

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

**May 21, 2015  
9:00 a.m.**

**AGENDA**

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

**II. APPROVAL OF MINUTES**

- A. Regular Meeting Minutes, April 16, 2015 (**Pages 1 – 7**)
- B. Executive Session Minutes, April 16, 2015

**III. PUBLIC TESTIMONY**

Public testimony on any item relevant to this agenda shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

**IV. FOR ACTION**

- A. Motion: To Adopt Board Resolution No. 15-73 Expressing Appreciation to Director Julie Black-Caspillo (**Pages 8 – 9**)
- B. Motion: To Adopt Board Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya (**Pages 10 – 11**)
- C. Motion: To Adopt Board Resolution No. 15-75 Expressing Appreciation to Director Sheri Tanaka (**Pages 12 – 13**)
- D. Motion: To Reappoint the Following Individuals for an Additional Two-Year Term Expiring in July 2017: (**Pages 14 - 29**)
  - 1. Jane Moana Gray to the Oahu Eviction Board and as a Floating Resident Member;
  - 2. Earl Mente to the Oahu Eviction Board;
  - 3. Joyce Nakamura to the Oahu Eviction Board;
  - 4. Solomon Kuresa to the Oahu Eviction Board,
  - 5. Sylvianne Young to the Oahu Eviction Board;
  - 6. George DeMello to the Hilo Eviction Board

- E. Motion: To Adopt Board Resolution No. 15-76 related to the Hawaii Public Housing Authority Board of Director's Approval to Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa'a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038 **(Pages 30 – 43)**
- F. Motion: To Approve the Hawaii Public Housing Authority's Policy on Investment, Subject to Review by the Department of the Attorney General **(Page 44 – 51)**
- G. Motion: To Adopt Property Specific Utility Allowance Rates Provided by National Facility Consultants for the Fiscal Year July 1, 2015 to June 30, 2016 for the Federal Low Income Public Housing Program and Authorize the Executive Director to Implement the Utility Allowance Rates Effective July 1, 2015 **(Pages 52 – 58)**
- H. Motion: To Approve the Increase in Payment Standard From 95% up to 110% of the Fair Market Rents for the Section 8 Housing Choice Voucher Program; to Request a Regulatory Waiver from the U.S. Department of Housing and Urban Development to Increase the Payment Standard Up to 120% for Hard to House Families Where Appropriate; and to Authorize the Executive Director to Take All Necessary Steps to Implement the New Payment Standards Effective June 1, 2015 or as soon as Practicable **(Pages 59 – 62)**

## V. REPORTS

- A. Finance Task force Report – HPHA's Operating Budget for Fiscal Year 2015-2016
- B. Executive Director's Report Highlights: **(Pages 63 – 97)**
  - 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 April 2015

## VI. FOR INFORMATION/DISCUSSION

- A. For Information: Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03) **(Page 98)**

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 the Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

- B. For Information: Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09) (**Pages 99 – 119**)

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 Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09).

- C. For Discussion: Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations (**Page 120**)

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 Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations

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) 832-4694 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, MAY 21, 2015  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority (HPHA) held a Regular Board Meeting at 1002 North School Street, on Thursday, May 21, 2015 at 9:03 a.m. Chairperson Gierlach called the meeting to order. Those present were as follows:

**PRESENT:** Director David Gierlach, Chairperson  
Director Lisa Darcy  
Director Gilbert De Motta  
Director Elizabeth Kim  
Director Alena Medeiros  
Director Rachael Wong

Deputy Attorney General, John Wong

**EXCUSED:** Director Jason Espero, Vice Chairperson  
Director Myoung Oh, Secretary

**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  
Gary Nakatsu, Data Processing Supervisor  
Shirley Befitel, Personnel Officer  
Renee Blondin-Nip, Hearing Officer  
Clarence Allen, Fiscal Officer  
Dean Sakata, Development Specialist  
Sam Liu, Property Management Specialist  
Rochelle Akamine, Resident Services Program Specialist  
Maricar Campos, Property Management Specialist  
Kau'i Martinez, Resident Services Program Specialist  
Taryn Chikamori, Secretary to the Board

**OTHERS PRESENT (and signing in as):**  
Augafa Ene, Mayor Wright Homes resident  
Dexter Ching, City and County of Honolulu

Roy Nakamura, Kalakaua Homes resident  
Ray Sasaki, Kalakaua Homes resident  
June Talia, Kuhio Park Terrace Lowrise resident  
Sai Tupua, Kuhio Park Terrace Lowrise resident  
James Tuquero, Kalakaua Homes resident

**Proceedings:**

Chairperson Gierlach declared a quorum present.

Chairperson Gierlach asked that the Board members introduced themselves.

**Approval of Minutes:**

**Director Espero moved,**

To approve the Regular Meeting Minutes of March 19, 2015 and Special Meeting Minutes of April 7, 2015.

The minutes were unanimously approved.

**Public Testimony:**

June Talia, Kuhio Park Terrace Lowrise, asked that the HPHA attend the resident association meeting to inform them of the progress on the redevelopment.

Sai Tupua, Kuhio Park Terrace Lowrise, asked when Kuhio Park Terrace (KPT) Lowrise is going to be redeveloped. He stated that the sidewalks are cracking and is a danger to the disabled.

Roy Nakamura, Kalakaua Homes resident, stated that KPT has a designated smoking area and asked if Kalakaua Homes is the only project without a designated area. He stated that there are only three people here to testify because other tenants are afraid of retaliation from the manager.

