I. CALL TO ORDER/ROLL CALL

II. 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.

III. FOR ACTION

A. Motion: To Approve the Purposes of the Nonprofit, the Hawaii Housing Development & Services as: (1) Acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income where no adequate housing exists for such groups; (2) Lessening the burdens of government by assisting the HPHA and the State in the development of housing targeted to low income households; (3) Combating blight and deterioration within the State; (4) Working to eliminate discrimination and prejudice; (5) Assisting in the lessening of neighborhood tensions; (6) Promoting social welfare through community-based development activities; (7) Carrying out such other activities as will benefit and support the HPHA and the State; and (8) Serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above; Initial Activities, and Board Formation; to Appoint the Board of Directors, which shall be selected from the current Hawaii Public Housing Authority's Board Members; and to Approve the Articles of Incorporation of the "Hawaii Housing Development & Services" Nonprofit Corporation (Pages 1 – 7)

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 Approval of the Purposes of the Nonprofit, the Hawaii Housing Development & Services as: (1) Acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income where no adequate housing exists for such groups; (2) Lessening the burdens of government by assisting the HPHA and the State in the development of housing targeted to low income households; (3) Combating blight and deterioration within the State; (4) Working to eliminate discrimination and prejudice; (5) Assisting in the lessening of neighborhood tensions; (6) Promoting social welfare through community-based development activities; (7) Carrying out such other activities as will benefit and support the HPHA and the State; and (8) Serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above; Initial Activities, and Board Formation; to Appoint the Board of Directors, which shall be selected from the current Hawaii Public Housing Authority’s Board Members; and to Approve the Articles of Incorporation of the “Hawaii Housing Development & Services” Nonprofit Corporation.

B. Motion: To Approve the Hawaii Public Housing Authority’s Annual Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2015 to June 30, 2016, and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department Of Housing and Urban Development (Pages 8 - 48)

IV. FOR DISCUSSION

A. For Discussion: Authorize the Executive Director to Request the Department of the Attorney General or Outside Legal Counsel to Conduct an Administrative Investigation and Possibly Pursue Legal Action Against the State of Hawaii, Department of Budget and Finance; and Staff in Their Official Capacity At the Department of Budget and Finance and/or Pursue Legal Action Against Employees at the Department of Budget and Finance as Private Individuals or in Their Official Capacity for Defamation (Pages 48)

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 Request to the Department of the Attorney General or outside Legal Counsel to Conduct an Administrative Investigation and Possibly Pursue Legal Action Against the State of Hawaii,
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) 832-4693 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.
The Board of Directors of the Hawaii Public Housing Authority held a Special Board Meeting at 1002 North School Street, on Tuesday, April 7, 2015 at 11:00 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 Gilbert De Motta
- Director Sheri Tanaka
- Director Rachael Wong
- Deputy Attorney General, Diane Taira

**EXCUSED:**
- Director Morgan Kaya

**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, Supervising Public Housing Administrator
- 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
- Dean Sakata, Development Specialist
- Benjamin Park, Housing Planner
- Taryn Chikamori, Secretary to the Board

**OTHERS PRESENT (and signing in as):**
- None
Proceedings:

Chairperson Gierlach declared a quorum present.

Public Testimony:

With there being none, Chairperson Gierlach moved on to the next order of business.

For Action:

Director Oh moved,

To Amend “For Action A” to read as follows: To Approve the Purposes of the Nonprofit, the Hawaii Housing Development & Services as to Benefit and Support the State of Hawaii and the Hawaii Public Housing Authority, Public Body Corporate Politic and its Purposes in Accordance with Section 509 (a)(3)(A) of the Internal Revenue Code by: (1) Acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income where no adequate housing exists for such groups; (2) Lessening the burdens of government by assisting the HPHA and the State in the development of housing targeted to low income households; (3) Combating blight and deterioration within the State; (4) Working to eliminate discrimination and prejudice; (5) Assisting in the lessening of neighborhood tensions; (6) Promoting social welfare through community-based development activities; (7) Carrying out such other activities as will benefit and support the HPHA and the State; and (8) Serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above; Initial Activities, and Board Formation; to Appoint the Board of Directors, which shall be selected from the current Hawaii Public Housing Authority’s Board Members; and to Approve the Articles of Incorporation of the “Hawaii Housing Development & Services” Nonprofit Corporation

The motion to amend was unanimously approved.
For Action:

Director Espero moved,

To Approve the Purposes of the Nonprofit, the Hawaii Housing Development & Services as to Benefit and Support the State of Hawaii and the Hawaii Public Housing Authority, Public Body Corporate Politic and its Purposes in Accordance with Section 509 (a)(3)(A) of the Internal Revenue Code by: (1) Acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income where no adequate housing exists for such groups; (2) Lessening the burdens of government by assisting the HPHA and the State in the development of housing targeted to low income households; (3) Combating blight and deterioration within the State; (4) Working to eliminate discrimination and prejudice; (5) Assisting in the lessening of neighborhood tensions; (6) Promoting social welfare through community-based development activities; (7) Carrying out such other activities as will benefit and support the HPHA and the State; and (8) Serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above; Initial Activities, and Board Formation; to Appoint the Board of Directors, which shall be selected from the current Hawaii Public Housing Authority's Board Members; and to Approve the Articles of Incorporation of the "Hawaii Housing Development & Services" Nonprofit Corporation

Executive Director Ouansafi reported that there have been discussions for the past several months of creating a non-profit arm of the HPHA. He requested that the following changes be made: 1) after all "Hawaii Housing Development & Services" the following be added " Inc." and 2) delete the fourth bullet under part C. on page 3.

