

**HAWAII PUBLIC HOUSING AUTHORITY  
NOTICE OF MEETING  
REGULAR BOARD OF DIRECTORS MEETING  
1002 North School Street, Building A Boardroom  
Honolulu, Hawaii 96817  
December 17, 2015  
9:00 a.m.**

**AGENDA**

**I. CALL TO ORDER/ESTABLISHING QUORUM**

**II. APPROVAL OF MINUTES**

Regular Meeting Minutes, November 19, 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**

Motion: To Amend the October 15, 2015 Board Adopted Meeting Minutes to Correct Appointments to the Board Finance Task Force from Director Myoung Oh to Director En Young, and to Include Director Elizabeth Kim on the Task Force

**V. FINANCE TASK FORCE REPORT on the Hawaii Public Housing Authority's Draft Audited Financial Statements for Fiscal Year July 1, 2014 to June 30, 2015**

**VI. FOR ACTION**

Motion: To Approve Draft Audited Financial Statements for the Hawaii Public Housing Authority for Fiscal Year July 1, 2014 to June 30, 2015 ("Audit") and Authorize the Executive Director to Finalize the Audit to Include Final Pension Schedule and Submit the Final Audit to Applicable State and Federal Offices

## VII. FOR INFORMATION/FOR DISCUSSION

- A. For Information: U.S. Department of Housing and Urban Development Approval of the Hawaii Public Housing Authority's Request for Repeal of the January 7, 2009 Amendment and Approval of Demolition of Six Units at Lanakila Homes, HA 1004, Hilo, Hawai'i. Building 59: 499 and 501 Kapi'olani Street (1004-0059L and 1004-0059R respectively); Building 61: 559 and 561 Wailoa Street (1004-0061L and 1004-0061R respectively); and Building 62: 6 and 8 Akahi Street (1004-0062R and 1004-0062L respectively), Hilo, Hawai'i, 96720; all TMK: (3) 2-4-028:007
- B. For Discussion: Update from Director Myoung Oh on the November 17, 2015, Hawaii Association of Realtors' Landlord Summit

## VIII. EXECUTIVE DIRECTOR'S REPORT

Property Management and Maintenance Services Branch Activities and Program Status for the Month of November 2015  
Section 8 Subsidy Programs Lease Up; 2016 HUD Renewal Awards, Section 8 Housing Choice Voucher Program – Award of Additional Funding  
Mixed-Finance, Public-Private Partnership at Kuhio Park Terrace, Mayor Wright Homes, and School Street Offices.  
Contracts Executed During November 2015  
Update on Legislative Proposals and Requests Submitted to the Governor

## IX. EXECUTIVE SESSION

The Board will 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 to:

- A. **Approval of Executive Session Minutes:**
  - 1. October 15, 2015 (not for public distribution)
  - 2. November 19, 2015 (not for public distribution)
- B. **Board Orientation and Briefing on Legal Matters by the Department of the Attorney General Regarding:**
  - 1. The Board's powers, responsibilities, duties, privileges, immunities, and liabilities;
  - 2. Pending Litigation: (1) *Steven Rodrigues, et al., v. Corbit K. Ahn, Hawaii Public Housing Authority et al.* (Civil No. 10-1-1411-06 ECN, First Circuit Court); (2) *McJerold William, et al. v. Kiamalu Security*

*Services, Universal Protection Services, Hawaii Public Housing Authority, et al.* (Civil No. 15-1-0388-3, First Circuit Court); and (3) *Mary Gold Cabaluna v. Vincent Vanderford, an individual, State of Hawai'i, Federal Housing Mayor Wrights, et al.* (Civil No. 14-00480LEK-RLP, U.S. District Court).

