

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
February 18, 2016
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. APPROVAL OF MINUTES

Regular Meeting Minutes, January 21, 2016 (*Pages 4 – 47*)
Executive Session Minutes, November 19, 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

A. **MOTION:** To Adopt Board Resolution No. 16-01 Expressing Deepest Sympathy and Appreciation to Family of the Late John C. Wong, Deputy Attorney General (*Pages 48 – 49*)

B. **MOTION:** To Reappoint the Following Individuals for Four -Year Terms: (*Pages 50 – 58*)

1. Robert G. Hill to the Maui Eviction Board
2. Arde Long-Yamashita to the Kauai Eviction Board; and

To Appoint the Following Individual for a Four Year Term:

1. Jennifer K. De La Cruz to the Hilo Eviction Board.

C. **MOTION:** To Authorize the Executive Director to Execute the Capital Fund Program Amendment No. 153 (form HUD 52840-A) to the Consolidated Annual Contributions Contract to Accept \$9,184,654 in Federal Funds under the U.S. Department of Housing and Urban Development's Capital Fund Program and to Undertake All Actions Necessary to Implement the Grant (*Pages 59 – 64*)

V. FOR INFORMATION/FOR DISCUSSION (Pages 65 – 204)

- A. For Information: Hawaii Public Housing Authority Legislative Update – Bill Tracking and Bills of Interest, Including Senate Bills (SB) and House Bills (HB) as follows:
- SB 2087 Appropriations for housing programs;
 - SB 2089 Exempts rental subsidy payments for Section 8 from the State general excise tax;
 - SB 2091 Appropriates funds for the repair and maintenance of existing public housing stock in the State.
 - SB 2211 Appropriates funds to the Department of Human Services to target youths who live in public housing at risk of engaging in gang activities;
 - SB 2275 Authorizes issuance of general obligation bonds and appropriates funds for repair and maintenance of public housing projects managed by the Hawaii Public Housing Authority;
 - SB 2343 Prohibits the Hawaii Public Housing Authority from limiting the number of tenants in the Section 8 Housing Choice Voucher program that may occupy a single tax map key property;
 - SB 2509 Establishes a seven-year limit on tenants in state low-income housing projects;
 - SB 2561 Establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26, and establishes a temporary special action team on rental housing to recommend actions by the governor to achieve the goal;
 - SB 2563 Makes the projects of the Hawaii Public Housing Authority eligible for grants from the rental housing revolving fund;
 - SB 2564 Transfers the State Rent Supplement program from the Hawaii Public Housing Authority to the Department of Human Services on 07/01/17;
 - SB 2565 Repeals the State Housing Sales program of the Hawaii Public Housing Authority;
 - SB 2734 Authorizes funds for deposit into the dwelling unit revolving fund for the development of infrastructure and improvements of on-site and off-site development;
 - SB 2834 Authorizes creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and use of the Dwelling Unit Revolving Fund to finance regional state infrastructure improvements in areas of planned growth;
 - SB 2876 Exempts Hawaii Public Housing Authority lands from the definition of "public lands" in section 171-2, Hawaii Revised Statutes;
 - SB 2998 Appropriates funds for repair and maintenance of existing public housing stock in the State;
 - SB 3077 Establishes a transit-oriented development advisory;

- HB 1640 Requires the Hawaii Public Housing Authority to establish a program to offer insurance policies to landlords who rent to Section 8 tenants;
- HB 1901 Requires any state or county agency that employs personnel whose job duties require or may require intervention in a domestic violence situation to provide such employees with a minimum of 15 hours of domestic violence intervention training;
- HB 1958 Exempts rental subsidy payments for Section 8 and Housing First Programs from the State general excise tax;
- HB 1986 Appropriates funds to the Department of Human Services to target youths who live in public housing who are at risk of engaging in gang activities;
- HB 2097 Requires the Hawaii Public Housing Authority to coordinate with the Office of Planning and work in conjunction with the Hawaii Housing Finance and Development Corporation when developing a public housing project on property within one-half mile of a transit station;
- HB 2244 Makes various appropriations for various housing programs; and
- HB 2246 Establishes a seven-year limit on tenants in state low-income housing projects.