Executive Director Ouansafi reported that there are many public housing non-profit instrumentalities and affiliates nationwide.

Director Wong questioned whether the proposed non-profit Board would have some members who were not part of Hawaii Public Housing Authority's (HPHA) Board of Directors. Executive Director Ouansafi responded that staff is requesting that all of the Board members for the proposed non-profit be from the HPHA Board.

Director Wong was concerned that having all of the non-profit Board members be from the HPHA's Board would not allow for checks and balances. Executive Director Ouansafi responded that the checks and balances would exist because: 1) the mission of the non-profit would be defined by the HPHA Board; and 2) the proposed nonprofit would still be subject to State and federal rules. Executive Director Ouansafi also
suggested that the HPHA could consider creating a non-profit affiliate which would keep
the entities separate and allow for non-HPHA Board members.

Director Wong questioned whether there is precedent with other Boards. Executive
Assistant Arashiro stated that the HPHA currently has a non-profit instrumentality, HHA
Wilikina Apartments, Inc.

Executive Director Ouansafi stated the motion can be amended to say instrumentality or
affiliate then it could have a couple members from the HPHA’s Board and a couple
members from the outside.

Chairperson Gierlach asked how difficult would it be to amend the by-laws. Executive
Director Ouansafi stated that the Board can make amendments to the by-laws at any
time.

Director Caspillo-Black asked if the HPHA Board has ex-officio members. Executive
Director Ouansafi responded that Director Wong, who represents the Department of
Human Services (DHS) and the Governor’s representative are considered ex-officio
members.

Executive Director Ouansafi asked to amend the motion to add “or affiliate” and if the
Board could appoint members of the non-profit Board.

Director Tanaka stated that if this is needed to keep the MWH redevelopment project
going she would like to see the HPHA pursue the establishment of a nonprofit
instrumentality. She commented that the establishment of a nonprofit affiliate would
add additional procedures and possibly delay the redevelopment project.

Director Wong asked for clarification on the differences between an instrumentality and
an affiliate. Director Tanaka stated that an affiliate would include a combination of
HPHA’s Board members and outside individuals serving on the non-profit Board versus
an instrumentality which includes strictly HPHA Board members. The new Board can
change it to affiliate when they serve.

Director Wong asked if the difference between instrumentality and affiliate is an affiliate
is a standalone non-profit whereas, instrumentality is an arm of the HPHA. Executive
Director Ouansafi stated that instrumentality means only the HPHA’s Board can sit on
the non-profit Board and affiliate means other individuals can sit on the non-profit Board.
The HPHA Board will continue to provide some oversight in the creation of the mission
and in its dealing with the nonprofit.

Director Espero asked whether changing directions to establish an affiliate would delay
the MWH redevelopment. Executive Director responded the HPHA can change the
language for the next Board meeting.
Chairperson Gierlach asked how much of a delay would that cause. Executive Director Ouansafi responded that it would only delay it one week because the next Board meeting is next week.

The motion was unanimously approved.

**For Action:**

**Director Espero moved,**

To Approve the Hawaii Public Housing Authority's Annual Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2015 to June 30, 2016, and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department Of Housing and Urban Development

Executive Director Ouansafi reported that the draft Five Year and Annual Public Housing Agency Plan (PHA) was previously brought to the Board. The HPHA held public hearings and no one showed up on the neighbor islands and 5 people came to the Oahu meeting. With that being said, there are no significant changes.

Director Oh asked whether the Capital Improvement Program (CIP) funds will be spent on the Mayor Wright Homes redevelopment. Executive Director Ouansafi responded that some funds reported in the PHA Plan is being expended on MWH, but most of the funds will be spent on other properties. The HPHA will be using public/private partnerships, tax credits, and Legislative funding to fund the MWH's redevelopment.

The motion was unanimously approved.

Executive Director Ouansafi reported that discussion on Authorizing the Executive Director to Request the Department of the Attorney General or Outside Legal Counsel to Conduct an Administrative Investigation and Possibly Pursue Legal Action Against the State of Hawaii, Department of Budget and Finance (B&F); and Staff in Their Official Capacity At the Department of Budget and Finance and/or Pursue Legal Action Against Employees at the Department of Budget and Finance as Private Individuals or in Their Official Capacity for Defamation is no longer needed. HPHA is working with the B&F Director to resolve the issues.

**Adjournment:**

There was no further business to discuss, Chairperson Gierlach asked for a motion to adjourn the Special Meeting.
Director Oh moved,

To adjourn the Special Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 11:36 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

Taryn T. Chikamori
Secretary to the Board

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on April 16, 2015: [ ] As Presented [ ] As Amended

Myoung Oh
Director/Board Secretary