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Didi Ahakuelo-Kepa 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 A,  
HONOLULU, HAWAII 96817  
ON THURSDAY, DECEMBER 17, 2015  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, December 17, 2015 at 9:00 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

**PRESENT:** Director Pono Shim, Chairperson  
Director Alena Medeiros, Vice Chairperson  
Director Jason Espero, Secretary  
Director George De Mello  
Director Lisa Darcy  
Director Myoung Oh  
Director Laura Smith  
Director En Young

Deputy Attorney General, Jennifer Sugita  
Deputy Attorney General John Wong

**EXCUSED:** Director Elizabeth Kim  
Director Rachael Wong

**STAFF PRESENT:** Barbara Arashiro, Executive Assistant  
Dawn Takeuchi Apuna, Chief Planner  
Kiriko Oishi, Chief Compliance Officer  
Rick Sogawa, Contract and Procurement Officer  
Becky Choi, State Housing Development Administrator  
Stephanie Fo, Section 8 Branch Chief  
Shirley Befitel, Personnel Supervisor  
Renee Blondin-Nip, Hearings Officer  
Dean Sakata, Housing Development Specialist  
Sam Liu, Property Management Specialist  
Kau'i Martinez, Resident Services Program Specialist  
Maricar Campos, Property Management Specialist  
Deidra Ahakuelo-Kepa, Secretary

**OTHERS PRESENT (and signing in as):**  
Wilcox Choy, KMH LLP  
Fetu Kolio, private resident  
Andrew Nakoa Sr., Mayor Wright Homes resident

**Proceedings:**

Chairperson Shim declared a quorum present. He introduced newly appointed Director George De Mello.

Director De Mello mentioned that he has worked with many of the staff and is pleased to be representing the tenants on the HPHA's Board of Directors.

**Approval of Minutes:**

**Director Smith moved,**

**To approve the Regular Meeting Minutes of November 19, 2015.**

Director Darcy requested that the minutes reflect her comments to Homeless Coordinator Scott Morishige's presentation, where she had requested that the chart in his handout include arrows in the section concerning coordination and information.

Chairperson Shim clarified that Director Darcy had raised a question about the lines of communication in Mr. Morishige's chart presentation, and that Mr. Morishige acknowledged this.

Director Myoung Oh requested that the minutes include that he was present and attended the meeting.

The minutes were unanimously approved, as amended.

**Public Testimony:**

Fetu Kolio, private resident, stated that he wanted to continue to share that the Supreme Court ruled in his favor and that he should be placed back into public housing at Mayor Wright Homes, unit 34D. Mr. Kolio alleged that the HPHA is delaying his reinstatement and threatened additional litigation concerning this issue. He also stated that Agenda Item IX – Executive Session: Dept. of the Attorney General Board Orientation and Briefing on Legal Matters is coming before the Board, and that the directors should have an understanding of why the Supreme Court ruling is not being upheld. Mr. Kolio reported that he submitted his application to HPHA over seven months ago and has received no communication back from HPHA. He alleged that he was illegally evicted because of a conspiracy. He further stated that he was not the best tenant, but he helped out at Mayor Wright Homes, and despite HPHA lying, because of him, there is a lot of construction going on at Mayor Wright Homes.

Andrew Nakoa, Sr., Mayor Wright Homes resident testified that he would like to complain about the property manager. He stated that the time of the resident meetings were not convenient for tenants who work, and that the Manager spoke for 30 minutes which did not allow enough time for the tenants to voice their concerns. Mr. Nakoa brought up concerns about other residents stealing clothes from his clothesline in 2013 and again on November 29, 2015. He previously suggested that tenants be provided dryers, but was told it would be cost prohibitive to retrofit the units with outlets required for the dryers. He also suggested the security guards patrol the property and check the clotheslines overnight.

Mr. Nakoa further stated that at the resident meeting, another family brought up concerns about the kids engaged in cockfighting and leaving the dead rooster on the ground. When the resident was asked to identify the kids and the resident responded that "it was Micronesians", the Property Manager asked the residents not to accuse a specific ethnic group. He stated that the Property Manager did not want to hear any more and continued with the meeting. Mr. Nakoa alleged that the Property Manager scolded only his kids for playing volleyball, and not the other Samoan kids. He also alleged that the Property Manager towed his car at his previous unit of 10G when she told him that she wasn't going to tow it. Mr. Nakoa also stated that several years ago, she came to his unit and was pounding on his door to tell him to move his belongings because a storm was coming.