Chairperson Gierlach asked management for a response. Executive Director Ouansafi responded that staff responded last month, but will report during the Executive Director's report.

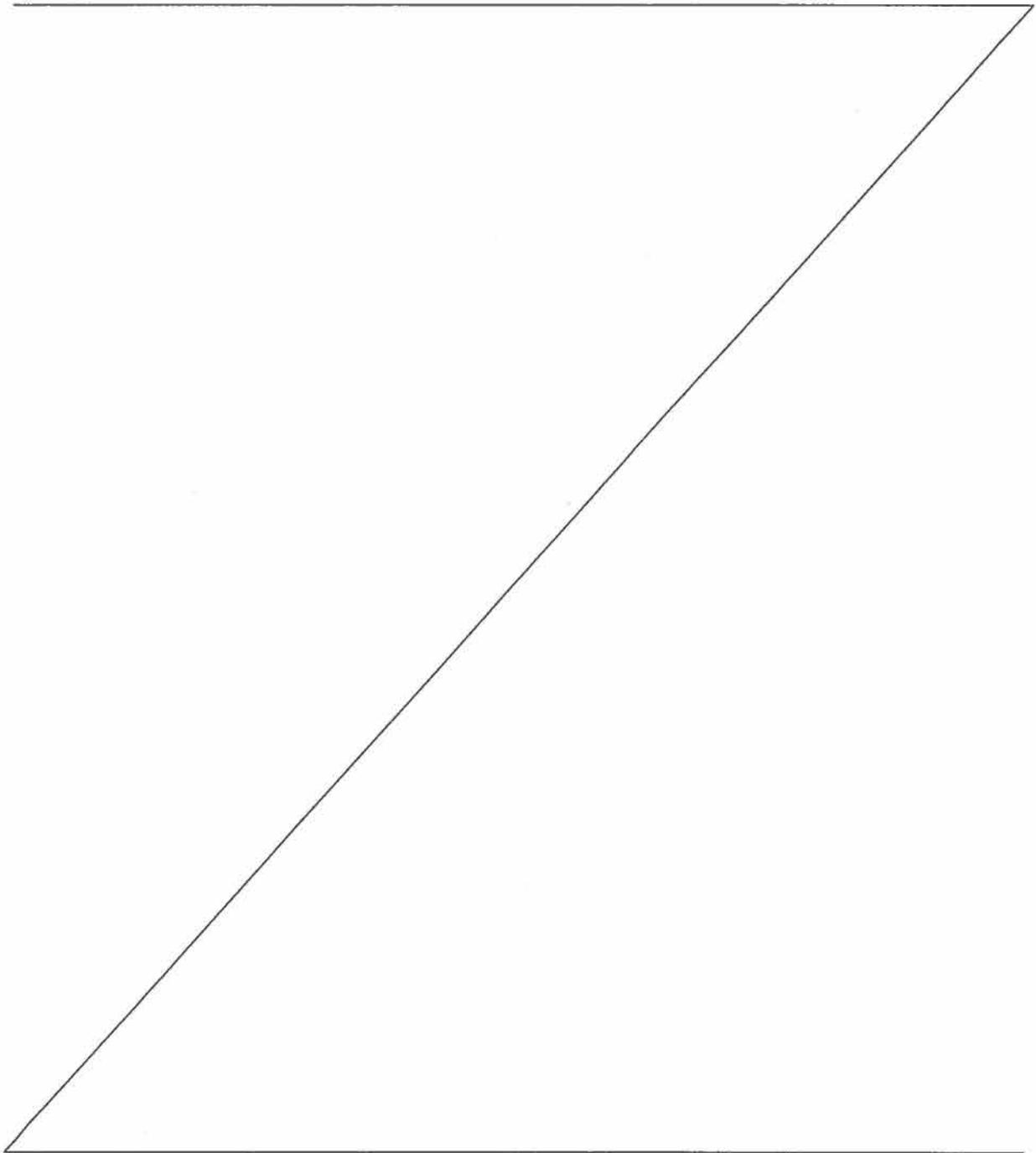
Ray Sasaki, Kalakaua Homes resident, stated that he would like to have a designated smoking area at Kalakaua Homes. He stated the law says 20 feet from the door, but he was cited for smoking 30 feet from the door. He stated because there is no designated smoking area he needs to walk down the street in the dark to smoke.

**For Action:**

**Director De Motta moved,**

To Adopt Board Resolution No. 15-73 Expressing Appreciation to  
Director Julie Black-Caspillo.

The motion was unanimously approved.



**RESOLUTION NO. 15-73  
HAWAII PUBLIC HOUSING AUTHORITY**

**EXPRESSING APPRECIATION TO DIRECTOR JULIE BLACK-CASPILLO**

**WHEREAS**, Director Black-Caspillo is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

**WHEREAS**, as the representative from Kauai County, Director Black-Caspillo brought with her a wealth of experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

**WHEREAS**, Director Black-Caspillo worked tirelessly to improve services and programs for the families in the HPHA's programs; and

**WHEREAS**, in her role as a Board member, Director Black-Caspillo was particularly interested in increased accountability at all levels and coordination of services for the most vulnerable populations; and

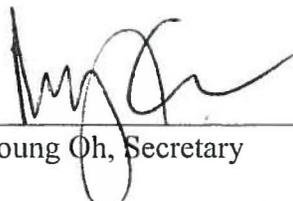
**WHEREAS**, the HPHA's Board of Directors hold Director Black-Caspillo in the highest personal regard.

