

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
January 21, 2016
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. APPROVAL OF MINUTES

Regular Meeting Minutes, December 17, 2015
Executive Session Minutes, November 19, 2015 (not for public distribution)
Executive Session Minutes, December 17, 2015 (not for public distribution)

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

NOTE: Proposed revisions to the Hawaii Administrative Rules being considered by the HPHA Board of Directors below may be viewed in person as provided in section §91-2.6, HRS on or about March 6, 2016 at the HPHA's Offices located as follows:

HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu
Oahu: Mayor Wright Homes Office, 521 N. Kukui Street, Honolulu
Oahu: Kalakaua Homes Office, 1545 Kalakaua Avenue, Honolulu
Oahu: Punchbowl Homes Office, 730 Captain Cook Avenue, Honolulu
Oahu: Hale Poai Office, 1001 N. School Street, Honolulu
Oahu: Waimaha-Sunflower Office, 85-186 McArthur Street, Waianae
Oahu: Koolau Village Office, 45-1027 Kamau Place, Kaneohe
Oahu: Kauhale Nani Office, 310 North Cant Street, Wahiawa
Oahu: Palolo Valley Homes Office, 2107 Ahe Street, Honolulu
Oahu: Kuhio Homes Office, 1475 Linapuni Street, Honolulu
Hawaii Office, 600 Wailoa Street, Hilo, Hawaii

Hawaii Office, 78-6725 Malolea Street, Kailua-Kona, Hawaii
Hawaii Office, 65-1191 Opelo Road, Kamuela, Hawaii
Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or

May be viewed on the internet on or about March 6, 2016 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>

- A. Motion: To Appoint the Ms. Jodie Aiona to a Four -Year Term on the Hawaii Public Housing Authority's Hilo Eviction Board **(Pages 2 – 8)**
- B. Motion: To Approve the Hawaii Public Housing Authority's Draft Public Housing Agency (PHA) Five Year and Annual Plan and Authorize the Executive Director to Hold Public Hearings on the Draft Five Year and Annual Public Housing Agency (PHA) Plan for Fiscal Year 2016-2017 **(Pages 9 – 61)**
- C. Motion: To Adopt the Following Amendments to Chapter 15-195 "Section 8 Homeownership Option Program", Hawaii Administrative Rules: **(Pages 62 – 94)**

Chapter 15-195 to be renumbered Chapter 17-2036, and "Housing and Community Development Corporation of Hawaii" or "Corporation" to be replaced with "Hawaii Public Housing Authority" or "Authority";

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2036-2 [Definitions – "Family", "Gender identity or expression"] Clarifying definitions;

New Section 17-2036-3 [Nondiscrimination – Inclusion of gender identity and sexual orientation] Updating protected classes;

New Section 17-2036-22 [Eligibility for admission; initial requirements – threaten behavior towards staff] Requiring that eligible applicants do not engage in or threaten abusive or violent behaviors;

New Section 17-2036-24 [Minimum income requirements – disabled, elderly, welfare assistance] Clarifying income requirements for disabled and elderly families;

New Section 17-2036-31 [Closing and reopening the waiting list - notices] Removing requirement to publish notices regarding the waitlist in minority newspapers and include publication on the Authority's website;

New Section 17-2036-42 [Dwelling unit inspection – independent inspector] Clarifying that independent inspector must be qualified;

New Section 17-2036-44 [Financing requirements] Removes Authority's ability to disapprove terms of the mortgage loan;

Inserting Reserved Sections at 17-2036-5 through 17-2036-20; 17-2036-36 through 17-2036-40; 17-2036-45 through 17-2036-50; 17-2036-54 through 17-2036-60; 17-2036-64 through 17-2036-70; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and Federal Rules on the Public Housing Agency Five Year and Annual Plan to Implement the Amendments.

D. Motion: To Adopt the Following Amendments to Chapter 15-181 "Resident Advisory Board", Hawaii Administrative Rules (**Pages 95 – 116**):

Chapter 15-181 to be renumbered Chapter 17-2032, and "Housing and Community Development Corporation of Hawaii" or "Corporation" to be replaced with "Hawaii Public Housing Authority" or "Authority";

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2032-21(a) [Resident Advisory Board – Expenses and expenditures] Clarifying that Expenses Must be Part of an Approved Budget;

New Section 17-2032-21(b) [Resident Advisory Board – Number of members] Reducing the Minimum of Members from Twenty to Nine and Reduce Representation from Each Geographic Location;

New Section 17-2032-21(c) [Resident Advisory Board – Authority appointment of members] Allows the Hawaii Public Housing Authority to Appoint Resident Councils or their Representatives to Serve on the Resident Advisory Board;

New Section 17-2032-42 [Executive Meetings] Removes Executive Meetings;

New Section 17-2032-44 [Agenda – Purpose and use] Clarifies the Purposes and Use of the Meeting Agenda;

New Section 17-2032-61 [Nominees for public resident member of the authority's board of directors - Number of Resident Advisory Board nominees and qualifications of a nominator] Allows Residents in Public

Housing or in the Section 8 Program to Submit a Nominee for the HPHA's Board of Directors to the Governor;

New Section 17-2032-62 [Recommendation of the resident advisory board - number of RAB Nominees and the Governor's selection and appointment of nominees] Clarifies that the Resident Advisory Board Shall Submit no Less Than Three and No More than Five Nominees for the HPHA Board of Directors to the Governor;

Inserted Reserved Sections at 17-2032-6 to 17-2032-20; 17-2032-24 to 17-2032-30; 17-2032-33 to 17-2032-40; 17-2032-50; 17-2032-53 to 17-2032-60; and 17-2032-63 to 17-2032-70; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, and Federal Regulations Regarding the Public Housing Agency Five Year and Annual Plan to Implement the Amendments

E. Motion: To Adopt the Following Amendments to Chapter 15-184 "Rent Supplement Program", Hawaii Administrative Rules (**Pages 117 – 145**):

Chapter 15-184 to be renumbered Chapter 17-2033, and "Housing and Community Development Corporation of Hawaii" or "Corporation" to be replaced with "Hawaii Public Housing Authority" or "Authority";

Replace references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2033-2 [Definitions] Includes and clarifies definitions of "Applicant", "Criminal activity", "Drug", "Elderly", "Gender identity or expression", "Security deposit", "Staff", "U.S.C.", and "Violent criminal activity";

New Section 17-2033-3 [Income limits] References HUD-determined very low income limits;

New Section 17-2033-11 [Application] Requires household social security number and waiting list;

New Section 17-2033-12 [Verification] Requires household member social security number;

New Section 17-2033-13 [Eligibility for participation] Clarifies applicant eligibility with regard to residence, property ownership, payment, social security number provision, no threat of abusive or violent behavior toward staff, and citizenship];

Newly added Section 17-2033-21 [Nondiscrimination] Nondiscrimination provision added consistent with U.S. Fair Housing Act;

Newly added Section 17-2033-22 [Waiting list] Provides procedures for waiting list of applicants;

Section 17-2033-31 [Rent supplement] Includes a maximum rent supplement payment amount of \$500;

Section 17-2033-33 [Reexamination] Provides that reexamination shall be performed either in person or via mail;

Inserted Reserved Sections at 17-2033-7 to 17-2033-10; 17-2033-14 to 17-2033-20; 17-2033-27 to 17-2033-30; 17-2033-35 to 17-2033-40; 17-2033-45 to 17-2033-50; and 17-2033-55 to 17-2033-60; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments.

F. Motion: To Adopt the Following Amendments to Chapter 15-193 “State-Aided Family Public Housing Projects”, Hawaii Administrative Rules (*Pages 146 – 212*):

Chapter 15-193 to be renumbered Chapter 17-2034, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”;

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2034-2 [Definitions – “Accessible dwelling unit”, “Adjusted annual income”, “Annual income”, “Backcharge”, “Common Areas”, “Community Facilities”, “Criminal Activity”, “Domestic Violence”, “Drug”, “Drug Related Criminal Activity”, “Dwelling Unit”, “Family”, “Foster Children”, “Gender identity or expression”, “Involuntarily Displaced”, “Live-in Aide”, “Near Elderly”, “Permanently Absent”, “Housing Projects”, “Rental Agreement”, “Resident”, “Security Deposit”, “Sexual Orientation”, “Smoke”, “Smoking”, “State-aided Family Public Housing Projects”, “Utility Allowance”, “Utility Reimbursement”, “Violent Criminal Activity”- Inserting and Clarifying definitions];

New Section 17-2034-3 [Income limits – clarifying how income limits are determined];

New Section 17-2034-5 [Asset transfers – clarifying how the value of assets are to be determined];

New Section 17-2034-7 [Utility allowances – clarifying when rents for families residing in state-aided public housing projects will include utility allowances; determination of excess utility usage];

New Section 17-2034-20 [Application – amending application process];

New Section 17-2034-21 [Eligibility for admission – new initial and final requirements];

New Section 17-2034-22 [Notification of eligibility; informal hearings – Clarifying notification process; informal hearing];

New Section 17-2034-23 [Informal hearing process];

New Section 17-2034-30 [Nondiscrimination – Updating protected classes];

New Section 17-2034-31 [Preference – eliminating preference for elderly and adding preference for homeless and victims of domestic violence, reordering preferences to implement statutory disabled veterans preference; clarifying language];

New Section 17-2034-32 [Loss of Preference – clarifying language];

New Section 17-2034-33 [Waiting List – selection of one geographic area waitlist; change waitlist area at any time];

New Section 17-2034-35 [Closing and Reopening Waiting List – clarifying language];

New Section 17-2034-36 [Offers – cancellation of application upon refusal of one unit without good cause; Implement 50% to preference, 50% to non-preference applicant law; clarifying language];

New Section 17-2034-37 [Accessible units – clarifying language];

New Section 17-2034-40 [Rental Agreement – Chapter 521, HRS, Landlord Tenant Code governs State-Aided Family Public Housing Program];

New Section 17-2034-41 [Eligibility for continued occupancy – new requirements; smoking prohibition; maintain utility services; not acquire property interest; not threaten staff; not harm or damage authority; approval of additions to the family];

New Section 17-2034-41.1 [Continued occupancy of remaining members of tenant families – requirements for continued occupancy of remaining

members of tenant families; 12 month occupancy period; remaining minors];

New Section 17-2034-43 [Reexamination results – time to vacate unit after determination of ineligibility; removal of grievance procedure];

New Section 17-2034-44 [Special reexamination – time of special reexaminations];

New Section 17-2034-45 [Interim rent adjustment];

New Section 17-2034-46 [Tenant transfers – updating protected classes for nondiscrimination purposes; when unit transfers are authorized; clarifying when families will not be transferred];

New Section 17-2034-47 [Backcharges – repayment within 60 days, reduced from 180 days; reasonable payment arrangements]

New Section 17-2034-48 [Rental agreement – clarifying language; termination for threatening employees, violating smoking prohibition, failure to maintain utility services, conviction of certain felonies, fleeing prosecution or custody, violation of condition of parole, willful damage to HPHA property];

New Section 17-2034-49 [Smoking prohibition – implementing statutory smoking prohibition];

New Section 17-2034-61 [Minimum rent – reflect correct exhibit number];

New Section 17-2034-66 [Other charges – new late fee, dishonored check fee, and maintenance costs];

New Section 17-2034-67 [Delinquent accounts – authority to assign to a collection agency];

New Section 17-2034-70 [Special programs – authority to administer special programs using different criteria]

New Section 17-2034-71 [Occupancy by police officers – authority to allow occupancy of police officers to enhance security]

Inserting Reserved Sections 17-2034-10 through 17-2034-19; 17-2034-24 through 17-2034-29; 17-2034-38 through 17-2034-39; 17-2034-50 through 17-2034-59; 17-2034-68 through 17-2034-69; 17-2034-72 through 17-2034-79; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, to Implement the Amendments

VII. FOR INFORMATION/FOR DISCUSSION

- A. For Information: The Hawaii Public Housing Authority's Fiscal Year 2014-2015 Annual Report to the Governor and Legislature, Required Pursuant to Section 356D-20, Hawaii Revised Statutes and Distributed in Accordance with Section 32-57.5 Hawaii Revised Statutes *(Page 213)*
- B. For Discussion: Scheduling of Site Visits to the HPHA's Public Housing Properties

VIII. EXECUTIVE DIRECTOR'S REPORT *(Page 214 – 248)*

- Property Management and Maintenance Services Branch Activities and Program Status for the Month of December 2015
- Section 8 Subsidy Programs Lease Up;
- Mixed-Finance, Public-Private Partnership at Kuhio Park Terrace, Mayor Wright Homes, and School Street Offices.
- Contracts Executed During December 2015
- Update on Legislative Briefing

(Note that the HPHA's Board of Directors may call for a recess during the course of the meeting in the event that HPHA Management is requested to appear before the Legislature and reconvene at a later time to be announced at the meeting.

