

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

**January 15, 2015
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, November 20, 2014 (**Pages 1 - 7**)
- B. Special Meeting Minutes, November 24, 2014 (**Pages 8 – 12**)
- C. Executive Session Minutes, August 21, 2014 (not for public release)
- D. Executive Session Minutes, October 28, 2014 (not for public release)
- E. Executive Session Minutes, November 20, 2014 (not for public release)
- F. Executive Session Minutes, November 24, 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 Appoint Ayotunde Adewunmi to the Hilo Eviction Board for a Two-Year Term Expiring on January 2017 (**Pages 13 - 21**)
- B. Motion: To Authorize the Hawaii Public Housing Authority to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2015 – 2016 (**Pages 22 – 49**)
- C. Motion: To Adopt Proposed Changes to the Hawaii Public Housing Authority's Admissions and Continued Occupancy Policy for Federally Assisted Public Housing Regarding its Pet Policy (**Pages 50 – 70**)

- D. Motion: To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors (**Pages 71 – 72**)

V. REPORTS

- A. Executive Director's Report Highlights: (**Pages 73 – 123**)
- Property Management and Maintenance Services Branch
 - Occupancy and Rent Collection Status
 - Mixed finance private public partnership developments
 - Section 8 Lease up Status and Program Activity
 - Design and Construction Project Updates
 - Contracts Executed During November/December 2014

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 on any item listed above. 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, JANUARY 15, 2015
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, January 15, 2015 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, Vice Chairperson
Director Myoung Oh, Secretary
Director Julie Black-Caspillo
Director Morgan Kaya
Director Sheri Tanaka
Director Rachael Wong and DHS Designee Pankaj Bhanot

Deputy Attorney General, John Wong

EXCUSED: Director Gilbert De Motta

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Management Advisor
Kiriko Oishi, Chief Compliance Officer
Dawn Takeuchi Apuna, Chief Planner
Rick Sogawa, Procurement Officer
Joanna Renken, Acting Public Housing Supervisor VI
Becky Choi, State Housing Development Administrator
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, Data Processing Supervisor
Shirley Befitel, Personnel Officer
Clarence Allen, Fiscal Officer
Rochelle Akamine, Resident Services Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS PRESENT (and signing in as):
Andrew Nakoa, Mayor Wright Homes resident

Proceedings:

Chairperson Gierlach declared a quorum present.

Chairperson Gierlach introduced Rachael Wong, Director of the Department of Human Services Director as the newest member of the Hawaii Public Housing Authority's Board of Directors.

Executive Director Hakim Ouansafi introduced Pankaj Bhanot, Deputy Director of the Department of Human Services, who will serve as Director Wong's designee in her absence.

Approval of Minutes:

Director Kaya moved,

To approve the Regular Meeting Minutes of November 20, 2014 and Special Meeting Minutes of November 24, 2014.

The minutes were unanimously approved.

Public Testimony:

Andrew Nakoa, Mayor Wright Homes resident, stated he lived at Mayor Wright Homes (MWH) for 31 years and he wants to dispute his rent because it is too high. He stated his rent was raised from \$400 to \$1,800. He stated he paid \$900 and borrowed \$300 from family to pay what he can.

Executive Director Ouansafi informed the Board that he will discuss the matter in Executive Session.

For Action:

Director Espero moved,

To Appoint Ayotunde Adewunmi to the Hilo Eviction Board for a Two-Year Term Expiring on January 2017.

Executive Director Ouansafi stated that staff is recommending approval of Mr. Adewunmi. He stated Mr. Adewunmi is fair and the Hilo Eviction Board is in need of additional members.

The motion was unanimously approved.

For Action:

Director Oh moved,

To Authorize the Hawaii Public Housing Authority to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2015 – 2016.

Executive Director Ouansafi stated that the HPHA is required to submit the Five Year and Annual Public Housing Agency (PHA) Plan to the U.S. Department of Housing and Urban Development (HUD) by April 17, 2015. The plan describes HPHA's programs and proposed policy changes for the coming fiscal year. The HPHA will be posting the notice of hearing in the Star Advertiser, Maui News, Garden Island, Tribune Herald, and West Hawaii Today.

Executive Director Ouansafi stated that the HPHA has been meeting with the Resident Advisory Board (RAB) on the PHA plan since October 2014.