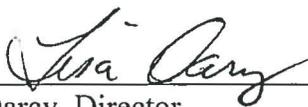
**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-73 Expressing Appreciation to Director Black-Caspillo on this 21<sup>st</sup> day of May 2015 for her dedicated service;

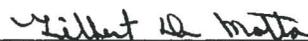
**AND, BE IT FURTHER RESOLVED** that a copy of this resolution be transmitted to Director Black-Caspillo reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.

  
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David Gierlach, Chairperson

  
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Jason Espero, Vice Chair

  
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Myoung Oh, Secretary

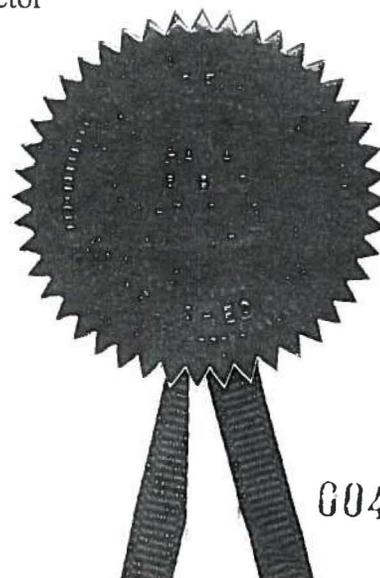
  
\_\_\_\_\_  
Lisa Darcy, Director

  
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Gilbert DeMotta, Director

  
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Alena Medeiros, Director

  
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Rachael Wong, Director

  
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Elizabeth Kim, Director

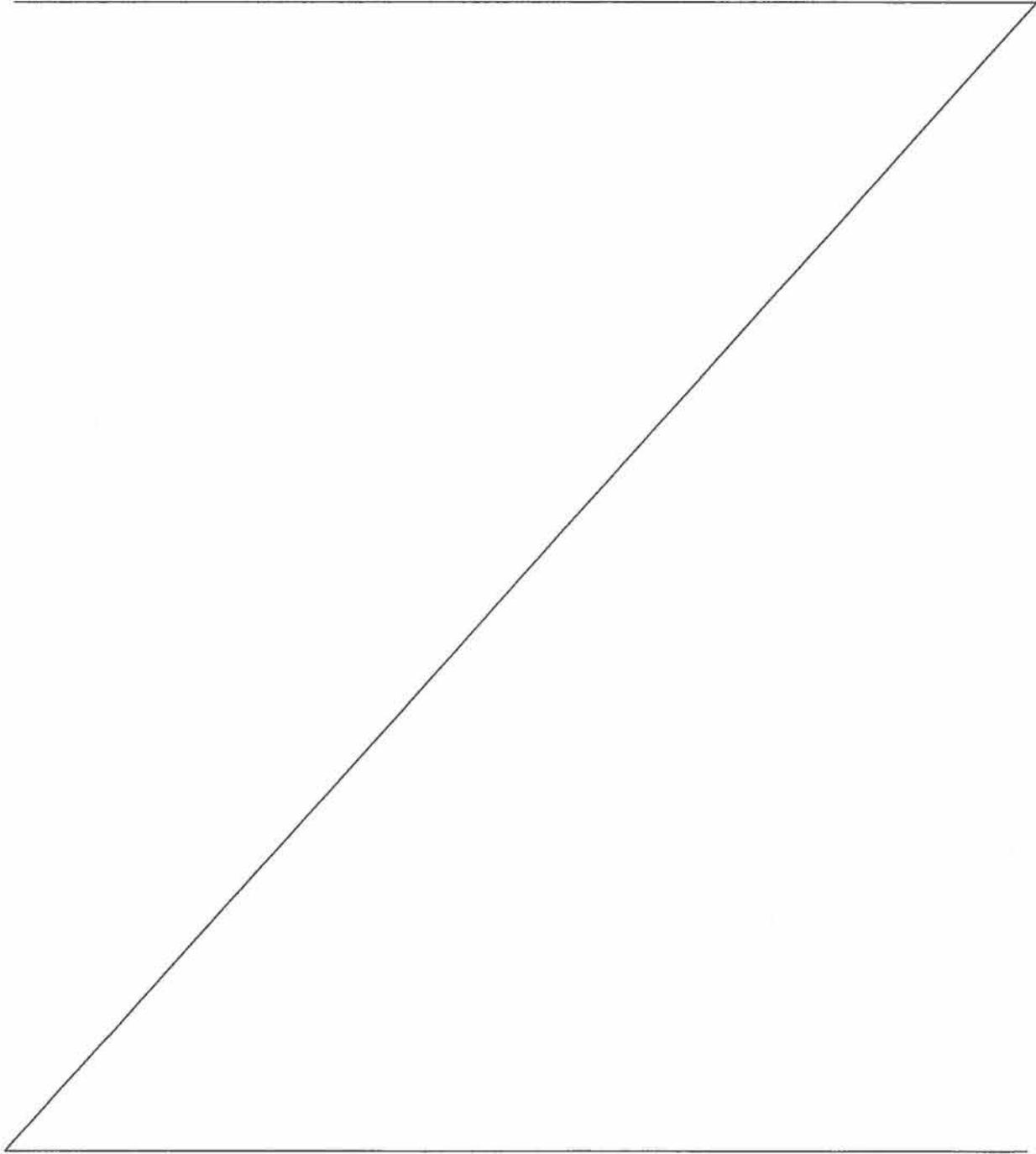


**For Action:**

**Director Kim moved,**

To Adopt Board Resolution No. 15-74 Expressing Appreciation to  
Director Morgan Kaya.