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, JANUARY 21, 2016
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, January 21, 2016 at 9:14 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 Laura Smith
Director Rachael Wong
Director En Young

Deputy Attorney General, Jennifer Sugita

EXCUSED: Director Elizabeth Kim
Director Myoung Oh

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Dawn Takeuchi Apuna, Chief Planner
Kiriko Oishi, Chief Compliance Officer
Chong Gu, Chief Financial Management Advisor
Rick Sogawa, Procurement Officer
Becky Choi, State Housing Development Administrator
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Joanna Renken, Supervising Public Housing Manager
Shirley Befitel, Personnel Supervisor
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, IT Officer
Dean Sakata, Housing Development Specialist
Sam Liu, Property Management Specialist
Kau'i Martinez, Resident Services Program Specialist
Vandeth Sek, Resident Services Program Specialist
Deidra Ahakuelo-Kepa, Secretary

OTHERS PRESENT (and signing in as):

Ene Augafa, Mayor Wright Homes tenant
Uilani Goods, Medical-Legal Partnership
Fetu Kolio, private resident
Andrew Nakoa, Sr., Mayor Wright Homes tenant
Apelaamo Sulu, Mayor Wright Homes tenant
June Talia, Kuhio Park Terrace tenant
Segia To'o, Mayor Wright Homes tenant

Proceedings:

Chairperson Shim declared a quorum present. Chairperson Shim noted that Director Smith would be late.

Approval of Minutes:

Director Medeiros moved,

To approve the Regular Meeting Minutes of December 17, 2015.

The minutes were approved as presented; Director Wong abstained.

Chairperson Shim deferred approval of the minutes for the following:

Executive Session, November 19, 2015
Executive Session, December 17, 2015

Public Testimony:

June Talia, resident of Kuhio Park Terrace, thanked Executive Director Ouansafi and Section 8 Branch Chief Stephanie Fo for meeting with the elderly residents in her community.

Ms. Talia expressed concerns about the proposed \$25 late fee for tenants who do not pay their rent on time. She explained how she often paid the \$20 late fee for other tenants who could not afford the late fee while she was working for Interstate Realty Management at the Towers of Kuhio Park. Ms. Talia also stated that she understood that tenants are signing an agreement to pay their rent on time and that the private market late fees are as high as \$75, however, she does not understand why the HPHA's late fee would be \$25 which is higher than the \$20 late fee at Kuhio Park Terrace.

Ms. Talia stated that she believes that public housing tenants should allow their family members to live in their rental units. She feels this would help the homeless situation. She experienced this with her own family when her son and his wife and four children were not allowed to move into her public housing unit.

Apelaamo Sulu, resident at Mayor Wright Homes, requested a private walkway to his public housing unit. He stated that the HPHA's photos of the area fronting his unit are not adequate to show the area where he is requesting a walkway and presented the Board with photos of his own. Mr. Sulu stated that he does not need a ramp, but needs a personal walkway installed so that he does not need to pass in front of his neighbor's unit and to deter the cats from defecating in front of his unit. He complained of the smell from the cats. Mr. Sulu does not understand why his request was denied as he uses a wheelchair. He stated that other tenants at Mayor Wright Homes have been provided a private walkway and does not understand why his request was denied. He stated that the Board should be able to help with his request.

Segia To`o, resident at Mayor Wright Homes, stated that she wanted to echo the concerns of her husband (Mr. Sulu). She complained of the smell in front of their unit and stated that her family does not want to eat in front of the unit because of the smell. Ms. To`o further complained that staff photos did not show where the walkway could be installed and that her neighbor gets upset that they have to share the sidewalk. She also agreed that tenants should not be made to pay a \$25 late fee when the rent is not paid on time. Ms. To`o complained that the Micronesian children are making chickens fight on the property. She further reported that the Micronesian family on the second floor throws rubbish over the rail and that the Property Manager does not address the situation.

Fetu Kolio, private resident, stated that if the HPHA is going to present itself like a judicial system agency, it needs to handle its rules through the Legislature and also have public defenders assisting the tenants. He stated that the HPHA should not be allowed to have a court and a jury without providing public defenders and should not be defining the laws. He stated that he agrees with the definition of criminal activity, but when the HPHA includes other activities, such as drug use or other criminal activities, in the definition then HPHA must provide a public defender for tenants in the eviction process similar to the judicial system. Mr. Kolio further stated that he understands that the HPHA means well by updating its rules, but that legal agencies will be able to see the loop holes in the rules. Mr. Kolio also stated that he does not agree that a tenant who is prosecuted should be evicted from public housing, because those people are entitled to housing under the Americans with Disabilities Act (ADA). Mr. Kolio stated that people who are disabled are protected from prosecution under the ADA requirements and the Supreme Court agrees with that.

Andrew Nakoa, Sr. resident at Mayor Wright Homes, stated that he opposes the \$25 fee for late payment of rent. Mr. Nakoa reported that last year he filed a grievance about miscalculation of his rent and that he prevailed at the grievance hearing. He stated that

low income housing is for people who cannot afford private market rentals and thus it is not fair to charge tenants a late fee. He complained that there are a lot of rules imposed on public housing tenants and that the Board must recognize that the actions they take affect their lives. Mr. Nakoa stated that tenants should be allowed to live freely in their units without so many rules. He stated that the Legislature should be informed about how strict the rules are (e.g., no smoking and no fireworks) at Mayor Wright Homes. He complained that tenants should not have to perform community service to live in public housing and feels that tenants are being punished for being poor. Mr. Nakoa recommended that the Manager at his property be removed because the tenants do not like her.

June Talia, resident of Kuhio Park Terrace, stated that she is in a situation where her family owes back rent due to her daughter-in-law being sanctioned. She needs her daughter-in-law to assist her due to her failing health, but does not have the money to pay for the late fees. She used to work and could help the other tenants who could not pay the late fees, but now that she does not work it is more difficult.

For Action:

Director Espero moved,

To Appoint the Ms. Jodie Aiona to a Four -Year Term on the Hawaii Public Housing Authority's Hilo Eviction Board

Director Darcy asked whether it would be appropriate for her to abstain as she does not know the person, other than knowing what was provided in the board packet and resume.

Chairperson Shim responded that the Board can ask questions at the meeting about the appointee.

Prior to starting, Executive Director Ouansafi expressed condolences to the family of the Late Stanley Young, former Oahu Eviction Board Chair and Chairperson Shim's family on the passing of his brother.

Executive Director Ouansafi reported that the appointment of the eviction board members is an important position and necessary to provide tenants a fair hearing. Ms. Jodie Aiona is a tenant in Hilo who is in school studying to receive a double major. Executive Director Ouansafi explained that the HPHA is required to have at least one tenant on each eviction board and the appointment of Ms. Aiona would allow the HPHA to meet that requirement.

Director Young asked whether it was appropriate for the Board members to meet with potential Eviction Board members before they are appointed. He stated that it would be

helpful to have the Board's perspective about the recommended appointees.

Executive Director Ouansafi agreed that there were no Management concerns with Board members meeting with potential appointees to the Eviction Board, but would confer with the Department of the Attorney General (AG) to ensure that there are no other issues to consider. He also encouraged Board members to recommend individuals to be appointed to the eviction boards.

Director Smith entered the meeting at 9:45 a.m.

Director De Mello commented on the difficult nature of holding a position on the eviction Board. As the former Chair of the Hawaii Island Eviction Board, Director De Mello explained how each member must understand the gravity of their decision as it affects a person/family's life. He explained how the decision to evict a family must also be measured against a tenant's obligation to comply with the terms of the rental agreement. Director De Mello stated that a lot of thought that has gone into the recommendation before it is presented to the HPHA Board. He explained that the tenant member on the eviction board is faced with the unique situation of deciding on a person's case and having to live with them in the housing community. He further encouraged the Board to approve the motion and also explained the difficulties of finding private citizens willing to preside at eviction board hearings and make difficult eviction decisions.

Director Espero asked for a description of the process to vet candidates for appointment to the Eviction Boards.

Executive Director Ouansafi explained that AMP Managers and the RAB provide their recommendations about potential appointees. There are no waitlists of individuals wanting to serve on the Eviction Board and HPHA is constantly recruiting Eviction Board members in the community. Executive Director Ouansafi explained that a tenant must be in good standing with the rental agreement and have the recommendation of the AMP Manager in order to be considered. The Hearings Office also reviews the resume and the hearing process is explained to the candidate. After the review is completed, if the candidate expresses a willingness to serve on the Eviction Board, the appointment is brought to the Board for approval. Executive Director Ouansafi stated that he does not meet with the candidate personally because he relies on the expertise and experience of the staff to make an appropriate recommendation.

Deputy Attorney General Sugita indicated that the AG's Office is currently reviewing rules related to the HPHA's Eviction Boards and that the Board can include rules which provide for the opportunity to conduct interviews with potential appointees. She stated that by including the interview process in the administrative rules the public would be informed about the requirements of the appointment process.

Director Young clarified that he was not proposing a formal interview process but would like to have the opportunity to have an informal meeting with potential appointees who

will implementing the rules the Board adopts.

Director Medeiros stated that many of the HPHA's Board members participated in courtesy meetings with members of the Senate. Director Medeiros agreed that particularly in small communities, the Board members would like to be able to provide support for a member of their community. She agreed that the eviction board members will hold important positions and the Board should be able to stand behind their decisions.

Director Darcy expressed appreciation for the discussion on the matter and agreed that she would like to have an informal conversation with the candidates, including welcoming candidates and sharing information about expectations about their role and responsibilities. She explained that it is not ideal when Board members lack personal knowledge of the candidate being considered because they would like to be able to express full support for the appointment.

