

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

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

AGENDA

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF MINUTES

- A. Meeting Minutes, February 20, 2014 (*Pages 1-9*)
- B. Executive Session Minutes, February 20, 2014 (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 Approve the Hawaii Public Housing Authority's Five-Year and Annual Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2014 to June 30, 2019, and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department Of Housing and Urban Development (*Pages 10-48*)
- B. Motion: To Approve the Amendments to and Compilation of Chapter 17-2020 "Eviction - Practice and Procedure", Hawaii Administrative Rules and to Authorize the Executive Director to Take Required Actions to Submit the Approved Amendments to the Governor of the State of Hawaii for Adoption (*Pages 49-73*)
- C. Motion: To Approve the Amendments to and Compilation of Chapter 17-2028 "Federally - Assisted Housing Projects", Hawaii Administrative Rules and to Authorize the Executive Director to Take Required Actions to Submit the Approved Amendments to the Governor of the State of Hawaii for Adoption (*Pages 74-168*)

- D. Motion: To Authorize the Executive Director to Identify Potential Properties and to Enter Into Negotiations on Behalf of the Hawaii Public Housing Authority to Acquire Additional Low-Income or Affordable Housing Inventory. **(Page 169)**

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, or during the conduct of such negotiations, 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.

V. REPORTS

- A. Executive Director's Report Highlights: **(Pages 170-209)**
- 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 February 2014
 - Report on Consultant for Mayor Wright Homes

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 210)**

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 REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, MARCH 20, 2014
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority (HPHA) held its Regular Board Meeting at 1002 North School Street, on Thursday, March 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

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Management Advisor
Becky Choi, State Housing Development Administrator
Clarence Allen, Fiscal Officer
Kiriko Oishi, Chief Compliance Officer
Rick Sogawa, Contracts & Procurement Officer
Joanna Renken, Acting Public Housing Supervisor VI
Benjamin Park, Housing Planner
Renee Blondin-Nip, Hearings Officer
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Taryn Chikamori, Secretary to the Board

OTHERS PRESENT (and signing in as):
David Bohn, private resident
Jill Tamashiro, Department of Health

Proceedings:

Chairperson Gierlach declared a quorum present.

Chairperson Gierlach asked for a moment of silence for the late Director Matilda Yoshioka who served on the Board from 2006. He stated she dedicated her heart, mind and soul for people in need of help in our State.

Approval of Minutes:

Director Tokishi moved,

To approve the Regular Meeting Minutes of February 20, 2014.

The minutes were unanimously approved.

Public Testimony:

Jill Tamashiro, Department of Health (DOH), Tobacco Education Program, stated that she has been working with the HPHA on the Smoke Free policy. The goal is to help the HPHA implement the policy. She reported that approximately one-tenth of the 3,500 housing authorities have a smoke free policy. She stated that it takes a culture shift and this policy is not intended to discriminate. The Hawaii Public Housing Authority (HPHA) and DOH held presentations at approximately two-thirds of the Asset Management Projects (AMP). The DOH also created education items and will help provide cessation resources.

For Action:

Director Tokishi moved,

To Approve the Hawaii Public Housing Authority's Five-Year and Annual Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2014 to June 30, 2019, and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department Of Housing and Urban Development.

Executive Director Ouansafi reported that the Five-Year and Annual Public Housing Agency (PHA) Plan is a requirement of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) and the Housing and Economic Recovery Act (HERA) of 2008. The Board approved the draft PHA Plan on December 19, 2013. The HPHA held a public hearing and there were no substantial changes.

Director Tokishi asked that the Board be notified when public hearings are held so he can attend. Executive Director Ouansafi responded that in the future the Board will be notified.

Director Tokishi asked if there was a good turn out on Maui. Executive Director Ouansafi reported that there were a total of 16 people statewide who attended the public hearings.

Director Tokishi asked how the public hearing notice was advertised. Executive Director Ouansafi reported that the public hearing notice was placed in the newspaper on each island and the HPHA has been working with the Resident Advisory Board (RAB) who has been in communication with their communities. He commented that the low turnout at the public hearing could be the positive result of the ongoing meetings with the RAB.

Director Tokishi asked that the Board be updated on the status of the goals and objectives outlined in the PHA Plan. Executive Director Ouansafi responded that the HPHA is creating a dashboard for the financial goals and will add the HPHA goals and objectives to the dashboard, where appropriate.

The motion was unanimously approved.