Executive Director Ouansafi highlighted some of the proposed changes, including: 1) reducing Section 8 inspections from every year to every other years if the unit was in excellent condition; 2) allowing the HPHA the option to bypass the Section 8 waitlist to issue Section 8 vouchers to tenants that need to be relocated due to reasonable accommodations, domestic violence, or safety issues; and 3) allowing public housing tenants to add more than one person to the lease as long it does not require a bigger unit or result in overcrowding.

Executive Director Ouansafi stated that after the public hearing, if there are any substantial comments the HPHA will review the draft plan and may propose changes to the Board.

Director Wong asked if the HPHA receives a lot of testimony during the public hearing. Executive Director Ouansafi stated that HPHA receives comments from the public hearing and the HPHA also receives input from the RAB.

The motion was unanimously approved.

For Action:

Director Oh moved,

To Adopt Proposed Changes to the Hawaii Public Housing Authority's Admissions and Continued Occupancy Policy for Federally Assisted Public Housing Regarding its Pet Policy.

Executive Director Ouansafi reported that the HPHA is updating its Pet Policy for federal public housing. The proposed changes to the existing policy provides clarifications on certain dog breeds that are considered dangerous or that will exceed the size limit;

limits the size of a fish tank to 5 gallons; limits families to one pet; and makes other clarifications on assistance animal. All tenants currently with pets will be grandfathered in.

Chairperson Gierlach asked if the public will be able to comment. Executive Director Ouansafi responded that the proposed changes will be sent to all public housing tenants for their comments.

Director Oh stated on page 59 under definition of pets it states "a dog or cat shall not exceed 21 pounds" but the last sentence states "exceeds 26 pounds. Kiriko Oishi, Compliance Officer, clarified that the list is examples of dogs that may weigh less than 26 pounds as a puppy, but as adults may weigh more than the 21 pound weight limit.

The motion was unanimously approved.

For Action:

Director Black-Caspillo moved,

To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors.

Executive Director Ouansafi stated that the Attorney General's Office requested that an official motion be made to allow the Executive Director to testify on behalf of the Board and the Hawaii Public Housing Authority (HPHA). This action item was the result of an advisory from the Office of Information Practices regarding a dispute at another State agency.

Director Wong asked about the HPHA's previous practice regarding legislative testimony. Executive Director Ouansafi responded that the practice has been for the Executive Director to testify on behalf of the Board and HPHA, but there was never a formal motion.

Deputy Attorney Wong clarified that the Board needs to make a motion for the action item as stated on the agenda and then make a motion to amend the item.

Director Oh moved,

To Amend the Motion To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors or on Behalf of the Hawaii Public Housing Authority.

The motion to amend the main motion was unanimously approved.

Director Castillo Black moved,

To Delegate Authority to the Executive Director to Track Legislative Measures and Provide Testimony in Accordance with the Positions and Policy Directives Previously Adopted by the Board of Directors or on Behalf of the Hawaii Public Housing Authority.

The motion was unanimously approved.

Executive Director's Report:

- Executive Director Ouansafi stated that the HPHA is operating at a high occupancy rate and units that are vacant have been planned vacancies due to modernization work.
- Executive Director Ouansafi reported that there is arsenic in the soil at the Lanakila Homes property. To mitigate the arsenic in the soil could cost the HPHA between \$9 to \$10 million. Staff continues to work with the design and environmental consultants on a mitigation plan.
- Executive Director Ouansafi reported the HPHA met (separately) with the new Budget and Finance (B&F) Director and the DHS Director to help provide for the release of \$6 million in administrative expenses to HPHA. B&F was still questioning why the HPHA couldn't just use its federal funds for the management of State funded CIP projects. Executive Director Ouansafi informed B&F that federal funds should not be used to support State funded CIP activities.
- Executive Director Ouansafi reported that staff is also concentrating on the public private partnerships and redevelopment activities. The HPHA is in negotiations for the redevelopment of Mayor Wright Homes and that the request for proposal was issued for the redevelopment of the School Street property.
- Executive Director Ouansafi reported that Section 8 program will be issuing voucher to 300 families in the next 60 days. He reported that the HPHA has requested funds from the Legislature to pay for administrative costs. The 6-year plan is to increase Section 8 by 1,000 additional vouchers. He stated that the Section 8 waitlist has been closed since 2006, and anticipates that HPHA will be able to request board approval to reopen the Section 8 waitlist in March.
- Executive Director Ouansafi reported that the HPHA wants to increase the inventory by 9,600 units along the Department of Transportation's (DOT) mass transit development line. Executive Director Ouansafi reported that HPHA plans to use public-private partnerships for the development of additional low-income units. Most of the properties that are being discussed are federal properties so the Annual Contributions Contract (ACC) can be leveraged.