The motion was unanimously approved.



**RESOLUTION NO. 15-74  
HAWAII PUBLIC HOUSING AUTHORITY**

**EXPRESSING APPRECIATION TO DIRECTOR MORGAN KAYA**

**WHEREAS**, Director Morgan Kaya is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

**WHEREAS**, as the at-large representative from Oahu, Director Kaya brought with her a wealth of experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

**WHEREAS**, Director Kaya worked tirelessly to improve services and programs for the families in the HPHA's programs; and

**WHEREAS**, Director Kaya was able to share her experience and expertise in personnel matters and public relations on various Board task forces; and

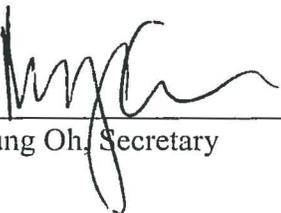
**WHEREAS**, the HPHA's Board of Directors hold Director Kaya in the highest personal regard.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya on this 21<sup>st</sup> day of May 2015 for her dedicated service;

**AND, BE IT FURTHER RESOLVED** that a copy of this resolution be transmitted to Director Morgan Kaya reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.

  
\_\_\_\_\_  
David Gierlach, Chairperson

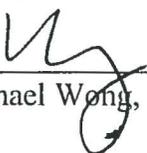
  
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Jason Espero, Vice Chair

  
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Myoung Oh, Secretary

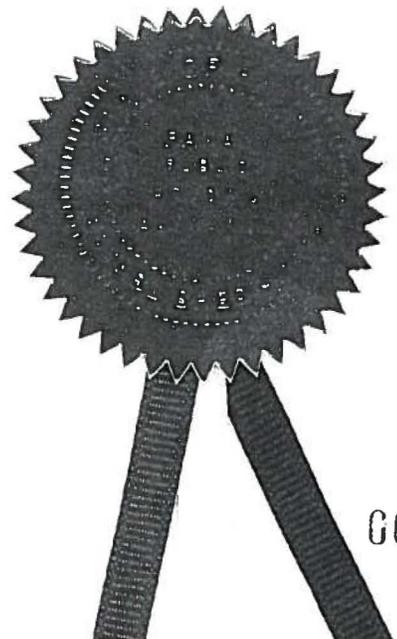
  
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Lisa Darcy, Director

  
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Gilbert DeMotta, Director

  
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Alena Medeiros, Director

  
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Rachael Wong, Director

  
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Elizabeth Kim, Director

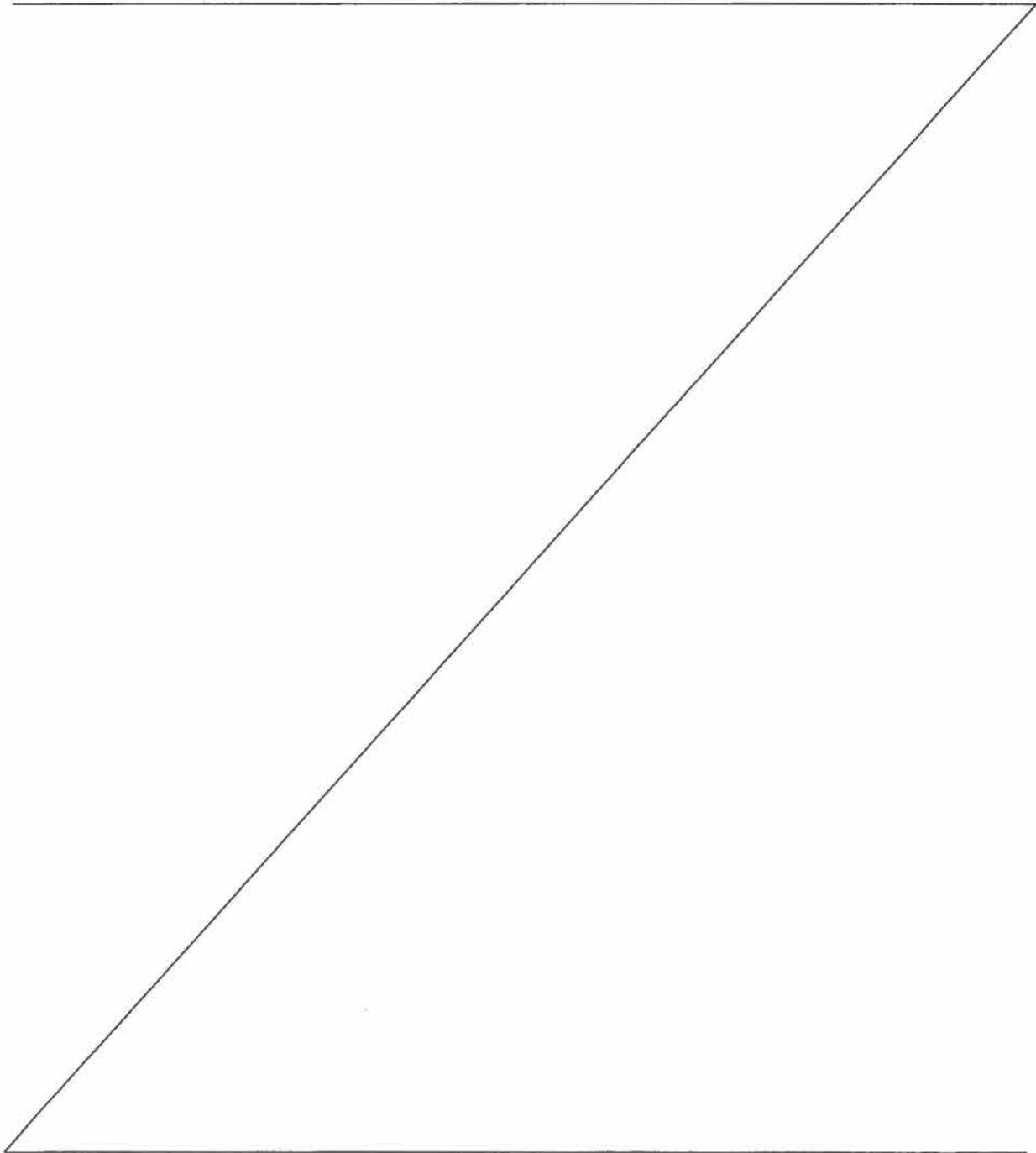


**For Action:**

**Director Kim moved,**

To Adopt Board Resolution No. 15-75 Expressing Appreciation to Director Sheri Tanaka.

The motion was unanimously approved.



**RESOLUTION NO. 15-75  
HAWAII PUBLIC HOUSING AUTHORITY**

**EXPRESSING APPRECIATION TO DIRECTOR SHERI J. TANAKA**

**WHEREAS**, Director Sheri J. Tanaka is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

**WHEREAS**, as the at-large representative from Oahu and owner/principal of the Law Office of Sheri J. Tanaka, Director Tanaka brought with her a wealth of real estate and legal experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

**WHEREAS**, Director Tanaka worked tirelessly to improve services and programs for the families in the HPHA's programs as she drew from her experiences as the Program Director for the Youth Detention Center in Utah and her many volunteer and community activities; and

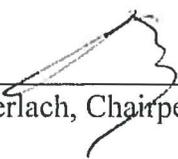
**WHEREAS**, Director Tanaka was able to share her experience and expertise by serving on various Board task forces; and

**WHEREAS**, Director Tanaka's hard work ethic, problem solving skills, positive attitude and infectious smile made even difficult discussions and tough decisions palatable;

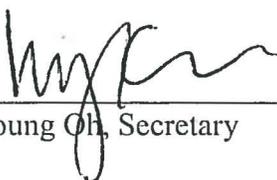
**WHEREAS**, the HPHA's Board of Directors and the HPHA staff hold Director Tanaka in the highest personal regard.

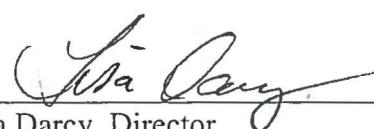
**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-75 Expressing Appreciation to Director Sheri J. Tanaka on this 21<sup>st</sup> day of May 2015 for her dedicated service;

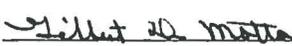