Chairperson Shim reiterated the Board's desire to be able to support the candidates, rather than regulate the appointments.

Deputy Attorney General Sugita clarified that the administrative rules will be presented to the Board next month for the Eviction Board, not the RAB, and the Board can review the appointment process at that time.

The motion was unanimously approved.

For Action:

Director Smith moved,

To Approve the Hawaii Public Housing Authority's Draft Public Housing Agency (PHA) Five Year and Annual Plan and Authorize the Executive Director to Hold Public Hearings on the Draft Five Year and Annual Public Housing Agency (PHA) Plan for Fiscal Year 2016-2017.

Executive Director Ouansafi provided the following information regarding the HPHA's draft Public Housing Agency Five Year and Annual Plan and the review process:

- The HPHA's PHA Five Year and Annual Plan is a requirement of all public housing agencies administering federal public housing and Section 8 Housing Choice Voucher assistance programs. PHAs must submit their plans to the U.S. Department of Housing and Urban Development (HUD) to be eligible to receive administrative, operating, Capital Fund Program, and Section 8 HCV assistance monies.

- The PHA Plan does not govern or apply to the State public housing programs or any other State assisted programs that are administered and managed by the HPHA.
- The HPHA must submit the PHA plan and required attachments in the HUD-specified format no later than April 15, 2016, for approval by HUD. A timeline for review and submission was provided to the Board in their packet.
- The draft PHA Annual Plan is for Fiscal Year 2016-2017. When the PHA Plan is approved by HUD, the HPHA is not required to implement all of the proposed changes. However, any proposed change that is not included in the PHA Plan cannot be implemented by the HPHA. There are proposed changes in the draft PHA Plan that were included in anticipation of future initiatives.
- A public hearing on the draft PHA Plan is required. Public notice of the hearing must be published in newspapers at least 45 days prior to the public hearing. The HPHA will publish notices in all local newspapers on each island.
- The HPHA must submit the PHA plan and required attachments in the HUD-specified format no later than April 15, 2016, for HUD approval.
- Information regarding the draft PHA Plan and the public hearings will be sent to all RAB members, Resident Associations and Asset Management Project (AMP) property offices, and will be included in the January monthly rent billing statement mailed to all public housing households.

Executive Director Ouansafi further provided information on proposed changes in the draft PHA Plan as follows:

- HPHA inserted clarifying language in the draft PHA Plan (page 2) regarding redevelopment at various TOD and non-TOD properties.
- As HUD has indicated that there may be a forthcoming initiative to review and minimize the number of over-income families in public housing, including possible termination of tenancy, HPHA inserted language in the draft PHA Plan (page 2) to assess the need for revised policies related to over-income families.

Director Wong questioned whether the goals in the draft PHA Plan were listed in priority order.

Executive Director Ouansafi clarified that the goals in the draft PHA Plan are not listed in priority order, but are grouped by strategy for the HPHA. Executive Director Ouansafi indicated that each of the HPHA's programs (e.g., Section 8 and public housing) have different priorities and it would not necessarily be prioritized over another program in the PHA Plan.

Director Wong recommended that Management explain which of the proposed changes are future goals (e.g., Year 4 and 5), so the Board will have a clearer understanding of the big picture.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA included a proposed change in the draft PHA Plan (page 3) to establish a Multi Skilled Worker (MSW) Pilot Program.

Director Espero requested an update on the status of the MSW Pilot Program.

Executive Director Ouansafi reported that HPHA worked with the Department of Human Services (DHS) and the Department of Human Resources Development (DHRD) to enter into an agreement with the Unions to establish and implement the MSW Pilot Program. Executive Director Ouansafi explained that under the MSW Pilot Program, HPHA's civil service maintenance employees volunteer to participate in training in different trades which will enable them to perform a variety of maintenance tasks with their newly acquired skills. The goal of the program is to increase efficiency and reduce unit turnaround and repair times. Executive Director Ouansafi further explained that the United Public Workers (UPW) is in full support of the program and met with the HPHA's maintenance staff to encourage participation in the pilot program.

Executive Director Ouansafi further reported that the HPHA currently has 36 employees participating in the MSW pilot program. Under this program, all employees must agree to participate in training and trade workers must provide training to staff in lower level positions. Staff continue to learn new skills and HPHA intends to expand the program across the AMPs in the future.

Executive Director Ouansafi stated that the Governor's budget request to the Legislature included 64 positions to support a permanent MSW program.

Director Medeiros inquired whether the requested positions would be State general funded or federally funded. She also requested that the Board be kept apprised of the status of the request to the Legislature.

Executive Director Ouansafi clarified that the positions would be funded through revolving funds and that the HPHA is not requesting general funded positions for the MSW program.

Chairperson Shim concurred that the Governor is supportive of the HPHA's proposed MSW program and the need to repair housing units expeditiously.

Director Espero asked about the length of time it takes to repair a vacant unit.

Executive Director Ouansafi responded that the average unit turnaround time has increased from approximately 7 days to 12-14 days. The increase is largely attributed to the training time that is integrated into the actual repair of a unit. Executive Director Ouansafi stated that the MWS concept and training of the employees is a wise investment for the HPHA.

Director Young asked for additional information on the public participation process, including where and when the documents would be made available, and ways the public can participate in discussions on the draft PHA Plan.

Executive Director Ouansafi explained that the drafting of the PHA Plan and the process to prepare the PHA Plan includes the following: meetings with Asset Management Project Management staff, discussions with the Resident Advisory Board, and community meetings at the properties. The draft PHA Plan is then brought before the Board for approval to hold a public hearing. The public is provided with 45-days notice of the scheduled public hearing and is able to make comments and provide input on the PHA Plan at any time once the notice is issued.

Executive Assistant Arashiro explained that comments received from the Resident Associations, the Resident Advisory Board and at the public hearings are included in the PHA Plan as an attachment. Additionally, the HPHA is required to provide a response for each comments. Executive Assistant Arashiro further explained that the public is also able to provide comments when the HPHA is in the actual rule making process. Preparation and submission of the PHA Plan is just one step in the process to implement actual rule changes.

Chairperson Shim confirmed that the public hearing process is the vehicle to initiate public input.

Director Darcy asked how Board members could support the process of obtaining input on the PHA Plan and whether there was an established method of obtaining input from the different communities.

Executive Director Ouansafi explained that there has historically been little participation in the public hearing process on the neighbor islands. He stated that the Board members could use their professional networks to make the community aware of the public hearings and encourage participation in the planning process. Executive Director Ouansafi explained that HPHA's management welcomes as much public input as possible, as it helps to shape the PHA Plan to meet the needs of the community.

Executive Director Ouansafi also explained that the HPHA will advertise the availability of the draft PHA Plan and the public hearings in local newspapers in all communities.

Director Young agreed that there is often little participation in the public hearing process, which could be the result of people not being aware of the PHA Plan and the public hearing process. He stated that many of the organizations he works with or is

familiar with are smaller agencies, but work with a similar population, would likely be able to provide input into the draft PHA Plan.

Chairperson Shim pointed out that the Board members have a wide range of organizations in their professional networks and encouraged the Directors to reach out through their networks.

Director Smith indicated that her organization would post notices of the public hearing in all of its stores.

Director Medeiros offered that the Board members could also email organizations in their networks with a copy of the draft PHA Plan and information about the public hearing in their community.

Executive Director Ouansafi stated that the draft PHA Plan will be available on the HPHA's website and that staff will send the Board members a link to the draft plan.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA is proposing to adopt rules to conduct Housing Quality Standards (HQS) inspections every other year (PHA Plan, page 4). Executive Director Ouansafi explained that section 220 of the 2014 Appropriations Act allows PHAs to comply with the requirement to inspect assisted dwelling units during the term of a housing assistance payments (HAP) contract by inspecting such units not less than biennially, instead of annually and to rely upon alternative inspection methods.
- HPHA is proposing to adopt rules to randomly choose families in a lottery for participation in the Section 8 Housing Choice Voucher (HCV) Program. This will help to streamline the application process, including requirement for annual application updates, and would be similar to the City & County of Honolulu's lottery.

Director Wong stated that she supports program efficiencies. She noted, however, that the draft PHA Plan also indicates that the HPHA would adopt administrative rules to "randomly choose families to terminate from the Section 8 HCV program" and asked whether the HPHA has ever had to terminate assistance to voucher holders.

Executive Director Ouansafi responded that the HPHA has not terminated vouchers holders. He explained that in the past there was a threat of a federal government shut down. If the government shutdown had occurred, public housing agencies lacking the financial resources to continue landlord payments would have been forced to terminate voucher holders from the Section 8 HCV program. At that time, the HPHA Board and Management felt that a lottery would be the fairest way to decide who would be terminated from the program. Executive Director Ouansafi also confirmed that HPHA

does not anticipate a need to terminate participants from the Section 8 HCV program in the near future.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA is proposing to adopt rules to randomly choose families in a lottery for participation in the Section 8 Housing Choice Voucher (HCV) Program (page 4). This will help to streamline the application process, including requirements for annual application updates, and would be similar to the City & County of Honolulu's lottery.
- HPHA included language in the draft PHA Plan (page 4) to adopt rules allowing families that exceed the largest public housing unit size to receive a Section 8 HCV, rather than splitting the household to fit into existing public housing units.
- HPHA included language in the draft PHA Plan (page 5) to adopt rules regarding Section 8 HCV preferences for the following reasons in the following priority order:
 1. Involuntarily displaced such as for relocation due to modernization activity, or based on an emergency where conditions of the public housing dwelling unit, building, or project pose an immediate, verifiable threat to life, health or safety of the family, and the family cannot be relocated to another public housing unit in the same program, meeting their needs.
 2. Approved for a transfer as a reasonable accommodation for a unit with special features, and have not been offered a unit in the public housing program that meets the family's needs and have waited over one year.
 3. Victims of domestic violence, or stalking, or reprisals, or hate crime, and cannot be safely transferred to another public housing unit in the same program.
 4. Homeless families, provided "Homeless" is defined by HUD.

Executive Director Ouansafi explained that Management is recommending changing the preferences with first priority for HPHA's existing tenant population. The first three proposed priorities are for the HPHA's public housing tenants in situations which require a transfer to a private rental unit. The fourth proposed preference would be for homeless families.

Executive Director Ouansafi discussed a tenant who was the victim of domestic abuse and there was concern that the spouse would still be able to find the tenant at another HPHA property. In this situation, the HPHA would be able to assist that tenant with a Section 8 voucher so that they could move to any available rental in the private sector. He further explained that there are also

current tenants in the HPHA's public housing communities who may be better served with accessible units in the private rental market.

Director Young asked whether the proposed preferences would require the HPHA to set vouchers aside for the top three preference groups (e.g., victims of domestic violence).

Executive Director Ouansafi clarified that the HPHA would not set aside vouchers for any group, but would instead just allow that person to be placed in the Section 8 program expeditiously through the normal voucher placement process under a preference.