Executive Director Ouansafi reported that Makua Alii has 362 units and the HPHA would like to increase that to 700 – 1,000 units and start construction by the end of 2017.

Executive Director Ouansafi reported that Mayor Wright Homes has already been launched and would like to see some kind of occupancy by 2017. Executive Director Ouansafi reported some details about the MWH are: 1) built in 1952 on 14.85 acres 2) has 36 two-story buildings, and 3) 364 federal units. The proposed use is to increase the number of units to 1,200-1,500 mixed income units.

Executive Director Ouansafi reported that the HPHA hopes to gain 350 units in the Iwilei area. For the Kapalama area, the HPHA is considering increasing unit count by 700 units, although the Governor is looking at 1,000 units.

Executive Director Ouansafi reported that the Kalihi area has 30 acres and the HPHA can increase units to 1,500 to 2,300 units.

Executive Director Ouansafi reported that 2 years ago staff was looking into renovating Puuwai Momi, but staff has refocused on repair items that will maintain Puuwai Momi in a safe, decent and sanitary condition, until staff can bring ideas to the Board about redevelopment.

Executive Director Ouansafi reported the Pearl Highland area has a lot of land but only has 36 units.

Executive Director Ouansafi reported that Westloch/Waipahu has 260 units, but enough land to increase to 700 to 1,000 units.

Executive Director Ouansafi reported that the State owns a parcel near UH West Oahu and the HPHA is requesting an Executive Order from the Governor to use the land for affordable housing.

Executive Director Ouansafi reported that the HPHA has presented this presentation to the State and the City and County of Honolulu (C & C) to get a head start on what the HPHA will need. The HPHA will also be able to apply for \$30 to \$35 million in the Choice Neighborhood Initiative (CNI) grant and 14% of the grant will need to be used on the neighborhood.

Executive Director Ouansafi reported that the Kuhio Park Terrace (KPT) Low Rise is not on the list because negotiations have already started with the Michaels Development. Executive Director Ouansafi reported that KPT had a master redevelopment agreement that was previously executed and he believes that it is not geared to the State. Michaels has agreed to some changes.

- Executive Director Ouansafi reported that the auditor confirmed that the HPHA is in the best financial situation he has seen. The HPHA met the deadline for the

Comprehensive Annual Financial Report (CAFR). The HUD deadline for submittal of the financial data submission and the single audit is March 2015.

Chairperson Gierlach congratulated the staff for all the hard work and for recognizing the needs of the HPHA.

Executive Director Ouansafi recognized Senator Suzanne Chun Oakland and Representative Mark Hashem for being great partners with the HPHA.

- Executive Director Ouansafi reported that HUD conducted a labor standard audit of the Construction Management Branch (CMB) and there was only one issue. The issue was \$1,000 out of \$100 million. The law that states that once the HPHA enters into a contract the prevailing wage needs to be paid. The error has been corrected and affected 4 employees at one of the construction companies.
- Executive Director Ouansafi reported that there was a protest submitted to Department of Commerce and Consumer Affairs (DCCA) on one of the contract awards, but DCCA dismissed the case.
- Executive Director Ouansafi reported that because of all the redevelopment work the HPHA hired a new employee Dean Sakata who will be starting at the end of the month. Mr. Sakata has been with Hawaii Housing Finance Development Corporation (HHFDC) for many years.
- Director Espero asked if the Section 8 vouchers will be issued to the preference list first. Executive Director Ouansafi responded that although the Board voted to remove the preference list, the policy has not been implemented yet. The HPHA will be issuing the vouchers to the preference list and once all the families on the preference list have been served then the HPHA will go by first come, first serve basis.
- Director Black Caspillo asked if the proposed housing will have individual electric meters. Executive Director Ouansafi responded that there will be individual meters.