**AND, BE IT FURTHER RESOLVED** that a copy of this resolution be transmitted to Director Sheri J. Tanaka reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.

  
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David Gierlach, Chairperson

  
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Jason Espero, Vice Chair

  
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Myoung Oh, Secretary

  
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Lisa Darcy, Director

  
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Gilbert DeMotta, Director

  
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Alena Medeiros, Director

  
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Rachael Wong, Director

  
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Elizabeth Kim, Director



**For Action:**

**Director De Motta moved,**

To Reappoint the Following Individuals for an Additional Two-Year Term Expiring in July 2017:

1. Jane Moana Gray to the Oahu Eviction Board and as a Floating Resident Member;
2. Earl Mente to the Oahu Eviction Board;
3. Joyce Nakamura to the Oahu Eviction Board;
4. Solomon Kuresa to the Oahu Eviction Board,
5. Sylvianne Young to the Oahu Eviction Board;
6. George DeMello to the Hilo Eviction Board.

Executive Director Ouansafi reported that the Eviction Board is composed of members of the community and they volunteer their time. He reported that Ms. Gray has been on the Board for over 36 years. Mr. Mente has been on the Board for 18 years and is a property manager and real estate agent. Ms. Nakamura has been on the Board for 17 years and is a real estate agent. Mr. Solomon Kuresa has been on the Board for 18 years and is a public housing resident on Oahu. Ms. Sylvianne Young has been on the Board for 18 years and is a real estate agent and property manager. Mr. George De Mello has been on the Board for 8 years and is a public housing resident of the Hawaii Public Housing Authority in Hilo.

Director Kim stated that after reading Ms. Gray's letter it seems that she prefers not to serve on the Board. Executive Director Ouansafi responded that the HPHA has spoken with Ms. Gray and she does want to serve, but because it is time consuming many of the people serving say if you can find someone else they are willing to step down. He added that it is difficult to find new people to serve.

Director Kim stated that Mr. Mente, Ms. Nakamura and Ms. Young are all real estate agents and questioned whether there is a fair representation on the Board. Executive Director Ouansafi stated that every Board has a tenant Board member and these Board members are only a small representation of the Board.

Director Wong stated that because many of the HPHA Directors are new, it would be helpful to include a list of current Eviction Board members and their terms in the Board packet. Executive Director Ouansafi responded that the information is on page 16. Additionally, the staff is preparing an orientation packet for a future Board meeting.

The motion was unanimously approved.

**For Action:**

**Director Kim moved,**

To Adopt Board Resolution No. 15-76 related to the Hawaii Public Housing Authority Board of Director's Approval to Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa'a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038.