Executive Director Ouansafi continued with explanation of proposed changes in the PHA Plan as follows:

- HPHA inserted clarifying language in the draft PHA Plan (page 5) which states that HPHA will continue to renovate or modernize public housing units with priority for health, safety, accessibility, end of useful life and energy conservation repairs.
- HPHA updated language in the draft PHA Plan (page 6) regarding deconcentration at two Asset Management Projects (AMPs) below the 85% threshold and seven AMPs above the 115% threshold. Executive Director Ouansafi explained that the deconcentration policy is required by HUD to ensure that PHAs establish rules to prohibit concentrating all of the lower income families in certain properties.
- HPHA updated the draft PHA Plan (page 6) to indicate that it would continue to provide an improved living environment through public/private partnerships, the redevelopment of public housing and other properties and through enhanced communities with updated or new amenities for residents, such as public spaces and parking.
- HPHA included language in the draft PHA Plan (page 6) related to improved security for tenants and staff, including no trespassing 24 hours a day at some or all of the HPHA public housing properties.
- HPHA included language in the draft PHA Plan (page 6) to adopt rules to efficiently remove abandoned property from public housing units to provide quicker turnaround of units. Executive Director Ouansafi explained that there are often situations where a tenant will abandon a unit and leave behind unwanted belongings. The HPHA was previously required to store their belongings up to 90 days which impacted the agency's ability to turnaround a vacant unit quickly.
- HPHA inserted clarifying language in the draft PHA Plan (page 6) which allows the HPHA to pursue grant opportunities from available and appropriate sources.

- HPHA updated the draft PHA Plan (page 7) which states that the HPHA will implement the action plan set forth in the Fair Housing Analysis of Impediments, subject to the availability of funds.
- HPHA included language in the draft PHA Plan (page 8) to adopt rules for tenants that enter public housing by way of citizen sponsorship into the State of Hawaii, to include the income of the sponsor when calculating the rent for the tenants under the Section 8 program.

Director Medeiros requested an example of who a non-citizen would be sponsored in order to move to Hawaii and for clarification on whether an organization could sponsor an individual.

Executive Director Ouansafi explained that, as an example, a Hawaii resident could have a relative who is a non-citizen who lacks a visa and would like to move to Hawaii. The Hawaii resident would agree to be the sponsor of their relative and assume financial responsibility for that relative upon relocation to Hawaii. Since the resident is financially responsible for the sponsored individual, if that person is moving into public housing the income of the sponsor would be included in the calculation of rent. The proposed rule would be applied to the private individual's income who agrees to sponsor a non-citizen.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA included language in the draft PHA Plan (page 8) to adopt rules regarding remaining members of assisted tenant families to allow only the original household members at the time of placement in federal public housing program to retain the unit and public housing assistance where other members of the family have left the unit; and to provide for the termination of the rental agreement/assistance or nonrenewal of the rental agreement once all household members are no longer in the household; and to provide an exception for families where the original parents in the household are survived by minors who were subsequently added to the household, until the minors reach a certain age (e.g., 21 years of age).

Executive Director Ouansafi explained that the proposed change is to address individuals or families attempting to circumvent the waitlist by taking over the lease agreement of another family already in housing.

- HPHA included language in the draft PHA Plan (page 8) to revise the Admissions and Continued Occupancy Policy and applicable administrative rules to allow additions of more than one family member as long as the addition does not require the family to be transferred to a larger unit and as long as the addition would not cause overcrowding of the unit in accordance with county occupancy standards.

Executive Director Ouansafi explained that the proposed change is also to address individuals or families attempting to circumvent the waitlist by taking over the lease agreement of another family already in housing.

- HPHA included language in the draft PHA Plan to consider converting some or all geographical waitlists to site-based waitlists.

Director DeMello indicated that the RAB discussed this proposed change and is supportive of the change to geographical and site based waitlists and the ability to switch waitlists to an area they prefer.

Executive Director Ouansafi explained that applicants can change to a different waitlist and retain their date and time of the original application. This will help improve the efficient management of the waitlist and does not require a new application when a change is made. Executive Director Ouansafi explained that many of the proposed changes are designed to serve the public expeditiously.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA included language to update HUD rules and adopt administrative rule changes meant to reduce administrative costs, increase program efficiency, improve tenant benefits, or foster self-sufficiency.
- The HPHA intends to open the wait list for its Section 8 HCV Program in 2016 for a limited time. HPHA is currently completing work on a web-based application system, including obtaining translated application documents.

Chairperson Shim asked when the waitlist was last opened.

Executive Director Ouansafi responded that the HPHA's Section 8 waitlist was last opened in 2006.

Executive Director Ouansafi continued with explanation of proposed updates in the draft PHA Plan as follows:

- HPHA adopted a Violence Against Women Reauthorization Act (VAWA) Policy covering the administration of public housing and Section 8 programs, consistent with the Violence Against Women Act of 1994 and the Reauthorization Act of 2013.
- HPHA adopted changes to the Admissions and Continued Occupancy Policy for Federally Assisted Public Housing regarding its pet policy, consistent with CFR procedures.

Director DeMello commented that the RAB did not get to comment on the Pet Policy and were not in agreement with many of the proposed changes. For example, HPHA changed the pet policy to allow dogs up to 21 pounds, rather than 25 pound dogs.

Executive Director Ouansafi explained that the HPHA did receive comments from the RAB. Executive Assistant Arashiro further clarified that the proposed pet policy was sent to all tenants in federal public housing for comments prior to its adoption. Comments were received from both the RAB and individuals living in public housing.

Director DeMello requested copies of the RAB comments so that they could be shared with the current RAB.

Executive Director Ouansafi continued with explanation of proposed changes in the PHA Plan as follows:

- HPHA updated the status of the Kuhio Park Terrace, Kuhio Homes and Kuhio Park Terrace Low-Rise Redevelopment in the PHA Plan (page 11). The HPHA continues to work to negotiate a Regulatory and Operating Agreement for the second phase of development at Kuhio Park Terrace.

Chairperson Shim called for a recess at 10:43 am; meeting was reconvened at 10:58 am

Executive Director Ouansafi continued with explanation of proposed changes in the PHA Plan as follows:

- HPHA updated its Capital Fund Program budget tables for the next five years.

Executive Director Ouansafi explained that the HPHA will have opportunity to revise the Capital Fund tables in the future and would likely make changes once the updated Physical Needs Assessment is issued.

- The data in the charts on Housing Needs is drawn from the Hawaii Consolidated Plan FY 2015 – 2019 that was prepared by the Hawaii Housing Finance and Development Corporation (HHFDC).

Director Medeiros commented that the information on housing needs is a little outdated and is lacking important information which compares population growth and the rate of development of new affordable housing.

Executive Director Ouansafi continued with explanation of proposed changes in the draft PHA Plan as follows:

- HPHA updated the draft PHA Plan with current program data and accomplishments, including construction activity, program activity, SEMAP scores, Capital Fund Program budgets.
- HPHA included required certifications in the draft PHA Plan.

The motion was unanimously approved.

For Action

Director Medeiros moved,

To Adopt the Following Amendments to Chapter 15-195 “Section 8 Homeownership Option Program”, Hawaii Administrative Rules:

Chapter 15-195 to be renumbered Chapter 17-2036, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”;

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2036-2 [Definitions – “Family”, “Gender identity or expression”] Clarifying definitions;

New Section 17-2036-3 [Nondiscrimination – Inclusion of gender identity and sexual orientation] Updating protected classes;

New Section 17-2036-22 [Eligibility for admission; initial requirements – threaten behavior towards staff] Requiring that eligible applicants do not engage in or threaten abusive or violent behaviors;

New Section 17-2036-24 [Minimum income requirements – disabled, elderly, welfare assistance] Clarifying income requirements for disabled and elderly families;

New Section 17-2036-31 [Closing and reopening the waiting list - notices] Removing requirement to publish notices regarding the waitlist in minority newspapers and include publication on the Authority’s website;

New Section 17-2036-42 [Dwelling unit inspection – independent inspector] Clarifying that independent inspector must be qualified;

New Section 17-2036-44 [Financing requirements] Removes Authority’s ability to disapprove terms of the mortgage loan;

Inserting Reserved Sections at 17-2036-5 through 17-2036-20; 17-2036-36 through 17-2036-40; 17-2036-45 through 17-2036-50; 17-2036-54 through 17-2036-60; 17-2036-64 through 17-2036-70; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, and Federal Rules on the Public Housing Agency Five Year and Annual Plan to Implement the Amendments.

Executive Director Ouansafi informed the Board that the proposed changes being considered took a tremendous amount of work by the staff and the Deputy AGs. Hundreds of man hours were expended drafting and discussing proposed changes. Executive Director Ouansafi also wanted to thank the AG's office for their assistance and guidance during this very tedious process.

Executive Director Ouansafi first pointed out that the HPHA is not currently operating a homeownership program, but these changes are necessary primarily to ensure that the program rules are moved to the correct chapter (17) under the Department of Human Services' rules, rather than the Department of Business, Economic Development and Tourism. The homeownership program was formerly managed at HCDCH by the Real Estate Services Section, now under the Hawaii Housing Finance and Development Corporation. The HPHA does not currently have the staffing or capacity to operate a homeownership program and instead promotes homeownership through the Family Self-Sufficiency Program.

Executive Director Ouansafi explained the proposed changes to the Hawaii Administrative Rules for the Section 8 Homeownership Program as follows:

- Housing keeping measures included changes from Chapter 15-195 to be renumbered Chapter 17-2036, and "Housing and Community Development Corporation of Hawaii" or "Corporation" to be replaced with "Hawaii Public Housing Authority" or "Authority".
- All references to §201G, Hawaii Revised Statutes (HRS) will be replaced with §356D, HRS.
- Definitions in the HAR were updated for consistency between programs and in compliance with statutorily established definitions, including "Family", "Gender identity or expression".
- HPHA inserted updated language on nondiscrimination to include gender identity and sexual orientation in the protected classes.

- HPHA inserted a new section on eligibility for admission requiring that eligible applicants do not engage in or threaten abusive or violent behaviors towards the staff.
- The minimum income requirements and how a disabled family's income is calculated were clarified.
- HPHA updated the requirement to publish notices regarding the waitlist by removing requirements to post notices in minority newspapers and to require publication on the Authority's website.
- HPHA inserted clarifying language that an independent inspector used by the applicant must be qualified to perform the inspection.
- HPHA revised the rules to remove the Authority's ability to disapprove terms of the mortgage loan sought by an applicant. This proposed change was recommended by the AG's Office.

Director Medeiros requested explanation of the significance of updating the definition of "family" and the inclusion of the phrase "or marital status". She questioned whether the proposed change will affect families who were formerly ineligible under the existing definition of family.

Executive Director Ouansafi responded that the proposed changes were for clarification purposes and reflects the HPHA's current practice of inclusion.

Deputy Attorney General also stated that this definition was changed to be consistent with definitions in other federal housing programs and HUD's definitions.

Director Medeiros also asked whether this would allow two person families, who are not married and who "may not be a couple", and/or may not be related to be eligible for the program. She further asked whether there was consideration for when one of the household members passes away and whether the non-related individuals are allowed to retain the unit.

Executive Director Ouansafi confirmed that staff had lengthy discussions on the various scenarios regarding carry over ownership; however, the proposed change is necessary to conform with the HUD definition.

Director DeMello questioned whether the rules also needed provisions for situations where staff have threatened tenants, such as the situation in Hilo.

