

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

**February 20, 2014  
9:00 a.m.**

**AGENDA**

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

**II. APPROVAL OF MINUTES**

- A. Special Meeting Minutes, December 19, 2013 (*Pages 1 – 9*)
- B. Executive Session Minutes, October 10, 2013 (not for public release)
- C. Executive Session Minutes, December 19, 2013

**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 Joanne Luiz and to Reappoint Keith Biho to the Hilo Eviction Board, to Reappoint Arde Long-Yamashita to the Kauai Eviction Board and to Reappoint Robert Hill to the Maui Eviction Board for a new and additional Two-Year Term Expiring on February 28, 2016 (*Pages 10 - 21*)
- B. Motion: To Extend the Amended Federal Public Housing Program's Admissions and Continued Occupancy Policy and the Section 8 Housing Choice Voucher Program's Administrative Plan Adopting Temporary Compliance Assistance Guidelines (*Pages 22 – 26*)
- C. Motion: To Approve to Request from HUD to Rescind the "Undemo" Approval of January 7, 2009, Lanakila Homes, HA 1004, Hilo, Hawaii (*Pages 27-33*)

**V. REPORTS**

- A. Executive Director's Report Highlights: (*Pages 34 – 83*)
  - HUD Technical Assistance Contract Related to the Property Management and Maintenance Services Branch and Financial Reporting

- Property Management and Maintenance Services Branch occupancy and rent collection status
- Update on Choice Neighborhood Initiative Planning Grant
- Section 8 Lease up Status
- Design and Construction Project Updates; Relocation Training
- Contracts Executed During December 2013 & January 2014
- Network and Server Upgrades
- Utility Allowance Study
- Report on Consultant for Mayor Wright Homes

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 employee safety

**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 84)*

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)*

- B. For Information: Independent Audit of the Hawaii Public Housing Authority's Financial Statements for the Fiscal Period July 1, 2012 – June 30, 2013 **(Pages 85 - 169)**

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, FEBRUARY 20, 2014  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held a Regular Board Meeting at 1002 North School Street, on Thursday, February 20, 2014 at 9:00 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

**STAFF PRESENT:** Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Chong Gu, Chief Financial Management Advisor  
Clarence Allen, Fiscal Officer  
Kiriko Oishi, Chief Compliance Officer  
Rick Sogawa, Contracts & Procurement Officer  
Joanna Renken, Acting Public Housing Supervisor  
Benjamin Park, Housing Planner  
Stephanie Fo, Section 8 Branch Chief  
Sahar Ibrahim, Engineer  
Taryn Chikamori, Secretary to the Board

**OTHERS:** Pius Casiano, Puahala Homes resident  
Merina Engino, public housing applicant  
Klinda, son's a Section 8 applicant  
Nerleen Kipe, public housing applicant  
Doreen Matf, public housing applicant  
Lorna Nedelec, public housing applicant  
Korety Naset, public housing applicant  
Rejame, public housing applicant

Dapita Rume, public housing applicant  
Snopia Weinei, public housing applicant  
Jesse Wu, U.S. Department of Housing and Urban Development

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Approval of Minutes:**

**Director Espero moved,**

**To approve the Regular Meeting Minutes of December 19, 2013.**

The minutes were unanimously approved.

**Public Testimony:**

Pius Casiano, Puahala Homes resident, stated he feels that Micronesians are being discriminated against because they have applied for housing but have not been offered housing. He also stated that he would interpret for some of the testifiers.

Merina Engino, public housing applicant, stated that she has been on the public housing waitlist for seven months. She stated that she is living with her sister, but the apartment they have is not good for her health. She said that there is a hole in the wall and water is dripping into the unit. She stated that she lives near Middle Street.

Lorna Nedelec, public housing applicant, stated that in 2010 she was living at the Family Promise Shelter. She moved out of the shelter in February of 2013, when the program ended. She is currently staying with her parents and her sister, but the landlord told her that she is not on the lease and cannot stay in the unit.