Executive Director Ouansafi reported that this is a housekeeping measure and that the Board approved the motion at the April 16, 2015 Board meeting. A Resolution is needed to satisfy the U.S. Department of Housing and Urban Development (HUD) requirement.

Executive Director Ouansafi reported that this "For Action" will allow the Kauai utilities to access the property to fix utility poles.

The motion was unanimously approved.

**For Action:**

**Director De Motta moved,**

To Approve the Hawaii Public Housing Authority's Policy on Investment, Subject to Review by the Department of the Attorney General.

Executive Director Ouansafi stated that because the Fiscal Management Office (FMO) is being reorganized and staff found that the investment policy has been in place from 2009, but was never formally approved by the Board. The policy was drafted by a financial consultant that was hired by HUD to provide technical assistance to HPHA. Executive Director Ouansafi explained that the proposed policy allows excess cash to be invested in investments that can be quickly liquidated. The Chief Financial Management Advisor (CFMA) supervises the investments and the Board also has the option to review the investments.

Chairperson Gierlach asked if it has been sent to the Attorney General's (AG) office. Executive Director Ouansafi responded that the AG's is currently reviewing it.

Director Medeiros asked what a Board task force and what is the difference between the Board task force and bringing the motion to the full Board for approval. Executive Director Ouansafi responded that occasionally the Board Chair appoints a task force of 3 or 4 Board members to review an item. The Board Task Force will meet with the staff and ask questions on behalf of the Board. The Board Task Force will then report back

to the full Board at the Board meeting and make their recommendations on the motion being considered.

Chairperson Gierlach stated that historically the Board appoints a Finance task force once a year.

Director Kim asked to explain what the Executive Director does compare to what the CFMA does. Executive Director Ouansafi responded that CFMA does the due diligence and reports to the Executive Director who makes the decision if it is a day-to-day operation or to bring it to the Board if it is a policy matter. This is for checks and balance.

Director Kim asked who decides what investments to make. Executive Director Ouansafi explained that suggestions and recommendations regarding investments can be made by the Board of Directors, the Executive Director or the CFMA. After the Executive Director and the CFMA conducts their due diligence review the investment is presented to the Board for approval.

Director Kim asked if all the decisions come to the Board. Executive Director Ouansafi responded that all policies are brought to the Board and all the day-to-day operations are filtered to the Executive Director.

Director Kim asked if investment decisions are brought to the Board. Executive Director Ouansafi confirmed that investment decisions are approved by the HPHA's Board of Directors.

The motion was unanimously approved.

**For Action:**

**Director Medeiros moved,**

To Adopt Property Specific Utility Allowance Rates Provided by National Facility Consultants for the Fiscal Year July 1, 2015 to June 30, 2016 for the Federal Low Income Public Housing Program and Authorize the Executive Director to Implement the Utility Allowance Rates Effective July 1, 2015

Executive Director Ouansafi reported that the HPHA is required by federal statute to provide utility allowance for public housing tenants who pay for their utilities. Pursuant to federal rules, tenants are not allowed to pay more than 30% of their adjusted income for rent and utilities.

The HPHA hires a national firm to conduct the utility study utilizing actual utility consumption data to determine a fair and reasonable utility allowance for each unit. The consultant determined that utility allowances for 39 categories will remain the same; 85 categories will have increased allowance with the maximum rent reduction at \$39;

and 21 categories will be paying between \$1 and \$2 more. Executive Director Ouansafi reported that additional allowances are given for tenants with reasonable accommodations.

Executive Director Ouansafi reported that there are tenants that receive checks from the HPHA to cover the costs of utilities. He reported that the HPHA conducts the utility study and establishes utility allowances on an annual basis. Prior to adoption, the public is given a chance to comment on the proposed utility allowances rates.

Director Wong asked if Executive Director Ouansafi can report on the HPHA being more energy efficient. Executive Director Ouansafi reported that within the last couple years the HPHA has been working on changing light fixtures and bulbs to energy efficient bulbs and purchasing energy star appliances.

The HPHA's utilities bills have been reduced from 3 years ago. The HPHA is also looking at other energy efficient and energy star rated appliances. Executive Director Ouansafi reported that the HPHA also started installing individual meters so tenants can pay their own utility bills, which in turn is saving the HPHA funds. Executive Director Ouansafi stated that the HPHA is looking into creating an electric farm on Hawaii Island that will generate enough power for the HPHA to be self-sufficient.

Chairperson Gierlach asked what the progress is on installing timers on hot water heaters. Executive Director Ouansafi responded that the HPHA has been working with a consultant and should be ready by the end of the year.

Director Darcy asked if 85% of tenants will have a reduction. Executive Director Ouansafi responded 85 categories. He stated that the every property has different size bedrooms and 85 categories will have reduction and 21 categories will pay more.

Director Darcy asked what the average of an electric bill is. Executive Director Ouansafi responded the breakdown is on page 55 and gave examples.

The motion was unanimously approved.

**For Action:**

**Director Kim moved,**

To Approve the Increase in Payment Standard From 95% up to 110% of the Fair Market Rents for the Section 8 Housing Choice Voucher Program; to Request a Regulatory Waiver from the U.S. Department of Housing and Urban Development to Increase the Payment Standard Up to 120% for Hard to House Families Where Appropriate; and to Authorize the Executive Director to Take All Necessary Steps to Implement the New Payment Standards Effective June 1, 2015 or as soon as Practicable.