Mr. Nakoa reported that at the meeting, the Property Manager also threatened the residents by stating that she would be writing them up for lease violations and evict them. He requested that the Property Manager be removed or fired and that something should be done before someone gets really mad at her and does something to her.

**For Action:**

**Director Oh moved,**

To Amend the October 15, 2015 Board Adopted Minutes to Correct Appointments to the Board Finance Task Force from Director Myoung Oh to Director En Young, and to Include Director Elizabeth Kim on the Task Force

The motion was unanimously approved.

**Finance Task Force Report:**

**Report on the Hawaii Public Housing Authority's Draft Audited Financial Statements for Fiscal Year July 1, 2014 to June 30, 2015.**

Director Smith reported that the Finance Task Force members, Director Smith, Director Young, Director Medeiros and Director Kim met earlier in the week. She mentioned that the Task Force reviewed the draft Audited Statements with the auditors from KMH LLC and that Mr. Wils Choy, KMH Partner, would present the Statement of Accounting Standards (SAS) 114 letter later in this meeting. Director Smith noted that the audit is due December 31, 2015, but there was a delay in completing the report due to Employee Retirement System (ERS) issues with the State's pension obligations.

Director Smith reported that the KMH auditors spent a lot of time educating the Task Force about some of the things that the Board is responsible for and commented that the meeting was productive. Director Smith acknowledged the effort that staff made to get the financial statements under control and in line and recognized Executive Assistant Barbara Arashiro and Chief Financial Management Advisor Chong Gu for their role in helping to make this a successful audit.

**For Action:**

**Director Smith moved,**

**To Approve Draft Audited Financial Statements for the Hawaii Public Housing Authority for Fiscal Year July 1, 2014 to June 30, 2015 ("Audit") and Authorize the Executive Director to Finalize the Audit to Include Final Pension Schedule and Submit the Final Audit to Applicable State and Federal Office**

Mr. Wilcox Choy, Partner at KMH LLP explained that their firm was contracted to perform an audit of the HPHA's financial statement and to perform a single compliance audit of the HPHA's federal programs. Mr. Choy's presentation focused on the draft audited financial statements. He further explained that the Government Audit Standards Board (GASB) requires the auditors to communicate certain matters of governance to an audit committee or to the Board which would also be issued in a formal letter.

Mr. Choy discussed key items in the letter as follows.

- Change in accounting policy under Government Accounting Standards Board Pronouncement 68 which changed the way government agencies are required to account for its pension liability. He explained that previous accounting requirements allowed government agencies to account for pension liabilities on a cash basis. Mr. Choy explained that GASB changed that rule to be consistent with the private sector and required government agencies to record the projected future benefit obligation and to record the pension liability.

Mr. Choy explained that the HPHA allocated portion of the pension liability is approximately \$23M and that the agency has a net pension liability obligation

that is reflected in the financial statement. The offset entry to that is the reduction in the net financial position or net assets. This change required Management to work with ERS for its pension obligation and that was part of the delay in the completion of the audit.

Mr. Choy reported that the pension information was received from ERS on December 15, 2015 and that KMH is currently reviewing it. Mr. Choy did not expect any major changes to the draft financial statements. Mr. Choy also mentioned that there are a lot of disclosures in the footnotes that are required by GASB.

- Mr. Choy reported that the auditors did not identify any significant or unusual transactions this year.
- Mr. Choy explained that the auditors proposed 12 audit adjustments this year, with seven pertaining to construction in progress. As the adjustments were confined largely to one area, the auditors felt that the issue is not wide spread. He further recognized the improvements in accounting processing and reporting. Mr. Choy explained that in 2012 there were an estimated 50 adjusting journal entries (AJEs) and in 2010 there were close to 100 AJEs. He commented that the current 12 AJEs is indicative of the amount of staff effort and the HPHA's commitment towards improvement.

Mr. Choy reported that there were no uncorrected misstatements this year. Uncorrected misstatements are when the auditor proposes an adjustment, but Management decides not to record it.