Kareti, a public housing applicant, spoke with Pius Casiano interpreting for her. She stated that she lived in a homeless shelter in Waipahu since 2010. Then she transferred to a different shelter in Kakaako and needs to move out in March. In 2011, she applied for the Section 8 program and was told that she qualifies for a three bedroom unit, but she did not receive an offer.

Chairperson Gierlach asked Ms. Kareti when she applied for Section 8. Ms. Kareti responded that she applied in 2011. Executive Director Ouansafi responded that it is likely that she applied for the City & County of Honolulu's section 8 program as the HPHA's Section 8 program's waitlist is closed.

Dorren Matf, public housing applicant, stated that she applied for public housing and the Section 8 program in 2010. In July 2013, she had an interview with James, but she is still on the waitlist.

Nerleen Kipe, public housing applicant, stated that she was living in Vancouver Transitional House, but her contract ended and she and her family are living in her car. She stated that she applied for public housing and section 8 in 2008.

Klarinda, reported that her son is a Section 8 applicant, stated that she is speaking on behalf of her son. She stated her son was called for an interview at Palolo Valley Homes Section 8 program. He was informed he didn't qualify because he did not have the necessary paperwork. She believes that he provided every document that was requested of him, but they still have not placed him.

Rejame, public housing applicant, stated she is living at the Lighthouse shelter in Waipahu, but needs to move out in March and she fears she will have no place to live. She stated that she applied for public housing in 2012 and was told that she had to wait for seven years.

Chairperson Gierlach stated that the Hawaii Public Housing Authority's (HPHA) is doing its best to fill units. He stated that the true issue is that there is a shortage of public housing units, not discrimination against particular groups.

Executive Director Ouansafi stated that the HPHA does not skip over anyone and by the end of the year the occupancy rate will be close to 99% which means that there will not be many vacant units available. Executive Director Ouansafi also stated that anyone who applied for Section 8 after 2006, likely applied with the City and County of Honolulu (C & C) because the HPHA waitlist has been closed since then. He also stated that Palolo is a project based voucher program with specific eligibility requirements.

### **For Action:**

#### **Director Tokishi moved,**

To Appoint Joanne Luiz and to Reappoint Keith Biho to the Hilo Eviction Board, to Reappoint Arde Long-Yamashita to the Kauai Eviction Board and to Reappoint Robert Hill to the Maui Eviction Board for a new and additional Two-Year Term Expiring on February 28, 2016.

Director Oh asked why the neighbor island has more floating members than Oahu. Executive Director Ouansafi responded that Oahu has more members so it's easy to find volunteers willing to serve as a floating member, whereas; there are fewer members on the Big Island so there are more floating members.

The motion was unanimously approved.

**For Action:**

**Director Tokishi moved,**

To Extend the Amended Federal Public Housing Program's Admissions and Continued Occupancy Policy and the Section 8 Housing Choice Voucher Program's Administrative Plan Adopting Temporary Compliance Assistance Guidelines.

Executive Director Ouansafi stated that the guideline was created by the U.S. Department of Housing and Urban Development (HUD) and states that the HPHA does not need verify that a family has assets of less than \$5,000. In March the Board approved a similar motion, but in November HUD extended the guideline. HPHA is asking for approval to extend the implementation of the temporary compliance.

The motion was unanimously approved.

**For Action:**

**Director Tokishi moved,**

To Approve to Request from HUD to Rescind the "Undemo" Approval of January 7, 2009, Lanakila Homes, HA 1004, Hilo, Hawaii.

Executive Director Ouansafi stated that the HPHA went out for bid and the cost to repair the unit was approximately \$350,000 and to rebuild it will cost approximately \$50,000 more. Based on that cost analysis, it is more feasible to rebuild the units. The HPHA wants to ask HUD to demolish the units completely. He stated that the HPHA has federal funds that will expire and staff already put out a bid to demolish the units.