Executive Director Ouansafi reported that HUD rules allow housing authorities to provide housing assistance payments from 90% to 110% of the fair market rents. Executive Director Ouansafi reported that the HPHA has about 250 vouchers assigned, but voucher holders are having trouble finding housing due to the high cost of housing on Oahu. The HPHA is requesting approval to increase the housing payment standard up to 110% and on a case by case basis request for approval from HUD for payment standard of up to 120%.

Director Kim asked if the increase in payment standard will mean the tenant needs to pay more. Executive Director Ouansafi responded no because the tenant can only pay up to 40% of their adjusted income. The increase in payment standard would allow the HPHA to enter into contracts with landlords in areas where a rent is reasonably more than the area's fair market rents.

Executive Director Ouansafi reported that the City and County of Honolulu's (C & C) payment standard is currently at 100%.

Director Wong asked if the HPHA is limiting the vouchers because the amount of funds the HPHA receives. Executive Director Ouansafi responded that HUD allows a set amount of vouchers along with a set amount of funds. HUD has a formula based on what congress funds. The HPHA currently leases about 2,055 vouchers.

Director Wong stated she knows the C & C has Section 8, but how many other Section 8 programs are there. Executive Director Ouansafi responded all the Counties have a Section 8 program.

Executive Director Ouansafi reported that up to this year the HPHA was the only agency providing Veteran's Affairs Supportive Housing (VASH) vouchers. The C&C has about 80 vouchers and the HPHA has 400 vouchers.

Director Medeiros asked if there is a downside to increasing to 110%. Executive Director Ouansafi responded that the downside would be there are potentially fewer vouchers that can be funded in this year.

Director Darcy asked why it previously was only 95%. Executive Director Ouansafi responded because the HPHA did not have as many vouchers issued. The HPHA just issued 300 vouchers.

Director Darcy asked whether increasing the payment standard to 110% is enough for our program needs. Executive Director Ouansafi responded that the 110% payment standard is the maximum allowed by HUD.

The motion was unanimously approved.

Chairperson Gierlach stated that the Finance task force report will be deferred.

Executive Director Ouansafi stated that the HPHA had the budget prepared to bring to the Board of Directors for approval during this Board meeting. However, because the Legislative Session ended without extending Act 159 (Special teams), the HPHA staff had to redo the entire budget. Asset Management Projects (AMP) budgets were rejected and staff started from scratch.

Chairperson Gierlach asked to Executive Director Ouansafi to explain more about the Special Teams. Executive Director Ouansafi responded that three years ago it took an average of 267 days to fix a unit. Due to the creation of the Special Teams and their skills, the time to fix a unit has been reduced to 7 days. He added that in the past, over 560 units were vacant for 2 to 11 years, but many have been repaired. The HPHA is now earning approximately \$4 million because of additional rent revenue and HUD subsidy for the occupied units. HPHA's occupancy has drastically improved.

Chairperson Gierlach asked if Act 159 required Legislative authorization. Executive Director Ouansafi confirmed that Act 159 required Legislative authorization and reported that Act 159 failed because there was opposition from the union. Executive Director Ouansafi reported that without the Special Teams occupancy will go down by more than 3% and which is a reduction of \$3.4 million. Executive Director Ouansafi reported that the HPHA is working on different ways to maintain a centralized team who has the skill set of the Special Teams. The Special Teams consists of 36 exempt staff whose positions will sunset on June 30, 2015.

Chairperson Gierlach asked that the Board stay on top of Act 159 and see if it can be passed next Legislative session.

Director Medeiros asked which union opposed Act 159. Executive Director Ouansafi responded the United Public Workers (UPW) union. Executive Director Ouansafi stated that the Board can discuss personnel matters in more detail during Executive Session.

Director Wong stated that this was her first Legislative session and noted that all departments were under scrutiny and were asked to look at staffing.

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

- Executive Director Ouansafi reported that the HPHA requested \$35 million in CIP from the Legislature, but was appropriated approximately \$4.15 million. To put it in perspective, he stated that the contract to abate the unforeseen arsenic at Lanakila Homes will cost more than \$3 million in change orders. Executive Director Ouansafi reported that the Legislature is subsidizing the State public housing with \$3 million. By law the HPHA should brake-even. He stated that because of the subsidy the HPHA will only need to ask the Board for a moderate rent increase instead of doubling the rent. The State public housing program has 864 units and approximately 80% is elderly and disabled units. Executive Director Ouansafi

reported that Budget and Finance (B&F) office is under new leadership and they are working with the HPHA on the HPHA's reimbursement.

- Executive Director Ouansafi reported that HUD's Real Estate Assessment Center (REAC) inspections are federally mandated. The HPHA has approximately 5,400 units in the Federal public housing program. If the inspection score is 90 or above, then inspections are held every 3 years. If a property score is between 80 to 89 points, inspections are held every 2 years. Properties with scores lower than 80 points are subject to annual inspections. The HPHA's scores have been going up.
- Executive Director Ouansafi stated that the budget had to be scrapped. He stated that the HPHA has the most complicated budget because it is composed of 105 budgets combined into one and includes rent, grants, subsidies, and etc.
- Executive Director Ouansafi reported that the HPHA housed 59 new families in public housing and 28 families in Section 8 of which 13 were utilizing the VASH vouchers.
- Executive Director Ouansafi reported that the HPHA has not lapsed funds. He reported that the HPHA has approximately \$100 million of construction happening statewide and is in the process of awarding approximately another \$26 million.
- Executive Director Ouansafi reported that the Hearings Office heard 24 cases. 16 cases were for rent and 8 for other lease violations. Of the 16 cases, 4 were evicted (3 for rent and 1 for other lease violations) and the remaining cases resulted in evictions with conditions.
- Executive Director Ouansafi stated that the HPHA worked with the Make-A-Wish Foundation for an event held to honor the wishes of a 5 year boy with a heart condition at Mayor Wright Homes (MWH).
- Executive Director Ouansafi reported that Hawaii Island has many issues. On the Hilo side there is arsenic in the soil and on the Kona side there is an issue with the unexploded ordinances.