- Mr. Choy reported that they did not encounter any disagreement or difficulties with Management. They did have discussions and Management was very cooperative.
- Mr. Choy explained that there is a required disclosure letter which comments on any significant deficiencies or material weaknesses in internal control that will be issued as part of the Single Audit. The Single Audit is a compliance audit of the federal programs and is due in March 2016. The Financial Statement is due on December 31, 2015 to the Department of Accounting and General Services (DAGS), State of Hawaii. The HPHA financial statements are included in the State of Hawaii's Comprehensive Annual Financial Report (CAFR).
- Mr. Choy explained that there were some adjustments related to the construction in progress (CIP) which will likely yield a control comment. He explained the various levels of severity of control comments and explained that the auditors are still evaluating the control comment relative to the CIP to determine its level of severity.

- Mr. Choy stated that there is a newly issued GASB Pronouncement No. 75, related to accounting for other post-employment or health and welfare plan (OPEB). The HPHA would follow the same cash accounting requirements, however in June 2018, the State of Hawaii will be required to record the OPEB liability on an accrual basis. He stated that ERS has a trust fund set up for the pension liability, which is managed by ERS. However, the State does not have a trust fund for the OPEB liability. He wanted to apprise the Board of this information because it will likely have a significant impact on the financial statements in June 30, 2018. Mr. Choy stated that they will share the information as they receive it.

**Director Medeiros left the meeting at 9:36 a.m.**

- Director Young requested that Mr. Choy present to the Board, for clarification, the information he shared in the Task Force committee meeting, i.e., that the agency may still be considered high risk, the areas of high risk, and proposed Management resolutions.

Mr. Choy explained that under the Single Audit, the federal government provides the agency with federal funds which are bound by certain program requirements, including an audit requirement. The federal government defines what is expected of the audit and how the program evaluation should occur.

Mr. Choy further explained that if an agency is considered "high risk", the auditor needs to test more federal programs. They do not audit all of the federal programs because that would be cost prohibitive. He explained that the federal government has certain thresholds and requires audits of programs that meet the definition of a major program or that are considered high risk. He also explained that if an agency had a previous audit which revealed several area of non-compliance or a repeated finding from previous years, the agency would be considered a high risk agency. If the agency is considered low risk, i.e., one that has resolved its findings or had no findings, then the auditors would test less.

Mr. Choy explained that the amount of information and processing that the HPHA has to go through relative to the federal requirement is significant. He commented that there are thousands of tenant files and HPHA must account for all the tenant attributes, so when it's audited they are compliant. He also stated that the agency has had some difficulties in certain areas. Although there are many improvements, the previous audits did have control and compliance findings.

Mr. Choy thanked Management for their cooperation with the audits and acknowledged that the audit takes their time away from their daily work. He also thanked Executive Assistant Barbara Arashiro and Chief Financial Management Advisor Chong Gu for the amount of effort they put in over the past years.

Chairperson Shim also thanked Executive Assistant Arashiro and staff.

**The motion was unanimously approved.**

Chairperson Shim noted that Director Medeiros was not present for the vote.

**For Information:**

**U.S. Department of Housing and Urban Development Approval of the Hawaii Public Housing Authority's Request for Repeal of the January 7, 2009 Amendment and Approval of Demotion of Six Units at Lanakila Homes, HA 1004, Hilo, Hawai'i. Building 59: 499 and 501 Kapi'olani Street (1004-0059L and 1004-0059R respectively); Building 61: 559 and 561 Wailoa Street (1004-0061L and 1004-0061R respectively); and Building 62: 6 and 8 Akahi Street (1004-0062R and 1004-0062L respectively), Hilo, Hawai'i, 96720; all TMK: (3) 2-4-028:007)**

Executive Assistant Arashiro provided an update from the October 15, 2015 meeting when Management asked for Board approval to request from HUD, approval to demolish the six units. She informed the Board that HPHA received HUD approval to proceed with demolition, as requested.

Chairperson Shim thanked Management for the good news.

**For Discussion:**

**Update from Director Myoung Oh on the November 17, 2015, Hawaii Association of Realtors' Landlord Summit**

Director Oh reported to the Board that the Realtors Association estimated that approximately 80 leads for rental housing units came out of the Landlord Summit. The housing leads could be direct responses to trade shows, to the event itself, or any interested or wanting more information. He explained that in the next couple of months, out of the 80 leads, they would need to gauge whether or not they actually result in available units on the market.