Chairperson Gierlach asked when the completion date of Lanakila Homes is. Executive Director Ouansafi responded that there is no date as of yet. Staff will come to the Board with ideas for the project.

The motion was unanimously approved.

**Executive Director's Report:**

- Executive Director Ouansafi introduced Mr. Chong Gu, Chief Financial Management Advisor. Mr. Gu is the former Administrative Services Officer of the Hawaii Community Development Authority (HCDA). Mr. Gu is also a Certified Public Accountant (CPA).

- Executive Director Ouansafi reported that staff had multiple consultants conduct training. All of the consultants were paid by HUD. Managers, Fiscal Management Office (FMO) staff, Property Management and Maintenance Services Branch (PMMSB) staff, and Section 8 staff received valuable training on program requirements.
- Executive Director Ouansafi reported that the occupancy rate is at 97%, but the “adjusted” occupancy rate is higher because the HPHA is not receiving credit for some of the units that are being renovated. He reported that the HPHA has only a couple dozen units that can be repaired right away; the remaining units are under long term contracts.
- Executive Director Ouansafi reported that staff closely monitors occupancy and when there was a deficiency on Maui, the special teams were sent for ten days and repaired multiple units which are now rent ready.
- Executive Director Ouansafi reported that the HPHA staff is working on a relocation manual.
- Executive Director Ouansafi requested that a financial task force be appointed by the Chair to review the budget and the single audit findings.
- Executive Director Ouansafi asked whether the Board was interested in scheduling a retreat to discuss strategic direction for the HPHA.
- Executive Director Ouansafi reported that in the near future staff will be presenting and asking for the Board’s approval to create a non-profit section of the HPHA.

Director Shimizu commented that there are concerns at the Legislature with the establishment of a non-profit to manage government services due to the problems with the healthcare non-profit system. Executive Director Ouansafi added that many PHAs nationwide have already established non-profit divisions or subsidiaries. The HPHA has requested approval from the Department of the Attorney General’s (AG) office to hire outside counsel that specializes in the establishment of a non-profit to further advise on this matter.

- Executive Director Ouansafi reported that the HPHA will bring before the Board the Annual Contributions Contract (ACC) units at Lanakila Homes on the Big Island and the possibility of developing additional public housing units at other sites.
- Executive Director Ouansafi reported that staff will also be presenting to the board the most current utility allowance study. Currently, the HPHA is over paying residents on the utility allowance. According to the current policies, the HPHA would need to give residents two months notice prior to the utility rate change. The HPHA could start the rate change on May 1, 2014, but staff will be asking that the residents be given one or two months of leeway.

- Executive Director Ouansafi reported that because the HPHA is required by State law to manage State properties at a break even, staff will be looking into for some kind of rent change in order to comply with the law. Presently, the minimum rent is \$150. The Board will be given options for discussion.

Director Espero asked if tenants are paying 30% of their income and if this increase would make it 35%-40% of their income. Executive Director Ouansafi stated that could be a possibility.

Executive Director Ouansafi clarified that 30% is the lowest and that the State law provides the HPHA the flexibility to change the rental rate, only federal projects must remain at 30%.

- Chairperson Gierlach asked why HUD cares if HPHA's State units are paid for. Executive Assistant Arashiro asked to go into Executive Session regarding this matter. Chairperson Gierlach stated that executive session will be deferred to later in the meeting.
- Director Shimizu asked for an update on page 78, Palolo Valley Homes water leak. Executive Director Ouansafi responded that the HPHA offered the six affected tenants \$200 per family, per night, or a hotel. All of the families choose the \$200. The next day the HPHA offered all families alternative housing, which was accepted. As a courtesy, the HPHA also paid for their bus passes. The building is slated for complete renovation in the next phase.

Director Shimizu asked if the federal funds will cover the \$200 and where are the funds coming from. Executive Director Ouansafi responded that the funds are coming from the Central Office Cost Center (COCC). The HPHA will most likely be submitting for relocation costs reimbursement.