Director Wong asked about the outcome of the meeting with the Department of Health (DOH). Executive Director Ouansafi responded that the DOH helped train staff and has been going to each property to discuss cessation programs with the tenants. The DOH also provided some funds to assist in purchasing the no-smoking signs.

Director Wong asked if the Tobacco Free Coalition brought bills before the Legislature for no smoking in public housing. Executive Director Ouansafi responded that the HPHA started the process by changing the administrative rules. Once the rules were adopted, the Tobacco Free Coalition introduced a bill and the HPHA had no objections as long it matched its administrative rules.

With regards to assigning smoking areas at the properties, Executive Director Ouansafi reported that it is not as easy as designating a smoking area. By law, the HPHA is mandated to ensure that the designated smoking areas are American Disabilities Act (ADA) compliant. The Compliance Officer went to the property to make sure that all the paths are ADA compliant. Properties that have ADA compliant areas could have designated smoking areas and some properties won't until the HPHA obtains funds to construct an ADA compliant designated smoking area.

Director Kim stated she doesn't understand how the airport, in a small confined space, there is a designated smoking area, but not in a public housing complexes. Executive Director Ouansafi responded that by law the area needs to be outside the 20 feet and accessible to everyone. Chairperson Gierlach stated that because of the nature of some of the units it does not allow for compliance without investing a lot of funds.

Director Kim asked if staff can describe Kalakaua Homes. Executive Director Ouansafi stated Kalakaua Homes has 3 buildings and needs to find an area that is at least 20 feet away from all buildings and has an accessible route from each building to be ADA compliant. Executive Director Ouansafi reported once the designated smoking areas are identified the process is: 1) ensure that construction funds are available; 2) hire a consultant and an architect to design the areas; 3) issue an Invitation for Bids ; and then 4) construction can start. Executive Director Ouansafi reported that every property was surveyed and only 9 properties had tenants who indicated that they wanted a designated smoking area.

Director Wong asked if the issue is just communicating this to the residents. Executive Director Ouansafi responded that the HPHA did in fact communicate with the residents multiple times.

Executive Director Ouansafi reported that the HPHA has also communicated with the KPT low-rise residents, but because negotiations are ongoing, no detailed information can be provided at this time.

Director De Motta pointed out that the Board asked the testifiers to stay and hear the Executive Director's responses to their concerns, but they all left and then next month they will come back. He speculated that this could be part of the reason that they claim that they are not being communicated with.

Director Medeiros asked if the HPHA has looked into the allegations that the Kalakaua Homes manager retaliates. Executive Director Ouansafi reported that the HPHA has a zero tolerance of retaliation. Executive Director Ouansafi also reported that every complaint is investigated.

Director Darcy asked if there is an estimate on how much it would cost to make designated smoking areas. Executive Director Ouansafi responded it varies, but to create designated smoking areas in all the properties that do not already have one will cost approximately \$15 million. Some projects are simple and some are more difficult.

Director Medeiros asked if the HPHA is breaking any laws by not providing a designated smoking area. Executive Director Ouansafi responded no.

Director Medeiros asked if the rule is 20 feet from the building, why was the tenant cited for smoking 30 feet from the building. Executive Director Ouansafi responded that the law is no smoking on public housing property unless there is a designated smoking area.

Director Medeiros asked if the tenant misstated the law. Executive Assistant Arashiro responded that the tenant was referring to the State's law which states that there is no smoking in public areas, but there is another law which specifically applies to HPHA's public housing properties.

Executive Director Ouansafi also reported that a contract has been signed to repair the walkways at KPT.

**Director De Motta 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 for April 16, 2015;**
- 2. Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03);**
- 3. Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09);**
- 4. Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations.**

The motion was unanimously approved.

**The Board reconvened from Executive Session at 10:50 a.m.**

Chairperson Gierlach reported that the Board approved the Executive Session minutes of April 16, 2015; discussed Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03); discussed Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09); and discussed Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations.

**Adjournment:**

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

**Director Oh moved,**

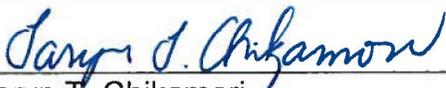
To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned 10:51 a.m.

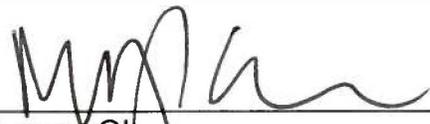
**MINUTES CERTIFICATION**

Minutes Prepared by:

  
\_\_\_\_\_  
Taryn T. Chikamori  
Secretary to the Board

JUN 18 2015  
\_\_\_\_\_  
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on June 18, 2015: [ ] As Presented [ ] As Amended

  
\_\_\_\_\_  
Myoung Oh  
Director/Board Secretary

JUN 18 2015  
\_\_\_\_\_  
Date