VI. EXECUTIVE DIRECTOR'S REPORT (Pages 205 – 238)

Property Management and Maintenance Services Branch Activities and Program Status for the Month of January 2016
 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 January 2016

(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, FEBRUARY 18, 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, February 18, 2016. At approximately 9:10 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

PRESENT: Director Pono Shim, Chairperson
Director George De Mello
Director Lisa Darcy
Director Myoung Oh
Director Laura Smith
Director Rachael Wong
Director En Young

Deputy Attorney General, Jennifer Sugita

EXCUSED: Director Alena Medeiros, Vice Chairperson
Director Jason Espero, Secretary
Director Elizabeth Kim

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
Helen Enobakhare, Property Management and Maintenance Services Branch Chief
Becky Choi, State Housing Development Administrator
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Shirley Befitel, Personnel Supervisor
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, IT Officer
Sam Liu, Property Management Specialist
Maricar Campos, 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
Ira Calkins, Punchbowl Homes
Scott Cooney, Pono Homes
Uilani Goods, Medical-Legal Partnership
Fetu Kolio, private resident
Andrew Nakoia, Sr., Mayor Wright Homes tenant
Monique Ocampo, Nanakuli Homes tenant
Apelaamo Sulu, Mayor Wright Homes tenant
June Talia, Kuhio Park Terrace tenant

Proceedings:

Chairperson Shim declared a quorum present.

Approval of Minutes:

Director Oh moved,

To approve the Regular Meeting Minutes of January 21, 2016.

The minutes were unanimously approved as presented.

Chairperson Shim deferred approval of the minutes for the following until later in the meeting:

Executive Session, November 19, 2015

Public Testimony:

June Talia, resident of Kuhio Park Terrace, questioned whether the public hearing is still scheduled on March 15th and suggested that the public hearing be held at the Kuhio Park Terrace (KPT) basketball gym. She suggested that having the public hearing at KPT would increase participation and added that KPT has ample parking. Ms. Talia was concerned that tenants should be able to provide comments on the (legislative) proposal to implement a seven year limit for residency in public housing and commented that a discussion on that topic would “pack the room”. She stated that in

seven years even if the HPHA could match her savings dollar-for-dollar, she would likely have to “go straight to K-Mart, buy a tent and go to Kakaako”. She stated that although they live in federal public housing, many tenants are opposed to the proposed time limits.

Executive Director Ouansafi clarified that the public notices for the public hearing have already been posted in the newspapers and added that the housing authority’s main administrative offices are centrally located. Since tenants file their applications at the main office, it is likely that most tenants know where the main office is located, rather than KPT. Executive Director Ouansafi further clarified that the public hearing is for the Public Housing Agency (PHA) Five Year and Annual Plan, and the proposed legislation regarding a seven year tenancy limit would not be addressed.

Chairperson Shim clarified that the seven year limit is a legislative proposal and that the HPHA’s public hearing is regarding the PHA Plan.

Apelaamo Sulu, resident at Mayor Wright Homes, requested a private walkway to his public housing unit. He questioned whether the Board was going to help him with his request and suggested that President Obama would fulfill his request. He questioned whether he should bring his wheelchair to the Board meeting in order to help the Board understand his needs. Mr. Sulu also commented that his unit has ants and roaches. He stated that his bath tub has mold and that the HPHA’s maintenance staff has not cleaned and maintained it for him. Mr. Sulu further stated that he has been denied a private walkway based on the fact that he is Samoan, rather than another ethnicity. He acknowledged that there is a walkway next to the stairs, but that he does not want to pass his neighbor’s doorway.

Scott Cooney of Pono Homes commended the HPHA Board and the Executive Director for their work with the underserved. He explained that Pono Homes is an organization that promotes energy and water conservation programs in hard to reach communities and underserved markets. Mr. Cooney explained that HPHA provided Pono Homes a letter of support which helped them secure a \$500,000 grant from Hawaii Energy to fund free LED lighting and other energy saving hardware in HPHA’s units. He asked for the Board’s support in expediting the contract between the HPHA and Pono Homes.

Monique Ocampo, advocate and tenant from Nanakuli Homes, stated that the newspaper reported that the HPHA’s waitlist for public housing is 19,000 applicants. She commented that the newspaper failed to mention that the waitlist was reduced from 30,000 under Executive Director Ouansafi and that the 19,000 figure is likely combined with the section 8 waitlist and other programs. Ms. Ocampo acknowledged that although the Executive Director “does not like to brag” about the agency’s accomplishments, she believes that tenants should be informed about the work that the agency is doing.

Ms. Ocampo further recommended that discussions related to “housing needs” should include a component for self-sufficiency. She recommended that the HPHA publish a

regular tenant newsletter, as only a few of the AMP Managers are holding quarterly tenant meetings. Ms. Ocampo also requested that the HPHA reinstate the Resident Services Section which was formerly charged with organizing programs and training for public housing residents. She explained that in the past, the Resident Services Section worked directly with resident associations, issued a monthly resident newsletter, applied for grants, and coordinated programs for tenants, among other things.