Executive Director Ouansafi responded that staff do not threaten the tenants. As an example, when a Manager states that a tenant could be evicted for failing to comply with their rental agreement is not considered a threat. He further explained that matters

of discipline are handled according to State rules and the bargaining unit contracts with the Unions. The HPHA investigates all alleged incidents of threats.

Deputy Attorney General Sugita clarified that the item being considered was regarding the Section 8 Homeownership Program and that the rules did not address situations where staff threatened a tenant.

Executive Director Ouansafi further explained that these rules would not be the appropriate vehicle to address that matter.

Director Young asked why the change was made to remove the minority newspapers and was it originally included to ensure compliance with requirements to provide access to information for individuals with Limited English Proficiency (LEP).

Executive Director Ouansafi responded that the HPHA is one of the leading agencies for providing access to information for LEP individuals. He explained that there are problems with defining which minority publications should be included. The HPHA will still make information available in all local newspapers (e.g., Garden Isle) and on the HPHA website which will have translated information.

Executive Director Ouansafi clarified that this program would only apply to current section 8 participants on Oahu.

The motion was unanimously approved.

For Action

Director Medeiros moved,

To Adopt the Following Amendments to Chapter 15-181 “Resident Advisory Board”, Hawaii Administrative Rules:

Chapter 15-181 to be renumbered Chapter 17-2032, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”;

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2032-21(a) [Resident Advisory Board – Expenses and expenditures] Clarifying that Expenses Must be Part of an Approved Budget;

New Section 17-2032-21(b) [Resident Advisory Board – Number of members] Reducing the Minimum of Members from Twenty to Nine and Reduce Representation from Each Geographic Location;

New Section 17-2032-21(c) [Resident Advisory Board – Authority appointment of members] Allows the Hawaii Public Housing Authority to Appoint Resident Councils or their Representatives to Serve on the Resident Advisory Board;

New Section 17-2032-42 [Executive Meetings] Removes Executive Meetings;

New Section 17-2032-44 [Agenda – Purpose and use] Clarifies the Purposes and Use of the Meeting Agenda;

New Section 17-2032-61 [Nominees for public resident member of the authority's board of directors - Number of Resident Advisory Board nominees and qualifications of a nominator] Allows Residents in Public Housing or in the Section 8 Program to Submit a Nominee for the HPHA's Board of Directors to the Governor;

New Section 17-2032-62 [Recommendation of the resident advisory board - number of RAB Nominees and the Governor's selection and appointment of nominees] Clarifies that the Resident Advisory Board Shall Submit no Less Than Three and No More than Five Nominees for the HPHA Board of Directors to the Governor;

Inserted Reserved Sections at 17-2032-6 to 17-2032-20; 17-2032-24 to 17-2032-30; 17-2032-33 to 17-2032-40; 17-2032-50; 17-2032-53 to 17-2032-60; and 17-2032-63 to 17-2032-70; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, and Federal Regulations Regarding the Public Housing Agency Five Year and Annual Plan to Implement the Amendments

Executive Director Ouansafi explained the proposed changes to the Hawaii Administrative Rules for the Resident Advisory Board as follows:

- Housing keeping measures included changes from Chapter 15-181 to be renumbered Chapter 17-2032, and "Housing and Community Development Corporation of Hawaii" or "Corporation" to be replaced with "Hawaii Public Housing Authority" or "Authority".
- All references to §201G, Hawaii Revised Statutes (HRS) will be replaced with §356D, HRS.

- Definitions in the HAR were updated for consistency between programs and in compliance with statutorily established definitions.
- Page 98 in the Board packet included an updated timeline for adoption of proposed rules.
- Section 17-2032-21 (page 106) the HPHA is inserting new language that clarifies that all expenditures must be part of an approved budget and require prior approval by the Executive Director. This is a housekeeping measure as this is HPHA's current practice and was discussed with the RAB.
- The proposed rules include a major change which reduces the minimum of number of RAB members from twenty to nine and reduces the corresponding representation from each geographic location.

Executive Director Ouansafi explained that this is a major change to the size and composition of the Resident Advisory Board. Over the past several years, the HPHA has had difficulty encouraging participation on the RAB due to the lack of recognized associations. By reducing the number of RAB members from 20 to 9, the RAB will have an easier time establishing quorum to hold meetings and have a functioning body.

Executive Director Ouansafi explained that since the RAB is established by State statute, the HPHA is required to manage the Board in compliance with both State law and federal rules. Tenants are not discouraged from attending the meeting, but official membership will be limited by administrative rules. This also helps to ensure that the HPHA is able to obtain comments from a cross section of its housing inventory, rather than have one area or project over represented.

Director Smith asked how the members of the RAB would be chosen to get down to only 9 members.

Executive Director Ouansafi clarified that the HPHA does not currently have 20 members on the RAB.

Director DeMello stated that at one time the HPHA had approximately 48 recognized resident associations. Today, that number has dwindled to one association and this has impacted the ability to gain participation and conduct voting in the RAB meetings. He stated that it is almost impossible to obtain 20 members on the RAB.

Director Darcy asked for clarification on whether there would be one representative from each county and whether the number of members was based on historical participation or the number of individuals represented.

Director DeMello pointed out that the rules state that there will be at least one member from each County.

Executive Director Ouansafi concurred and further explained that the proposed membership is representative of the number of housing units in each geographical area.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the Resident Advisory Board as follows:

- Section 17-2032-21 was changed for consistency with the federal regulations at 24 CFR 903.13 (b)(4) which states:

“Where or to the extent that resident councils that comply with the tenant participation regulations do not exist, the PHA shall appoint Resident Advisory Boards or Board members as needed to adequately reflect and represent the interests of residents of such developments; provided that the PHA shall provide reasonable notice to such residents and urge that they form resident councils with the tenant participation regulations.”

- Section 17-2032-42 was revised per recommendation of the AG's Office.

Executive Director Ouansafi explained that the RAB does not have any liability for its recommendations and does not have an attorney to consult and as such, executive meetings are not required.

- Section 17-2032-44 was revised with the purpose of the RAB and to be consistent with 24 CFR 903-13(a)(1) which states:

“The role of the Resident Advisory Board is to assist and make recommendations regarding the development of the PHA Plan, and any significant amendment or modification to the PHA plan.”

- Section 17-2032-61 was revised for consistency with §356D, HRS which allows residents in public housing or in the Section 8 program to submit a nominee for the HPHA's Board of Directors to the Governor and the RAB shall compile a list of no less than three and no more than five individuals for the Governor's consideration.

The motion was unanimously approved.

For Action

Director Medeiros moved,

Motion: To Adopt the Following Amendments to Chapter 15-184 “Rent Supplement Program”, Hawaii Administrative Rules:

Chapter 15-184 to be renumbered Chapter 17-2033, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”;

Replace references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2033-2 [Definitions] Includes and clarifies definitions of “Applicant”, “Criminal activity”, “Drug”, “Elderly”, “Gender identity or expression”, “Security deposit”, “Staff”, “U.S.C.”, and “Violent criminal activity”;

New Section 17-2033-3 [Income limits] References HUD-determined very low income limits;

New Section 17-2033-11 [Application] Requires household social security number and waiting list;

New Section 17-2033-12 [Verification] Requires household member social security number;

New Section 17-2033-13 [Eligibility for participation] Clarifies applicant eligibility with regard to residence, property ownership, payment, social security number provision, no threat of abusive or violent behavior toward staff, and citizenship];

Newly added Section 17-2033-21 [Nondiscrimination] Nondiscrimination provision added consistent with U.S. Fair Housing Act;

Newly added Section 17-2033-22 [Waiting list] Provides procedures for waiting list of applicants;

Section 17-2033-31 [Rent supplement] Includes a maximum rent supplement payment amount of \$500;

Section 17-2033-33 [Reexamination] Provides that reexamination shall be performed either in person or via mail;

Inserted Reserved Sections at 17-2033-7 to 17-2033-10; 17-2033-14 to 17-2033-20; 17-2033-27 to 17-2033-30; 17-2033-35 to 17-2033-40; 17-2033-45 to 17-2033-50; and 17-2033-55 to 17-2033-60; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments.

Executive Director Ouansafi explained that the State Rent Supplement Program is a small program managed by the HPHA and accounts for one percent of agency revenues. Although it is a small program, Executive Director Ouansafi reported that it is an important program for residents in need of housing assistance and that the HPHA could improve in its management of the program. One of the ongoing challenges continues to be the lack of funding for staff and staff positions. He explained that HPHA currently only has 1.25 full time positions authorized to operate the program statewide. Executive Director Ouansafi reiterated that improving program efficiencies under the Rent Supplement Program is a priority for the HPHA.

Executive Director Ouansafi explained the proposed changes to the Hawaii Administrative Rules for the Rent Supplement Program as follows:

- Housing keeping measures included changes from Chapter 15-184 to be renumbered Chapter 17-2033, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”.
- All references to §201G, Hawaii Revised Statutes (HRS) will be replaced with §356D, HRS.
- Definitions in the HAR were updated for consistency between programs and in compliance with statutorily established definitions, including “Applicant”, “Criminal activity”, “Drug”, “Elderly”, “Gender identity or expression”, “Security deposit”, “Staff”, “U.S.C.”, and “Violent criminal activity”.
- Section 17-2033-3 was revised to replace the HPHA’s calculation tables with HUD’s tables on income.
- Section 17-2033-11 was revised to clarify requirements for a social security number or require certification that the applicant does not have one for consistency between programs. This section was also clarified to indicate that an applicant could be placed on a waiting list upon submission of a completed application form.
- Section 17-2033-13 was revised to increase the minimum eligible payment under the Rent Supplement Program from \$15 to \$25. Participants who need less than \$25 will be terminated from the program. The rent supplement limit for the maximum amount of housing assistance was increased from \$230 to \$500.

Executive Director Ouansafi reported that over half of the current participants would benefit from increasing program limits.

- Section 17-2033-13 was revised to require that the Rent Supplement Program applicants must be Hawaii residents. Executive Director Ouansafi explained that this change is being proposed to provide housing assistance to Hawaii residents,

rather than persons looking to move to Hawaii without proper means to financially support themselves.

- Proposed changes included updated eligibility requirements for consistency between programs, including new language on non-discrimination.

Executive Director Ouansafi reported that the staff was made aware of a proposed legislative bill to change the Rent Supplement Program so that it is administered similar to the Section 8 Program. HPHA did provide comments back to the Legislator. There could be substantial program changes which would make it impossible to operate the program with just one position. Management will keep the Board informed of the status of the proposed bill as it becomes available.

Director Wong agreed that the HPHA would address its concerns through the legislative process.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the Rent Supplement Program as follows:

- A new section 17-2033-22 was drafted regarding the waitlist. HPHA will maintain one statewide waitlist based on preferences and date/time of application.

Director Medeiros commented that the need for a social security number or certification that a social security number was not available was described in several areas of the administrative rules. She questioned whether the applicant was required to provide the information to the HPHA several times during the application process or whether the rules simply reiterated the need for the information and the process would be more streamlined than was reflected in the rules.

Executive Director Ouansafi responded that the process is more streamlined than it may appear in the rules and that applicants would not need to submit their information on multiple occasions.

Section 8 Branch Chief Stephanie Fo further clarified that an applicant would first enter information in the on-line application and then would need to show proof of that information (e.g., social security card) during the verification process.

