready for phase two which includes: moving all public housing specialists to School Street to conduct re-certification exams and rent calculations.
- Executive Director Ouansafi reported that the HPHA should have the consultant Request for Proposal (RFP) for MWH out by the end of the year.
- Director Tokishi asked if the Executive Director’s report is the same information as last month’s cancelled meeting packet and if August and September’s information will be included in next month’s Board packet. Executive Director Ouansafi responded that the Executive Director’s report is the same as the cancelled meeting because of the posting deadline and that next month’s Board packet will include August and September’s information.
- Executive Director Ouansafi reported that the Central Office Cost Center’s (COCC) cost fluctuated because AMP’s were not billed on time and \$240,000 of administrative cost is not reflected in the financials. The maintenance cost fluctuated because positions have not been filled. The HPHA is having difficulty filling maintenance positions on the neighbor islands.

Chairperson Gierlach encouraged all Board members to recruit for new Board members because Director Yokoyama and Director Yoshioka may be stepping down; there are two At-Large positions vacant; and the Resident member's position is also vacant.

Director Shimizu asked Director Oh when his confirmation hearing is. Director Oh responded October 28, 2013. Director Shimizu asked if the HPHA and the Board of Director's will be submitting a letter of recommendation. Executive Director Ouansafi responded that the HPHA will be submitting a letter of support and will draft a letter of support from the Board of Director's.

Executive Director Ouansafi stated that he requested a meeting with every Board member to discuss what trainings the Board feels are needed, what kind of financial data they want to see reported, and etc.

Adjournment:

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

Director Espero moved,

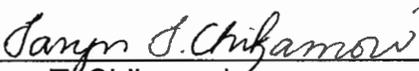
To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 12:00 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:


Taryn T. Chikamori
Secretary to the Board

DEC 19 2013

Date

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


Jason Espero
Director/Board Secretary

DEC 19 2013

Date