Executive Director Ouansafi also reported that the HPHA has worked with the Hawaiian Electric Company (HECO) and they will no longer be requiring deposits from HPHA's public housing tenants. The tenants that already paid their deposits will be refunded. HECO also has agreed to notify the HPHA if a tenant has not paid their bill, so the HPHA can have the tenant work with a non-profit organization on helping with the bill.

Director Wong left at 9:48 a.m. and was replaced by Designee Bhanot.

Chairperson Gierlach asked that discussion item: Board Consideration for the Formation of a Nonprofit Corporation be added to the agenda.

Director Oh moved,

To Add to the Agenda Discussion item: Board Consideration for the Formation of a Nonprofit Corporation.

The motion was unanimously approved.

Executive Director Ouansafi reported that the HPHA will be bringing a “For Action” next month regarding creating a non-profit organization. The non-profit will be able to undertake projects that the HPHA would not. For example, the non-profit may act as a developer in mixed finance projects, accept donations and gifts for tenants (scholarships), and generate alternative sources of energy (e.g., wind farm).

Executive Director Ouansafi reported that staff has come up with several different names and are open to suggestions. Some of the suggestions are Hawaii Housing Services, Hawaii Affordable Housing Communities, and Housing Opportunities & Partnership Endeavors (HOPE).

Chairperson Gierlach asked if other public housing authorities (PHA) have a nonprofit organization. Executive Director Ouansafi responded that many housing authorities have a non-profit subsidiary or affiliate and HUD has encouraged these kinds of endeavors.

Director Espero asked if the nonprofit would be able to bid for contracts and would that be a conflict of interest. Executive Director Ouansafi responded that a non-profit arm would be able to bid for contracts and the procurement would be handled to avoid any conflict of interest. The HPHA will also be able to enter into partnerships with the nonprofit. The HPHA’s attorneys are putting a list together with all the information.

Director Espero asked how the nonprofit will be funded. Executive Director Ouansafi responded that the nonprofit would need to earn fees.

Director Espero asked who will oversee the nonprofit. Executive Director Ouansafi responded the Executive Director and a Board created for the nonprofit.

Designee Bhanot asked if the Board is allowed to create the nonprofit or if a statute is needed. Executive Director Ouansafi responded that there already is a statute, but the Board still needs to approve it.

Director Tanaka commented that the name HOPE is already being used with the Circuit Courts and recommended eliminating that name from the list.

Director Kaya recommended that she would like to eliminate using “corporation” in the name of the proposed non-profit.

Director Black-Caspillo stated she would to eliminate using “affordable” in the name.

Deputy Attorney General Wong asked for clarification on the Board's recommendations. Executive Director Ouansafi clarified that staff was just looking for Board feedback and that a formal action will be taken next month. Executive Director Ouansafi also stated that the public can make suggestions.

Executive Director Ouansafi asked that if the Board has any suggestions that they email him the information. Executive Director Ouansafi stated that staff will do research on the top five choices.

Director Tanaka moved at 10:07 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 for November 20, 2014; and November 24, 2014;**
- 2. *Kolio v. State of Hawaii, Hawaii Public Housing Authority; Case No. 13-000785*) Eviction Appeal and Oral Arguments Before the Supreme Court.**
- 3. Office of the Inspector General Investigation;**
- 4. Testimony of Mr. Nakoa.**

The motion was unanimously approved.

The Board reconvened from Executive Session at 10:23 a.m.

Chairperson Gierlach reported that the Board approved the minutes of November 20, 2014; November 24, 2014 and discussed the status of the Office of the Inspector General (IG) investigation of various tenants, the status of the Kolio case, and the testimony of Mr. Nakoa.

Adjournment:

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

Director Tanaka moved,

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:25 a.m.

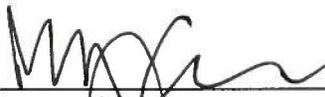
MINUTES CERTIFICATION

Minutes Prepared by:


Taryn T. Chikamori
Secretary to the Board

MAR 19 2015
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on March 19 2015: [] As Presented [] As Amended


Myoung Oh
Director/Board Secretary

MAR 19 2015
Date