Director Medeiros pointed out that the current draft rules could be interpreted by the general public and applicants to mean that once an applicant is placed on the wait list they are considered eligible for the program. She requested a clarification to language in Section 17-2033-22 (a) and proposed a change from "maintain a statewide waiting list of applicants who are eligible..." to "maintain a statewide waiting list of applicants who may be eligible".

Director Medeiros moved,

To amend the motion to change language in Section 17-2033-22 (a) to strike the word “are” and replacing it with “may be”.

The motion to amend the main motion was unanimously approved.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the Rent Supplement Program as follows:

- Proposed rules were revised to increase the amount of rent supplement from \$230 to \$500.

Executive Director Ouansafi clarified that this proposed change does not mean that every participant will automatically receive \$500. Staff review of the current 176 families under the Rent Supplement program indicate that over half of the families could benefit from the increase. The calculation of the amount they are eligible for would still be based on tenant income and unit rent.

- HPHA included a proposed rule change which would allow reexaminations to be performed in person or via mail.
- The remaining pages include housekeeping changes.

The amended motion was unanimously approved.

Chairperson Shim declared a recess at 11:40 am and stated that Director Wong would leave the meeting during the recess. The Board reconvened at 12:03 pm.

For Action:

Director Espero moved,

To Adopt the Following Amendments to Chapter 15-193 “State-Aided Family Public Housing Projects”, Hawaii Administrative Rules: Chapter 15-193 to be renumbered Chapter 17-2034, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”;

Replacing references to Chapter 201G, Hawaii Revised Statutes with Chapter 356D, Hawaii Revised Statutes;

New Section 17-2034-2 [Definitions – “Accessible dwelling unit”, “Adjusted annual income”, “Annual income”, “Backcharge”, “Common Areas”,

“Community Facilities”, “Criminal Activity”, “Domestic Violence”, “Drug”, “Drug Related Criminal Activity”, “Dwelling Unit”, “Family”, “Foster Children”, “Gender identity or expression”, “Involuntarily Displaced”, “Live-in Aide”, “Near Elderly”, “Permanently Absent”, “Housing Projects”, “Rental Agreement”, “Resident”, “Security Deposit”, “Sexual Orientation”, “Smoke”, “Smoking”, “State-Aided Family Public Housing Projects”, “Utility Allowance”, “Utility Reimbursement”, “Violent Criminal Activity”- Inserting and Clarifying definitions];

New Section 17-2034-3 [Income limits – clarifying how income limits are determined];

New Section 17-2034-5 [Asset transfers – clarifying how the value of assets are to be determined];

New Section 17-2034-7 [Utility allowances – clarifying when rents for families residing in State-Aided public housing projects will include utility allowances; determination of excess utility usage];

New Section 17-2034-20 [Application – amending application process];

New Section 17-2034-21 [Eligibility for admission – new initial and final requirements];

New Section 17-2034-22 [Notification of eligibility; informal hearings – Clarifying notification process; informal hearing];

New Section 17-2034-23 [Informal hearing process];

New Section 17-2034-30 [Nondiscrimination – Updating protected classes];

New Section 17-2034-31 [Preference – eliminating preference for elderly and adding preference for homeless and victims of domestic violence, reordering preferences to implement statutory disabled veterans preference; clarifying language];

New Section 17-2034-32 [Loss of Preference – clarifying language];

New Section 17-2034-33 [Waiting List – selection of one geographic area waitlist; change waitlist area at any time];

New Section 17-2034-35 [Closing and Reopening Waiting List – clarifying language];

New Section 17-2034-36 [Offers – cancellation of application upon refusal of one unit without good cause; Implement 50% to preference, 50% to non-preference applicant law; clarifying language];

New Section 17-2034-37 [Accessible units – clarifying language];

New Section 17-2034-40 [Rental Agreement – Chapter 521, HRS, Landlord Tenant Code governs State-Aided Family Public Housing Program];

New Section 17-2034-41 [Eligibility for continued occupancy – new requirements; smoking prohibition; maintain utility services; not acquire property interest; not threaten staff; not harm or damage authority; approval of additions to the family];

New Section 17-2034-41.1 [Continued occupancy of remaining members of tenant families – requirements for continued occupancy of remaining members of tenant families; 12 month occupancy period; remaining minors];

New Section 17-2034-43 [Reexamination results – time to vacate unit after determination of ineligibility; removal of grievance procedure];

New Section 17-2034-44 [Special reexamination – time of special reexaminations];

New Section 17-2034-45 [Interim rent adjustment];

New Section 17-2034-46 [Tenant transfers – updating protected classes for nondiscrimination purposes; when unit transfers are authorized; clarifying when families will not be transferred];

New Section 17-2034-47 [Backcharges – repayment within 60 days, reduced from 180 days; reasonable payment arrangements]

New Section 17-2034-48 [Rental agreement – clarifying language; termination for threatening employees, violating smoking prohibition, failure to maintain utility services, conviction of certain felonies, fleeing prosecution or custody, violation of condition of parole, willful damage to HPHA property];

New Section 17-2034-49 [Smoking prohibition – implementing statutory smoking prohibition];

New Section 17-2034-61 [Minimum rent – reflect correct exhibit number];

New Section 17-2034-66 [Other charges – new late fee, dishonored check fee, and maintenance costs];

New Section 17-2034-67 [Delinquent accounts – authority to assign to a collection agency];

New Section 17-2034-70 [Special programs – authority to administer special programs using different criteria]

New Section 17-2034-71 [Occupancy by police officers – authority to allow occupancy of police officers to enhance security]

Inserting Reserved Sections 17-2034-10 through 17-2034-19; 17-2034-24 through 17-2034-29; 17-2034-38 through 17-2034-39; 17-2034-50 through 17-2034-59; 17-2034-68 through 17-2034-69; 17-2034-72 through 17-2034-79; and

To Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, Administrative Directive No. 09-01, to Implement the Amendments

Executive Director Ouansafi clarified that these rules governed the State public housing program. He also indicated that the Board was provided with a replacement for (date stamped) page 170. The replacement page includes a revision to 17-2034-3 (b) where the phrase “the calculation using the method set forth in exhibit A, which is incorporated by reference and attached” is deleted and replaced with “HUD”.

Executive Director Ouansafi explained the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Housing keeping measures included changes from Chapter 15-193 to be renumbered Chapter 17-2034, and “Housing and Community Development Corporation of Hawaii” or “Corporation” to be replaced with “Hawaii Public Housing Authority” or “Authority”.
- All references to §201G, Hawaii Revised Statutes (HRS) will be replaced with §356D, HRS.
- Definitions in the HAR were updated for consistency between programs and in compliance with statutorily established definitions, including “Accessible dwelling unit”, “Adjusted annual income”, “Annual income”, “Backcharge”, “Common Areas”, “Community Facilities”, “Criminal Activity”, “Domestic Violence”, “Drug”, “Drug Related Criminal Activity”, “Dwelling Unit”, “Family”, “Foster Children”, “Gender identity or expression”, “Involuntarily Displaced”, “Live-in Aide”, “Near Elderly”, “Permanently Absent”, “Housing Projects”, “Rental Agreement”, “Resident”, “Security Deposit”, “Sexual Orientation”, “Smoke”, “Smoking”, “State-

Aided Family Public Housing Projects”, “Utility Allowance”, “Utility Reimbursement”, and “Violent Criminal Activity”.

- Very low and extremely low income limits are calculated and issued by HUD. The proposed rules were revised to use the HUD income limits.
- Section 17-2034-5 was revised to provide more clarity on how the value of assets are to be determined. The language was revised to use the same clarifying language as was used in the updated HARs for the federal public housing program.
- Executive Director Ouansafi requested that the Board revise the last sentence in section 17-2034-7(a) related to utility allowances to strike the word “shall” and replace it with “may”. HPHA is proposing that the State-Aided family projects will no longer provide utility allowances once the property is separately metered. Until they are separately metered, these utilities will be management paid, and utilities will be included up to the allowed amount. Utility usage in excess of this amount will be charged as an “excess utility charge” as described in subsection (c)(1) and (2) in this section.

Executive Director Ouansafi explained that if the Legislature is able to provide supplemental funds for operating expenses under the State public housing programs, the HPHA would like to be able to provide utility allowances. By changing the phrase to “may”, this allows the HPHA to continue to provide utility allowance in the event that funding is available.

Deputy Attorney General Sugita asked for clarification on whether the phrase “shall” in the first sentence should also be changed to “may”.

Executive Director Ouansafi requested a short recess to confer with the staff and the attorney.

Chairperson Shim declared recess and reconvened at approximately 12:30 pm.

Deputy Attorney General Sugita stated that the staff is requesting a change to replace section 17-2034-7(a) to read: “The monthly rent for a family residing in a State-Aided public housing project shall include utility allowances established in accordance with subsection (b) only until meters are installed for individual units; provided that utility allowances may be included in rent for individually metered units subject to the availability of sufficient State funding.”

This proposed change will allow the HPHA to continue to provide utility allowances if funding is made available even for properties that are individually metered.

Director Young questioned whether the tenants or the properties should be prioritized so that it is clear how the utility allowances would be provided.

Executive Director Ouansafi clarified that the proposed rules and provision of utility allowance would apply to all properties in the State-Aided family public housing program if sufficient funds were available. This would be the fairest method of funding the utility allowances.

Deputy Attorney General Sugita clarified that the Board is able to propose revisions if they wanted to prioritize which tenants or properties would receive utility allowances, but that the rules as currently drafted would apply to all State properties. She further explained that the HPHA must also reconcile the desire to provide utility allowances with the need to operate the State public housing properties as a break even.

Executive Director Ouansafi further explained that Management did not propose rent increases and would rather have the flexibility of using available State funding to cover operating expenses versus increasing rents. Under the State public housing programs, approximately 75% of all households are elderly or disabled and Executive Director Ouansafi explained that most of those families would not be able to afford a rent increase.

Director Espero and Director Young questioned whether it was necessary to revise the rules to specify that the provision of utility allowances would apply to all State properties.

Executive Director Ouansafi responded that clarifying language would only be necessary, if the HPHA were going to provide utility allowances in a priority order or through a preference.

Deputy Attorney General Sugita recommended an additional proposed change (as underlined) to section 17-2034-7 to read: "The monthly rent for a family residing in a State-Aided public housing project shall include utility allowances established in accordance with subsection (b) only until meters are installed for individual units; provided that utility allowances may be included in rent for individually metered units subject to the availability of sufficient State funding and the requirements of section 356D-43, Hawaii Revised Statutes."

Executive Director Ouansafi reiterated that the staff welcome input and comments at all phases of drafting the revisions and the adoption process.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Sections 17-2034-20 and 17-2034-21 were revised to implement the 2-stage pre-application and final application method currently used for the federally assisted public housing program, which significantly streamlines application intake administration. Under this proposed change, applicants are placed on the waitlist

as soon as an application is received, and eligibility is determined when an applicant is closer to the top of the waitlist.