He mentioned that after the event, he received calls from landlords who indicated that they had units available and he directed them to the City because it had monies available.

Director Oh also reported that overall, the Veterans Affairs' programs were well received and they are working to take the summit to the neighbor islands. There are ongoing discussions about holding a summit on the Big Island but nothing is confirmed.

Director Oh indicated that he had hoped for 200 leads, but acknowledged that 80 leads is a promising start for the first event. He mentioned that there are also some improvements and follow up to be made from the first event.

Director Darcy asked if the summit was video-taped or if there were minutes from the event. Director Oh responded that the summit was not recorded.

Director Oh also commented that the event was about two hours and he believed they could have used another hour. He mentioned that Dan Cooke was an excellent moderator. He stated that perhaps they should have screened the questions that were presented, rather than having it open ended. However, he also did not want the event to be scripted, which he felt encouraged landlord participation.

Director Darcy asked if there are plans for another follow up event. She understands that this is the beginning and felt that we will eventually get the goal of 200 if there are additional events.

**Director Medeiros returned to the meeting at 9:49 a.m.**

Director Oh responded that they are planning to work with the City and the State to do a follow up event, but he is not certain if it would be in the same format. He explained that he would like to see it through to address some of the issues that were presented. For example, there was a landlord who testified that her property was destroyed by a tenant. The Honolulu Star Advertiser actually did a follow up article with her and she stated that she is coming back to participate in the program because she wants to help others in the community. Director Oh reported that even though this landlord had a bad experience, she is still willing to rent her unit to a needy family.

Director Oh mentioned that there were questions about whether landlords with rooms available could be able to participate in the Section 8 program.

Stephanie Fo, Section 8 Branch Chief responded that Section 8 can be used for single room occupancy units.

Director Young stated that many times landlords prefer military because there's an intermediary who's going to take care of everything, whereas Section 8 sounds a lot like subsidized employment programs for reintegrating prisoners where a nonprofit intermediary acts as a guarantor. Director Young agreed with Director Oh's recommendation of providing case management services for certain Section 8 tenants, which could be something that local nonprofits could try to provide.

Director Smith agreed that case management is a necessary support for families who are making the transition into permanent housing. She commented that it's always helpful to have an intermediary when there are issues with the tenant to smooth things out.

Director Espero offered to help the 80 landlords who are interested in renting their units and suggested a separate meeting with the landlords and Oahu Continuum of Care group. The Partners in Care (PIC) can help inform landlords about programs and support services available for homeless individuals. He also mentioned that the landlords could be provided information on the case management program, points of contacts, repair guarantees on units, and how the service providers can serve as a liaison with the landlords. Director Espero is on the executive team for the PIC and could bring this up at his next meeting in January.

Director Oh also discussed an article in the Honolulu Star Advertiser about a small landlord who lived in Waikiki and wanted to help a tenant who had recently lost his job. The landlord called the Governor's Office and was referred to Catholic Charities; they reviewed and verified the information and paid his rent. The landlord was able to retain this tenant, who they felt was a good tenant. Director Oh stated that there are potentially many landlords or property managers who have good tenants, but do not know about the community resources available for their tenants. He further stated that he was recently made aware of a program to help with electricity payments, down payment, back rent, and emergencies to keep tenants into their units. He stated that it would be beneficial if there was one collection of information on all of the community resources and hopefully the PIC and the State can work on this.

Director Darcy stated that it is really important to not only hold a forum, but also schedule a follow up to the forum. She stated that it would be helpful for the participants to know that what steps will be taken after they attend the initial meeting.