- Director Shimizu asked if the Board is going to discuss the options recommended by the Choice Neighborhood Initiative consultant on page 80. Executive Director Ouansafi responded that the HPHA was appropriated \$600,000 from the State. Michaels Development submitted a budget that would use the entire \$600,000. About half way through the process Michaels Development informed the HPHA that they do not wish to be the lead applicant because of tax implications. He stated he stopped the use of the taxpayers' money until a lead applicant is identified. He added that in order to score high on the grant application, HPHA cannot be the lead applicant because one of the requirements is to have two projects completed. Michaels Development informed the HPHA that they are now willing to be a co-lead applicant. The HPHA then asked the Michaels Development to adjust the budget. The HPHA's plan is to move forward once the pre-development agreement is signed by Michaels Development.

Director Shimizu asked if the HPHA is on schedule to submit the application.

Executive Director Ouansafi responded that the HPHA is moving as expeditiously as possible and will assist the Michaels Development Company the lead applicant as soon as they agree to the pre-development loan. He added that the final application is due in October.

- Director Shimizu asked what are some of the 85 vacant positions are. Executive Director Ouansafi responded that every type of position is open. Some examples are Maintenance, Secretary, PHS I, and etc.

Director Shimizu asked if the HPHA is in the process of filling the positions otherwise the position may be abolished. Executive Assistant responded yes, but most of the positions are federally funded.

- Executive Director Ouansafi reported that the HPHA posted a request for proposals (RFP) for the Mayor Wright Homes project to secure a consultant. The HPHA received proposals and just sent a letter for the clarifications on the proposals.
- Director Espero asked whether the HPHA could look into doing outreach to educate the case workers and homeless residents what the process, procedures, and expectations of applying for public housing because many of the testifiers are living at homeless shelters. Executive Director Ouansafi reported that the HPHA sends Michi Kanoura-Hatae, Applications Services Supervisor, to do outreach, but the HPHA will look into increasing the outreach. Executive Assistant Arashiro stated that Ms. Kanoura-Hatae attends the continuum of care meetings and talks to the providers and HPHA relies on the providers to educate their residents. Executive Director Ouansafi reported that in the past few years the HPHA moved in over 2,000 adults and 837 children who were homeless. Chairperson Gierlach stated that during the retreat the Board should discuss if public housing should be lifetime.
- Director Shimizu asked if the HPHA is any closer to recommending a tenant Board member to the Governor. Executive Director Ouansafi responded that there are no names at this time.
- Executive Director Ouansafi stated that the Legislature introduced a no smoking bill on which the HPHA remained neutral. The HPHA submitted comments stating that the HPHA is in the process of changing the administrative rules and requested that if the Legislature passes the law, that it be made consistent with the HPHA's administrative rules.

**Motion:**

**Director Tokishi moved,**

**To Add to the Agenda Discussion on State Public Housing Being Self-Sufficient.**

The motion was unanimously approved.

**Executive Session:**

**Director Tokishi moved at 10:16 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 of the October 10, 2013 and December 19, 2013 meeting;**
- 2. Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority (Civil No. 11-1-0795-04); and;**
- 3. State Public Housing Being Self Sufficient**

The motion was unanimously approved.

**The Board reconvened from Executive Session at 10:35 a.m.**

Chairperson Gierlach reported that the Board discussed the Kolio case, approval of the October 10, 2013 and December 19, 2013 Executive Session minutes, and State public housing being self sufficient.

Chairperson Gierlach stated that Director Tokishi, Director Oh, and Director Yamashita will be on the Financial task force which will review the budget and single audit.

**Adjournment:**

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

**Director Oh moved,**

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:40 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

  
Taryn T. Chikamori  
Secretary to the Board

MAR 20 2014

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on March 20, 2014: [  ] As Presented [  ] As Amended

  
Jason Espero  
Director/Board Secretary

MAR 20 2014

Date