For Action:

Director Tokishi moved,

To Approve the Amendments to and Compilation of Chapter 17-2020 "Eviction - Practice and Procedure", Hawaii Administrative Rules and to Authorize the Executive Director to Take Required Actions to Submit the Approved Amendments to the Governor of the State of Hawaii for Adoption.

Executive Director Ouansafi reported that there is a new law which allows the use of video conferencing for HPHA's eviction hearings. This amendment is to conform to the new law. The Board approved the draft on September 20, 2013 and October 10, 2013. He reported that Oahu is set-up to use video conferencing and the neighbor islands will be ready by the end of April 2014.

Chairperson Gierlach asked if the Eviction Board will be comprised of only one member and whether it will cause any issues. Executive Director Ouansafi clarified that in a highly sensitive case, the HPHA would not likely schedule an eviction hearing with only one Board member presiding. The HPHA will only have one Board member presiding in simple cases and when no other Board members are available. In cases where there is only one Board member presiding, the law requires that the Board member be a public housing resident.

Director Tokishi asked if the video conferencing is held in a central place on each island or if people use their own communication devices. Executive Director Ouansafi responded that a central location is used.

The motion was unanimously approved.

Director Tokishi moved,

To Approve the Amendments to and Compilation of Chapter 17-2028 "Federally - Assisted Housing Projects", Hawaii Administrative Rules and to Authorize the Executive Director to Take Required Actions to Submit the Approved Amendments to the Governor of the State of Hawaii for Adoption.

Executive Director Ouansafi stated that the HPHA received feedback from all of the stakeholders. The Board previously approved the draft on September 20, 2012, February 21, 2013, April 18, 2013, and October 10, 2013. He reported the HPHA held a public hearing and there are no substantial changes.

Director Espero asked for the projected start date. Executive Director Ouansafi responded that once the HPHA receives Governor's approval of the administrative rules, the no smoking policy will be put into effect.

Executive Director Ouansafi reported that there is a No Smoking bill being considered by the State Legislature and the HPHA did not submit testimony for or against the bill, but did submit comments. The bill conforms to these administrative rule changes with one exception. The exception is that the administrative rules has a four-strike eviction policy whereas, the bill has a three-strike eviction policy.

Director Shimizu asked if the legislation and administrative rules needed to be amended if the HPHA decided it wanted to amend the current administrative rules. Executive Director Ouansafi responded that both would need to be changed.

Director Shimizu asked if the legislation could incorporate the administrative rules by reference so that just one needs to be changed. Chairperson Gierlach responded in the negative, and that legislation providing "follow the administrative rules" would be invalid. Executive Assistant Arashiro responded that if a statute contained such language, it would defeat the purpose of having a law, and the purpose of the administrative rules is to implement the law.

Deputy Attorney General Sugita stated that both administrative rules and statutes are laws, but a State statute would supersede the administrative rules in the event of a conflict. A state statute is easier to enforce because the smoking prohibition would apply to all properties, the HPHA would not have to pass administrative rules which can be a lengthy process, and the HPHA can say it is prohibited by State law.

Director Shimizu asked if the Attorney General's office commented on the legislation. Deputy Attorney General Sugita responded that the Attorney's General's office did not comment because the Attorney General's office only comments if there is a legal issue with the legislation.

Director Espero asked how the tenants will be notified regarding the non-smoking policy. Executive Director Ouansafi stated that the tenants have been notified

numerous times over the past year and the HPHA will most likely give a grace period once the policy is in effect.

Director Tokishi asked how enforcement of the smoking policy will be handled. Executive Director Ouansafi responded that tenants can report smoking violations to the manager or if management or security smells smoke, they will investigate and follow-up.

Director Tokishi asked if the HPHA can cite a tenant on smell. Executive Director Ouansafi affirmed that if a unit smells like smoke, the tenant is responsible no matter who was smoking in the unit. Executive Director Ouansafi stated that when inspections are being done, it will be documented if units smell like smoke or not.

Executive Director Ouansafi stated that if a tenant is given a violation and they join a cessation program the HPHA will remove the violation from their file.

Director Shimizu stated that she thought the Board made changes the definition of "Criminal Activity" (located on page 114 of the Board packet). Deputy Attorney General Sugita clarified that the Board changed how the term "criminal activity" was used in the eligibility for admission section 17-2028-22(1)(J) of the rules (located on page 131). The definition of "criminal activity" is based on the U.S. Department of Housing and Urban Development (HUD) definition and was not changed by the Board.

The motion was unanimously approved.