#### Executive Director's Report:

- Executive Assistant Arashiro reported that Management continues to focus on its core responsibilities of repairing units, filling the units and collecting the rent.
- Executive Assistant Arashiro reported for the Section 8 Program, PHAs nationwide received a letter from HUD dated November 9, 2015 for the 2016 Housing Choice Voucher Program Renewal Awards which informs the PHAs about preparing for the funding process for the next funding year. The Final Bill from the House and the Senate Appropriation Committee indicates that funding will be close to 100% proration for the next calendar year. Consequently, HUD is encouraging PHAs to lease up as many families as possible at the end of the calendar year. HUD is also encouraging PHAs to re-evaluate the adequacy of their payment standards. HPHA's payment standard is at 110% which is the maximum that a PHA can go to without special HUD approval.
- Executive Assistant Arashiro reported that HPHA received a notice from HUD that there will be a small award of additional funding under the Housing Choice Voucher Program in the amount of \$23,742 entitled "2014 Shortfall Reproration". HPHA will

be receiving an amended ACC with revised funding exhibits reflecting the new amounts.

Director Young asked if there is a spending or expenditure deadline for the additional funding. Executive Assistant Arashiro responded that usually there is no spending deadline but that Management monitors the expenditures because the agency is trying to increase voucher leasing rates.

- Executive Assistant Arashiro reported for the Section 8 Subsidy Program, Management is in the process of updating the Administrative Rules to ensure that the rules are in the correct chapter, Title 17 under DHS, rather than Title 15 under DBEDT. These state programs are the last of the rules to be amended and will likely be presented to the Board in January and February.
- Executive Assistant Arashiro reported that Management is conducting its internal review of some of the smaller programs such as the Rent Supplement program and Internal Service Funds. She mentioned that some of the smaller programs are not considered major programs so they don't have the compliance audit, however, after the audit, Management will review the program for compliance and activities.
- Chairperson Shim asked when HPHA received the November 9, 2015 letter from HUD. He noted that he had two meetings with Jesse Wu of HUD and it was not discussed, so he thought perhaps HPHA received it after his meeting.

Executive Assistant Arashiro responded that it was received via email and that she could check on the actual date received. Chairperson Shim mentioned that it was not necessary and that he would speak with Jesse Wu, but just wanted to make sure that this is updated information.

- Executive Assistant Arashiro reported that the Mixed Finance Redevelopments are still proceeding and the three projects are still in negotiations as follows:
  - For the Mayor Wright Homes project, HPHA and Hunt Development Group are nearing completion of an Exclusive Negotiating Rights Agreement and Pre-development Loan Agreement, both of which are currently being reviewed by legal counsel;
  - For the Kuhio Park Terrace project, HPHA and Michaels Development continue to negotiate details for Phase 2; and
  - For the School Street Redevelopment, HPHA and the Retirement Housing Foundation are negotiating terms of a Memorandum of Understanding (MOU).
- Director Espero asked how many people are on the waitlist for regular public housing, and the percentage of tenants paying rent or the collection rate of rents.

Executive Assistant responded that she didn't have the information available at this time. Chairperson Shim requested that the information be sent to the Board later.

- Executive Assistant Arashiro reported on the updated Legislative Proposals and requests submitted to the Governor. She stated that Management believes that the Governor has agreed to include in his budget 64 new positions for the Multi Skilled Worker Program. She further reported that:
  - HPHA also requested funding for one year to cover administrative staff for the Section 8 program. This would allow the agency to pay for administrative costs using State funds and the federal funds received for administrative costs could be used to increase the voucher lease up;
  - The Governor also agreed to include a second year appropriation of \$3 million to support the State family housing properties and State elderly housing programs; and
  - The Governor included in his legislative package a budget of \$25 million for HPHA to conduct CIP improvements and \$6 million to conduct repairs to vacant units.
- Director Medeiros asked what HPHA had submitted in its initial request to the Governor for the CIP budget. Executive Assistant Arashiro responded that the initial request was over \$100 million as the HPHA is working with a 10 year projection of \$850 million based on the last Physical Needs Assessment (PNA). HPHA is currently in the process of finalizing a new PNA as the prior figure may now be outdated. Executive Assistant Arashiro explained that the PNA is completed for every property and used to project the capital needs for the next five years. Director Medeiros pointed out that the HPHA's most recent projection is \$850 million, but the administration's budget request is for \$25 million.