- Executive Director Ouansafi proposed a revision to section 17-2034-33(a) to strike the phrase “all apparently eligible applicants” and replace it with “all applicants who may be eligible” to be consistent with earlier changes to the other rules.
- The deleted eligibility criteria in new Section 17-2034-20 were moved to new Sections 17-2034-21, which addresses eligibility (Sections 17-2034-21 (a)(1)(B) & (F)).
- The deleted informal hearing language in new Section 17-2034-22 were moved to new Section 17-2034-23, which addresses the informal hearing process in detail.
- The criteria regarding occupancy standards is in new Section 17-2034-6.
- Section 17-2034-33(a) & (f) establishes geographical waitlists, similar to the federally assisted public housing program, and allows applicants to apply only for one geographical waitlist at a time. Their selection can be changed at any time in writing without losing the original date of their application for the program.
- Section 17-2034-33(e) was revised to state that once housed in a federally funded or state assisted public housing program, an applicant cannot remain on the waitlist for the State-Aided family public housing program.
- Section 17-2034-35 included clarifying language by providing where notices must be posted regarding the closure and reopening of the application process, by providing that notices must be posted in conspicuous place at the Authority’s offices that accept applications. This is the same language as for the federally assisted public housing program, for consistency.
- Section 17-2034-36(c) was revised to be consistent with the HARs for the federally assisted public housing program. When an applicant refuses an offer of placement without good cause, the HPHA intends to cancel their application from the State-Aided family public housing program rather than place them at the bottom of the waitlist.
- Section 17-2034-36(e) was updated with language to allow placement of not less than 50% of available units for applicants without preference, and up to 50% to applicants with preference, to implement Act 148, SLH 2013.
- Section 17-2034-37 was updated with clarifying language to be consistent with HARs for the federally assisted public housing program and states that if an applicant does not have a disability that requires the accessibility features of the

unit they accept, they are required to agree to move to a non-accessible unit when one becomes available, even if they have another type of disability.

- Section 17-2034-40 was updated with clarifying language on the types of conditions covered by Rental Agreement; providing that Chapter 521, HRS, Landlord Tenant Code governs tenancy in the State-Aided Family Public Housing Program.
- Section 17-2034-40(a) was revised to include language on smoking prohibitions to be a term to be set forth as a condition of occupancy in the rental agreement, to implement the No Smoking Law in Act 91, SLH 2014. *(The remaining language in this subsection was inadvertently underlined, but already exists. The only new language is “smoking prohibition”).*

Director Medeiros asked for clarification on whether the proposed preferences for veterans were governed by federal law.

Executive Director Ouansafi responded that the preferences for the State-Aided family public housing program are not governed by federal law, but are delineated in 356D, Hawaii Revised Statutes.

Deputy Attorney General Sugita read 356D-42, HRS for the Board as follows:

“Housing; tenant selection. (a) The authority shall select tenants upon the basis of those in greatest need for the particular housing, subject to the following limitations and preferences:

(1) The authority may limit the tenants of any State low-income housing project to classes of persons when required by federal law or regulation as a term or condition of obtaining assistance from the federal government; provided that not less than fifty per cent of available units shall be for applicants without preference and up to fifty per cent of available units shall be for applicants with preference;

(2) Within the priorities established by the authority recognizing need, veterans with a permanent disability of ten per cent or more, as certified by the United States Department of Veterans Affairs, and their dependent parents, if any. The deceased veteran's widow or widower shall be given first preference. Parents of veterans shall not use the veteran status of their adult child as a basis for preference; and

(3) Subject to any limitations set by federal law or regulation, the Authority shall not select as a tenant, and may terminate the tenancy of, any person if the person or any household member owns or acquires a home within the State.

(b) The Authority shall adopt rules pursuant to chapter 91 to carry out the purposes of this section.”

Director Medeiros stated that although she recognizes that the preferences are governed by the statute, she is concerned with HPHA having a lower preference for homeless persons who are participating in a federally funded or state funded homeless transitional shelter or program and who are in compliance with a social service plan. Director Medeiros also voiced concern with the statutory requirement to provide a preference for not more than 50% of all applicants. Director Medeiros further questioned whether there is an equal need for housing among the preference groups (e.g., veteran's or homeless).

Executive Director Ouansafi surmised that the need for State public housing is much less among the veterans than for those who are homeless; thereby making access to State public housing more likely for homeless families.

Director Medeiros questioned the need for 17-2034-31(b) which states that "an applicant shall not receive a preference if any adult member of the applicant family is a person who was evicted or terminated from any federally-assisted housing or State-Aided public housing program operated by the authority for three year period beginning on the date of eviction or termination" and whether there was no consideration for including individuals convicted of other more violent crimes such as sexual offenders or drug abuse.

Executive Director Ouansafi clarified that many of those individuals, such as sex offenders, are not eligible for the HPHA's housing programs.

Director Espero requested that the Board revise the preferences for individuals and families living in a homeless transitional shelter to include those residing in emergency shelters. He explained that HUD is moving towards terminating assistance for transitional shelters under the federally funded programs and homeless providers are considering ways to either convert their shelters into permanent supportive housing or emergency shelters. Director Espero recommended that in anticipation of HUD's program changes, HPHA should amend its rules to provide a preference for homeless individuals in emergency shelters.

Executive Director Ouansafi stated that although there has been discussion on the federal level regarding decreasing funding for transitional shelters, there is also support for the transitional shelters which provide supportive services for the homeless families. Executive Director Ouansafi reported that there was some concern from the staff who found that individuals were able to circumvent the intent of the preferences by staying at the homeless shelter for 1-2 days in order to obtain verification documentation from the shelter. He suggested that changing the preference to include emergency homeless shelters would require additional information and a larger discussion at the Board level to adequately address the issue.

Director Espero agreed that there are valid concerns with including emergency shelters in the preference, but explained that there are also emergency shelters which require a

homeless individual's participation in supportive services. Director Espero further suggested that these emergency shelters have similar requirements, and the only difference is the length of time they stay at the emergency shelter (e.g, 1-9 days versus 2 years).

Deputy Attorney General Sugita explained that the proposed amendments currently being considered by the Board are taking time because there are numerous changes. She suggested that future changes, such as adding a preference, would not take as long and be easier to accomplish.

Chairperson Shim asked whether there is a firm date set for HUD's change in funding. There being none provided, Chairperson Shim recommended that the Board defer making a change to include emergency homeless shelters in the preference until more information from HUD is available.

Executive Director Ouansafi agreed and also indicated that the HPHA received tenant opposition to including individuals from homeless emergency shelters as a preference.

Director Medeiros commented that the Institute for Human Services (IHS), which is the largest homeless shelter in Hawaii, is an emergency shelter. Homeless families at IHS cannot utilize the preference to apply for public housing. Director Medeiros stated that there could be families, such as those who are fleeing from domestic violence or who suffered a medical catastrophe, who could easily be assisted to get back on their feet through placement under a preference. She recommended that staff continue to work with service providers to determine whether there was a way to adequately screen individuals who are legitimately homeless, rather than those who are staying at the shelter just to circumvent the waitlist.

Executive Director Ouansafi clarified that the HPHA does provide preference for individuals who are involuntarily displaced or victims of domestic violence. He also indicated that he confirmed with IHS that they have both emergency shelter and transitional shelter beds, and that the transitional shelter beds operated by IHS would meet the definition for the homeless preference. He recommended that staff be allowed to conduct more research and bring that information back to the Board in the near future.

Chairperson Shim concurred that more information was needed and indicated that the Board did not need to wait for a change from HUD to consider future rule changes to the preferences. He requested that the discussion occur in the near future.

Director Medeiros noted that the proposed revision to Section 17-2034-40 was revised to include language to implement Section 356D-44, HRS, which states that the state public housing program is governed by Chapter 521, HRS, Hawaii Landlord Tenant Code. She recommended that Director DeMello talk with the RAB about the proposed change to the landlord-tenant code which is generally considered pro-tenant and may be an area where the tenants would want to comment on.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Section 17-2034-41(a)(6) was revised to include language to require adherence to the smoking prohibition to implement the No Smoking Law enacted as Act 91, SLH 2014.
- Section 17-2034-41(a)(7) was revised to include language to require that tenants maintain continued and uninterrupted utility services for safety purposes, as similarly required in the updated HARs for the federal public housing program.
- Section 17-2034-41(b) was revised to include language similar to that in the updated HARs for the federal public housing program that clarifies that the Authority must approve all household additions except for a newborn child, after verification of eligibility. New language was also added that the HPHA will not approve additions of family members other than by marriage, birth, adoption, or court-awarded custody, where the occupancy standard would require a larger size unit.
- Section 17-2034-41(c) was revised to include language which requires that all changes to household composition must be reported to the Authority within 10 business days.

Executive Director Ouansafi recommended that the Board should also have discussions regarding the definition of family and whether the current definition allows for individuals to circumvent the waitlist. Chairperson Shim agreed that a discussion on the definition of family should occur in the near future.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State-Aided Family Public Housing Program as follows:

- Section 17-2034-41.1(a) was revised to include language that clarifies what will happen if the head of household (HOH) is declared permanently absent. Example: if the HOH passes away, HPHA will determine if a remaining member of the household is eligible to be the new HOH. Someone who has lived in the unit for less than 12 months cannot be the new HOH, to prevent circumvention of the waitlist. If there are no other family members besides the remaining member who has occupied the unit for less than 12 months, then no one is eligible to retain the unit, and the unit will be made available to an applicant family who is awaiting a unit.
- Section 17-2034-43(b) was revised to include a 90 day deadline to vacate the unit was deleted to prevent confusion. Executive Director Ouansafi explained that it often takes more than 90 days to complete the legal proceedings to

remove the tenant from the unit by writ of possession, as the State public housing program goes through the court system.

- The timeframe for conducting special reexaminations was changed to allow for reexaminations at any time, to provide more flexibility to the HPHA. Special reexaminations are frequently necessary when the tenant reports zero income, and may be required again after the initial three month period.
- Section 17-2034-45(a) & (b) was revised to state that rent will not be reduced between annual determinations of rent if the income is reduced due to reduced welfare benefit payments caused by welfare sanctions for noncompliance with welfare self-sufficiency and work activity requirements, or when the reduction will only last less than 30 calendar days. This change will provide for consistency with the federal public housing program.
- Section 17-2034-45(c) was revised to provide a deadline of 10 business days for tenants to report increases in income after a tenant has received an interim decrease in rent. This change will provide consistency with the HARs for the federal public housing program.
- Section 17-2034-45(e) was revised to require tenants to report all changes in family composition, to allow the Authority to determine any changes in income resulting from the change in family composition. Example, if a family member earning income leaves, the rent may decrease. However, if this is not reported timely, the family may not be able to continue to pay the rent, and the balance will show up as a delinquency.
- Section 17-2034-46 was revised to update the protected classes for nondiscrimination purposes to include creed, gender identity or expression, sexual orientation, and national or ethnic origin; providing that unit transfers are authorized for administrative reasons including rehabilitation work to a project, for a reasonable accommodation, or when a family occupying an accessible unit no longer needs the accessible features; clarifying that an issuance of a notice of violation of the rental agreement constitutes the initiation of the eviction proceedings, during which time families will not be transferred.
- Section 17-2034-46(b) was revised to clarify the types of emergency situations where the HPHA is authorized to transfer tenants, and adds: 1) administrative reasons, including for modernization, renovation, or redevelopment; 2) reasonable accommodations; and 3) making an accessible unit available to a family who requires the features, as additional reasons the HPHA may transfer tenants.
- Section 17-2034-46(c) was updated with language which provides HPHA the flexibility to determine whether an available unit should be used for a new move-

in or a transfer, by authorizing, but not requiring HPHA to prioritize transfers over new admissions.