Director Espero moved,

To Authorize the Executive Director to Identify Potential Properties and to Enter Into Negotiations on Behalf of the Hawaii Public Housing Authority to Acquire Additional Low-Income or Affordable Housing Inventory.

Executive Director Ouansafi stated that the HPHA's goal is to continue to increase occupancy by the end of the year and this will diminish the amount of new families the HPHA can place in housing. The HPHA provides housing for families with 30% area median income (AMI) or less, and affordable housing is 80% AMI or less. The HPHA is requesting for authorization to look into acquiring other housing inventory.

Executive Session:

Director Tokishi moved at 9:45 a.m.,

To go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4, and 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, or during the conduct of such negotiations, and Hawaii Revised Statute

section 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the motion:

To Authorize the Executive Director to Identify Potential Properties and to Enter Into Negotiations on Behalf of the Hawaii Public Housing Authority to Acquire Additional Low-Income or Affordable Housing Inventory.

The motion was unanimously approved.

The Board reconvened from Executive Session at 10:31 a.m.

Director Tokishi moved,

To Approve the Amended Motion: To Authorize the Executive Director to Identify Potential Properties and to Enter Into Negotiations on Behalf of the Hawaii Public Housing Authority ~~and~~ to Obtain Proposals to Acquire Additional Low-Income or Affordable Housing Inventory.

The motion as amended was unanimously approved.

Chairperson Gierlach reported that the Board discussed item IV D., To Authorize the Executive Director to Identify Potential Properties and to Enter Into Negotiations on Behalf of the Hawaii Public Housing Authority to Acquire Additional Low-Income or Affordable Housing Inventory, and amended the motion in Executive Session.

Executive Director's Report:

- Executive Director Ouansafi reported that occupancy has been stabilized at 97% or higher.
- Executive Director Ouansafi reported that the HPHA has \$57 million in CFP funds and \$54 million or 95% has been obligated. The HPHA has \$91 million in CIP funds and \$27 million has been encumbered and the remaining amount will not lapse.
- Executive Ouansafi reported that staff is still receiving training. The trainers will be returning in April.
- Executive Director Ouansafi reported that the EJP Consulting Group has been hired as the Mayor Wright Homes redevelopment consultant. The award is for \$487,690 for 36 months. The HPHA will ask for a Special Board meeting to allow the Board to meet with the consultants.

Chairperson Gierlach asked when the consultant would be ready to meet with the Board. Executive Director Ouansafi reported that the consultant should be ready to meet with the Board in April or May.

Chairperson Gierlach asked if the Board members would be available for an all day meeting in May, with the regular meeting in morning and then meeting the consultant in the afternoon. Director Tokishi responded that he will be unable to attend the April and May Board meetings. Director Oh also reported that he will be unable to attend the May meeting. Director Shimizu reported that the Board may have interim Board members by the May meeting. Executive Director Ouansafi stated that if the Board will not have quorum in April and May, a Special meeting will need to be held so that the Board can approve the budget. Director Shimizu questioned whether the Board should have a strategic planning meeting before the budget is completed. Executive Director Ouansafi responded that the budget is an operational budget, so the strategic planning will not necessarily affect the operating budget.

Director Tokishi asked if the Regular Board meeting needs to be held on the third Thursday of the month. Deputy Attorney General Sugita responded that the by-laws allow the Board to reschedule a regular board meeting with proper notice to the public.

Mr. Park, Housing Planner, stated that there should be a new Board member appointed on March 27th.

Chairperson Gierlach stated that the April meeting will be held as usual if there is quorum. Executive Director Ouansafi requested that the May meeting be moved to May 22, 2014.

Director Oh moved,

To Reschedule the HPHA Board of Director's Regular Meeting From May 15, 2014 to May 22, 2014.

The motion was unanimously approved.

- Executive Director Ouansafi reported that the Choice Neighborhood Initiative had some legal issues and asked to go into Executive Session to discuss with the Board and the Board's counsel.
- Director Shimizu reported that there are 75 Veteran Affairs Supportive Housing (VASH) vouchers available and asked if the HPHA is applying for the vouchers. Executive Director Ouansafi responded the HPHA is in the process of putting a Request for Proposal (RFP) for a provider for the vouchers. The HPHA could lose administrative fees because the HPHA receives only 68% of what the actual funding should be. He stated that the City and County of Honolulu (C & C) may be applying

for the vouchers as well. The HPHA also looked into converting a property to project-based vouchers, but decided against it because part of the VASH grant provides that rules for tenants cannot be instituted as the Housing First model is being used. The HPHA cannot have some tenants following the rules while having other tenants, because they are project-based voucher tenants, not following the same rules. The HPHA has contacted other agencies and there is one agency willing to take all 75 vouchers.