Executive Assistant Arashiro explained that the HPHA's budget requests are reviewed by DHS and the Department of Budget and Finance, both of whom then make a recommendation to the Governor, and that not all of the requests actually make it to the Governor for his consideration.

- Chairperson Shim asked about last year's appropriation amount. Executive Assistant Arashiro responded that the HPHA received \$5 million in capital improvement program funds last legislative session.
- Executive Assistant Arashiro further reported that:
  - HPHA requested for three additional positions to administer the Rent Supplement Program as currently only one position is funded for the statewide program. She further noted that the HPHA requests for reinstatement of these positions every year;

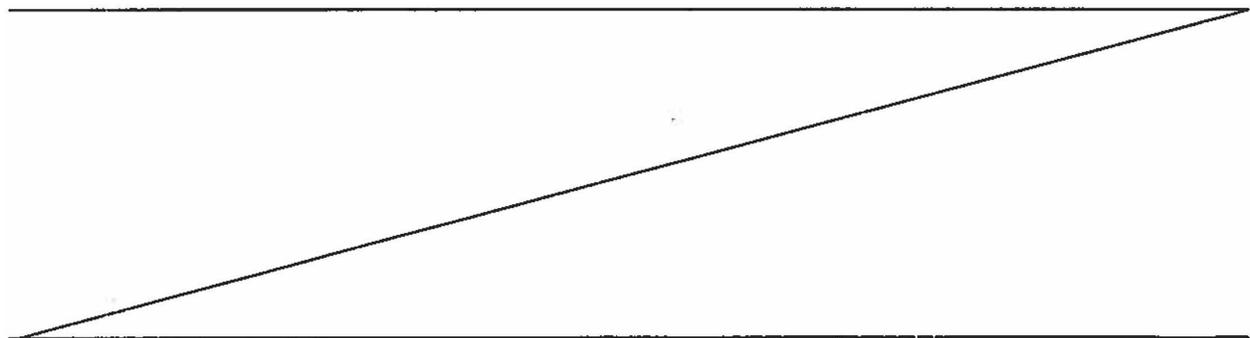
- HPHA also requested the creation of other positions (e.g., Redevelopment Officer), but it was not included in the Governor's budget. HPHA also requested conversion of Construction Management Branch positions to be switched from federal funds to revolving funds, but that was also not included.
- Director Medeiros asked if the Rent Supplement Program (RSP) was for tenants who find themselves in need or if they can apply to a certain provider or PHA for rental assistance to prevent them from being evicted or becoming homeless.
- Executive Assistant Arashiro responded that the RSP is similar to the Section 8 program in that it provides continuous rental assistance, but the subsidy is less than Section 8.
- Director Oh asked if there is a lot of administrative oversight or regulations relating to the tenant or recipient in the RSP.

Executive Assistant Arashiro responded that the RSP participants are required to go through an annual recertification process, similar to other housing programs. She further stated that the HPHA does not conduct unit inspections, but the rules the units to be "a qualified unit." Staff resources are limited as HPHA only has 1.25 FTE authorized positions to administer the program statewide.

Chairperson Shim declared a recess at 10:11 a.m. and reconvened the meeting at 10:29 a.m.

**Director Darcy moved,**

**The Board entered Executive Session at 10:30 a.m. for Agenda Item IX – to Approve the Executive Session Minutes from October 15, 2015, and receive a Board Orientation and Briefing on Legal Matters by the Department of the Attorney General, and reconvened at 11:52 a.m.**



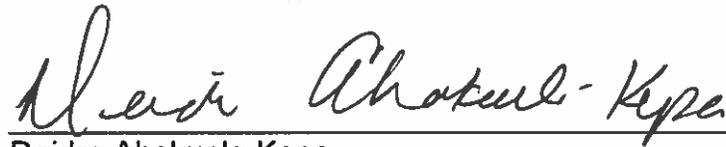
**Adjournment**

Chairperson Shim adjourned the Regular Meeting.

The meeting ended at 11:52 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:



Deidra Ahakuelo-Kepa  
Secretary

JAN 21 2016

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on January 21, 2016 :  As Presented [  ] As Amended



Director Jason Espero  
Board Secretary

JAN 21 2016

Date