Director Young questioned whether the State-Aided family public housing program needed to include all protected classes defined under State law, such as pregnancy.

Executive Assistant Arashiro responded that the HPHA's programs comply with State laws on protected classes under the Fair Housing laws. Deputy Attorney General Sugita concurred that the proposed protected classes follow the State laws which are more inclusive than the federal laws on protected classes and that a pregnant woman would be protected under familial status.

Director Smith left the meeting at approximately 1:33 pm.

Chairperson Shim declared a short recess and reconvened at 1:36 pm.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Section 17-2034-46(e) was updated to clarify the situations in which a family who is in an eviction proceeding cannot be transferred. The proposed changes provide for consistency with the HARs for the federal public housing program.
- Section 17-2034-47 was revised to reduce the time tenants are required to pay back charges from 180 days down to 60 days; authorizing the Authority to enter into reasonable payment arrangements.

Director Young asked whether the 60 day time limit in the rules would be enforceable on the tenant.

Executive Director Ouansafi confirmed that the conditions in the administrative rules would be enforceable on the tenants.

Executive Assistant Arashiro clarified that back charges are applied when a tenant knowingly fails to report an increase in income (i.e., commits fraud) and must repay the HPHA for back owed rent within 60 days.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Section 17-2034-47(b) was revised to include language which authorizes the HPHA to enter into reasonable payment arrangements, when it determines that the delinquency can reasonably be paid off by the family within 6 months. In the federal public housing program, HPHA uses this provision to work with tenants with delinquencies, in order to avoid eviction.

- Section 17-2034-48 was updated and revised to include language which describes when the HPHA may terminate a rental agreement:
 - Section 17-2034-48(b)(1)(i)-(vii) lists examples of when a tenant may have failed to observe or perform an obligation of the rental agreement that pertains to standards of occupancy that may trigger termination of the lease, for clarity. The same changes were made to the HARs for the federal public housing program.
 - Section 17-2034-48(b)(2) & deleted (3) inserted Clarified the “illegal use of a controlled substance” basis for lease termination, for consistency with the HARs for the federal public housing program.
 - Section 17-2034-48(b)(5) Adds “threatening the health or safety of HPHA staff or agents” as a basis for lease termination, to protect the safety of HPHA staff and agents, and for consistency with the HARs for the federal public housing program.
 - Section 17-2034-48(b)(6) Implements the No Smoking Law enacted by Act 91, SLH 2014, by providing that HPHA may terminate the lease if the family violates the smoking prohibition on more than 2 occasions.
 - Section 17-2034-48(b)(8) (wrong subsection number, should be (7)) Adds “failing to maintain utility services” as a basis for lease termination, to protect the safety of HPHA staff and agents, and for consistency with the HARs for the federal public housing program. When tenants do not have utility services, they resort to other means such as pulling utilities from common areas or using gas grills or candles as their means of energy, threatening the safety of other residents.
 - Section 17-2034-48(b)(9) (wrong subsection number, should be (8)) Adds “convicted of a felony and felony is related to specified criminal offenses” as a bases for lease termination, as the list of specified criminal offenses was developed with the likelihood of harming other residents and the public housing community in mind. This is to protect the safety of HPHA residents, and for consistency with the HARs for the federal public housing program. This is also to address the reversal of the eviction case of Kolio, which HPHA believed harmed the other residents, but was not upheld due to the basis not being specified in the HARs.
 - Section 17-2034-48(b)(10) & (11) Adds “fleeing to avoid prosecution or custody” and “violates a condition of parole” as bases for lease termination, to protect the safety of HPHA residents, and for consistency with the HARs for the federal public housing program.

- Section 17-2034-48(b)(12) Adds "engaging in willful damage to HPHA property" as a basis for lease termination, to protect the HPHA's property, and for consistency with the HARs for the federal public housing program.
- HPHA corrected the exhibit number for the Exhibit on minimum rents, as a housekeeping correction.
- Section 17-2034-66(a) & (b) were revised to include a late fee of \$25 and dishonored check fee of \$25 to sanction tenants who fail to comply with the terms of their rental agreement and to reward those tenants who pay their rent on time, and to cover the administrative costs of following up with tenants when rent is paid late or checks do not go through.

Executive Director Ouansafi explained that the proposed change for the \$25 late fee was the basis for public testimony earlier in the meeting. Executive Director Ouansafi clarified that the HPHA is not currently assessing tenants a late fee but is proposing to add the late fee to the rules. The Michaels Development Company, however, is charging their tenants a (\$20) late fee as was testified earlier.

Executive Director Ouansafi explained that the justification for the late fee is that the amount of rent being charged is considered reasonable and affordable for the tenants at 30% of their adjusted income. Their failure to pay the rent on time is considered a breach of their agreement. He stated that the tenants have an obligation to the HPHA and the tax payers. As an example, he described how four years ago, the Kauai AMP was reporting over \$100,000 in delinquent rent on its financial statements. Without a mechanism to motivate the tenants to pay for their rent on time, they can quickly fall into a position where they are now several months behind and unable to catch up. Executive Director Ouansafi further explained that it also fosters similar behaviors among neighbors when the HPHA allows tenants to pay their rent late without penalty.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Section 17-2034-66(c) inserted language that is already in the rental agreement for the State public housing units that require tenants to pay maintenance costs that are incurred by tenants for repairs in excess of ordinary wear and tear, or for intentional or negligent damage caused to the property by tenants.
- Section 17-2034-67 was revised to authorize HPHA to assign delinquent accounts to a collection agency. This proposed change will provide for consistency with the federal public housing program and to improve collection on delinquent accounts.

Director Darcy voiced concerns about delinquent accounts that are turned over to a collection agency, stating that collection agencies will double or triple the amount a

tenant owes by adding on fees. She described her experience with families who were unable to clear their debt because of the significant increase in fees.

Executive Director Ouansafi clarified that the HPHA does not sell their accounts to collection agencies. The collection agencies used by the HPHA are not able to “double” their fees, but instead receive a portion of the amount collected from the tenant. HPHA then receives a smaller percentage of the rent owed. He explained that HPHA is required to make good faith collection efforts to obtain approval from the AG’s Office (Civil Recoveries Division) to write off the uncollectible debt. Executive Director Ouansafi further clarified that these are accounts for tenants who are no longer living in public housing.

Deputy Attorney General Sugita confirmed that the HPHA must obtain approval from the AG’s Office to write off delinquent accounts. She explained that since the HPHA does not have staff to pursue collections against former tenants, they contract out the work with collection agencies to demonstrate that they have made good faith efforts to collect the bad debt. Deputy Attorney General Sugita further explained that the HPHA is rated by HUD on the amount of bad debt recorded in its financial statements.

Director Medeiros asked whether there is a timeline or procedures for determining when collection efforts should be stopped.

Executive Director Ouansafi explained that once the debt is collected or a minimum number of days in collection has passed and HPHA has demonstrated that they made good faith efforts, the debt may be written off with AG approval. The HPHA does not charge a tenant interest or late fees against an outstanding debt. Executive Director Ouansafi further explained that in many cases, collection agencies do not want to pursue small outstanding balances against former public housing tenants.

Executive Director Ouansafi continued to explain the proposed changes to the Hawaii Administrative Rules for the State Aided Family Public Housing Program as follows:

- Section 17-2034-70 was included to authorize HPHA to administer special programs using different criteria for selection, which are for special or specific purposes. This provision is required to allow staff to bring these measures to the HPHA Board for approval at that time.
- Section 17-2034-71 was updated to authorize the HPHA to allow police officers who would not otherwise be income eligible for occupancy to occupy specified units in the State public housing program to enhance security at the property. These police officers would be required to pay a security deposit and minimum rent.

Executive Director Ouansafi explained that under this initiative a police officer would reside in a public housing unit, provide for police presence on site, and participate in community activities (e.g., community policing).

Director Espero moved,

To amend the main motion to revise Section 17-2034-7(a) (date stamped page 172) to delete “shall” and the period after “units” and to insert the underlined phrases as follows: “The monthly rent for a family residing in a State aided public housing project shall include utility allowances established in accordance with subsection (b) only until meters are installed for individual units.; provided that utility allowances shall may be included in rent for individually metered units subject to the availability of sufficient State funding and the requirements of section 356D-43 Hawaii Revised Statutes.”

- And, to revise section 17-2034-33(a) (date stamped page 182) to strike the phrase “apparently eligible” and to insert “who may be eligible” as follows: “The authority shall maintain five geographical waiting lists of all apparently eligible applicants who may be eligible as follows:”.

The motion to amend the main motion was unanimously approved.

Director Young moved,

To approve the amended motion.

The amended motion was unanimously approved.

For Information:

The Hawaii Public Housing Authority’s Fiscal Year 2014-2015 Annual Report to the Governor and Legislature, Required Pursuant to Section 356D-20, Hawaii Revised Statutes and Distributed in Accordance with Section 32-57.5, Hawaii Revised Statutes

Executive Director Ouansafi reported that the HPHA submitted the Annual Report to the Governor and the Legislature as required. The report is posted on the HPHA’s website.

For Discussion:

Scheduling of Site Visits to the HPHA’s Public Housing Properties

Chairperson Shim reiterated the desire to conduct site visits to the HPHA’s public housing properties statewide.

Executive Director's Report:

- Executive Director Ouansafi reported that the Legislative Session has started and anticipate that there will be many bills concerning housing moving through the committees. He commented that there may be a need to call a Special Board meeting during the Legislative session to discuss proposed legislation and the Board will be informed accordingly.
- Executive Director Ouansafi reported that negotiations on the mixed income/mixed finance redevelopment projects are ongoing.
- Executive Director Ouansafi reported that the Governor's budget included a request for HPHA to receive \$25.0 million for capital repairs and \$6.0 million to expedite the repair of vacant units.

Director Medeiros asked whether the HPHA had a budget briefing before the "money" committees.

Executive Director Ouansafi responded that the budget briefings were completed and felt that the meeting went well. He said that the questions and concerns from the Committees were fair and reasonable, such as inquiries on the positions for the MSW program.

- Executive Director Ouansafi reported that the Property Management Branch moved in 50 families into public housing in January and had 51 units become vacant during the month. As such, there was a net increase of one vacant unit for the month of December.
- Executive Director Ouansafi reported that the HPHA is continuing its efforts to properly remove the arsenic from the soil at Lanakila Homes.
- Executive Director Ouansafi reported that the Board had requested that the final Financial Audit for FY 2014-2015 be ratified in January. The final report, however, was received during the week of January 20th and as such will be presented to the Board at the next Board meeting.
- Executive Director Ouansafi reported that Pages 237-239 in the Executive Director's report are duplicate pages.

Director Espero left the meeting at 2:00 pm

Director Medeiros requested notification of when the budget bills are scheduled in front of the Finance committees.

Adjournment:

The meeting adjourned at approximately 2:02 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Deidra Ahakuelo-Kepa
Secretary

FEB 18 2016

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on February 18, 2016 : [] As Presented [] As Amended



Director Jason Espero
Board Secretary

FEB 18 2016

Date