- Director Tokishi asked why Maui always has the lowest occupancy. Executive Director Ouansafi reported by the end of the week Maui will be at 94.39%. He reported that the special teams were in Maui and completed 9 units. He also reported that there are "C" units and approximately 5 evictions which are affecting the occupancy. Executive Director Ouansafi also explained that the AMP Manager on Maui has been successfully evicting tenants for lease violations which have created vacancies on the island. He requested to go into Executive Session regarding personnel issues.
- Director Tokishi stated that the financial report indicates that Central Office Cost Center (COCC) is down because of software problems. He asked for clarification regarding the software problem. Executive Director Ouansafi reported that the database consultant's team is coming to HPHA on April 14, 2014 to resolve the problem. The HPHA asked the database consultant to be at HPHA at the same time as the other technical assistance consultants.

Director Tokishi asked when the software problem started. Executive Director Ouansafi reported that the problem started when the HPHA changed to the new software in January 2014.

Director Tokishi asked for more information regarding the variance in the "other income". Executive Director Ouansafi reported that the HPHA asked for reimbursement from Budget and Finance (B & F) and in turn, B & F requested for additional information from HPHA. He stated he spoke to B & F Director Kalbert Young and discussed the appropriation language that clearly allows HPHA to cover its administrative costs associated with the State CIP projects. He also spoke to Mr. Salaveria, B & F Deputy Director, and explained that because federal funds are being used, the HPHA is required to spend a percentage of the funds on administrative costs. Executive Director Ouansafi reported that staff continues to complete time sheets for each completed project so it can be sent to B & F. He reported that the Department of Accounting and General Services (DAGS) reimburses the HPHA without the timecards because the language is clear, and the HPHA believes that B & F is being unfair. Executive Director Ouansafi asked to go into Executive Session to discuss some communications between the HPHA and B & F.

Director Tokishi asked if the reimbursement from B & F has been an issue for a while because the year to date is up 16%.

- Director Shimizu asked what happens to \$142,000 savings from the vacant positions. Executive Ouansafi responded that the HPHA will be ahead in the budget because the savings are federal funds.
- Director Shimizu asked where the CNI grant information would be in the Board packet. Executive Director Ouansafi reported that there is nothing new this month, and that it would be in the Executive Director's Report from the Planning and Evaluation office.
- Director Tokishi asked if the Housing Assistance Payments are over budget by \$1.1 million because of a onetime pay out. Executive Director Ouansafi confirmed the rent increase is under the Performance-Based Contract Administration (PBCA) program. The PBCA property owners made a request to HUD for a rent increase. The HUD approved the increase and the funds pass through the HPHA to the Bremerton Housing Authority, who administers the PBCA program on HPHA's behalf.

Chairperson Gierlach asked for a motion to add to the agenda For Discussion: To Discuss the Choice Neighborhood Initiative Grant.

Director Oh moved,

To Add the Agenda Item To Discuss the Choice Neighborhood Initiative Grant.

The motion was unanimously approved.

Executive Session:

Director Tokishi moved at 11:06 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 attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and Hawaii Revised Statutes section 92-5(a)(2) to consider the evaluation of employees where consideration of matters affecting privacy will be involved as related to:

- 1. Personnel Matters Regarding One or More Employees at the Maui Management Office, and Fiscal Management Office;**
- 2. Choice Neighborhood Initiative Grant;**

3. **Kolio, et al. v. State of Hawaii, Hawaii Public Housing Authority (Civil No. 11-1-0795-04); and**
4. **Approval of the Executive Session Minutes from February 20, 2014.**

The motion was unanimously approved.

The Board reconvened from Executive Session at 11:29 a.m.

Chairperson Gierlach reported that the Board discussed in Executive Session the matters relating to the personnel issues at the Maui Management office and Fiscal Management office, the Choice Neighborhood Initiative Grant, the Kolio case, and approval of the February 20, 2014 Executive Session minutes.

Adjournment:

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

Director Oh moved,

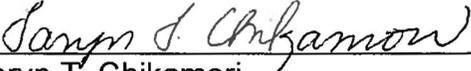
To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 11:30 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Taryn T. Chikamori
Secretary to the Board

APR 17 2014

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on April 17, 2014: [] As Presented [x] As Amended



Jason Espero
Director/Board Secretary

APR 17 2014

Date