Ms. Ocampo clarified (for Ms. Talia) that the seven year time limit for public housing is being proposed in HB 2638 by Representative Sylvia Luke. Ms. Ocampo went to the Capitol and tried to meet with Representative Luke, who was unavailable to meet with her. Although the bill may only be related to State public housing, Ms. Ocampo (who lives in federal public housing) commented that there are parts of the bill that she does not support.

Ira Calkins, resident from Punchbowl Homes, reported that he resides at AMP 35, under the management of Ms. Trofe Long. Mr. Calkins stated that he requested that Representative Sylvia Luke pass a law which prohibits the duplication of keys for public housing units by "just anyone". He reported that unit 421 was opened at 12:00 midnight by someone who allegedly attempted to break in. He stated that this person either knows how to pick a lock or must have a key to the unit. Mr. Calkins reported that upon inquiry with the maintenance staff, he was told that the cost for an additional unit key is \$35 (\$25 for the key; \$10 for the maintenance staff). He felt that the cost was too high for a spare key. He would like to install a lock box with a spare key outside his unit.

Mr. Calkins reported that the tenants at Punchbowl Homes are interested in starting a resident association. He has contacted PMMSB staff, Ms. Kauai Martinez, regarding the review of the Punchbowl Homes Constitution and By-laws. Although Ms. Martinez verbally approved the Constitution and By-Laws, he was informed that the notices for the elections were defective. Upon review, it was determined that the election notices did not include a statement that voters must be 18 years of age or older. Mr. Calkins stated that the housing authority should be working with the Punchbowl Homes Nomination and Election Committee before the election notices are issued. He feels that the HPHA purposely did not correct the election notices so that the elections would be invalid. He also reported that HPHA has not provided written approval of the Constitution or By-laws of the Punchbowl Homes Resident Association.

Chairperson Shim requested that Mr. Calkins wrap up his comments.

Mr. Calkins responded that he can speak on every item on the agenda if he wants to and would like to continue speaking on the Executive Director's report, page 207. As the Executive Director's report mentions the Resident Participation Funds, Mr. Calkins stated that he will discuss the Resident Participation Funds. Mr. Calkins informed the Board that there is a report of the HPHA's resident participation funds posted on the internet at www.punchbowlhomes.name. He stated that he reformatted the report to fit on the webpage, however the columns do not sum correctly. He stated that the HPHA is taking \$25 from every tenant's rent payment, to put into the resident

participation funds. Mr. Calkins commented that residents are supposed to receive \$15 and the HPHA should receive \$10 for every unit in resident participation funds.

Fetu Kolio, private resident, expressed his condolences for Deputy Attorney General John Wong. Mr. Kolio stated that he has not received any communication regarding his reinstatement into Mayor Wright Homes in the last nine months. Under the Supreme Court ruling, Mr. Kolio was reinstated into public housing and he does not understand why the HPHA does not return him to his exact same unit. He feels his rights were violated and the HPHA was well aware that there was no violation of the rental agreement.

Mr. Kolio also commented on House Bill 2623, stating that the housing authority drafted the bill in response to his wrongful eviction. He stated that the housing authority is trying to fast track eviction of tenants who commit misdemeanors through the legislative process. He commented that the bill is nonsense and when he was a child there was no waiting list backlog for public housing. Mr. Kolio questioned the lack of funds to build more public housing to properly address the waitlist situation. He feels that people are being penalized as though it is illegal to be low income. He commented that there are funds being spent on condominiums and he wants to know why funds are not being spent on low income public housing. Mr. Kolio stated that all of the Legislators and Administrators at the Board meeting should build more public housing and consider that there is ample land on the neighbor islands to build additional housing.

Andrew Nakoa Sr., resident of Mayor Wright Homes, stated that he is a graduate of Nanakuli High School and a Magna Cum Laude graduate of Remington College with a Bachelor's Degree in Criminal Justice. Mr. Nakoa reported that his brother visited him at Mayor Wright Homes over the holidays and was badly treated by the security guards. He described his brother as "the baddest and toughest" of six siblings in his family. His brother parked in another tenant's parking stall and the security guards instructed him to move his vehicle. Mr. Nakoa reported that the security guards then came to his unit to tell his brother to move his vehicle again. The security then followed him off the property. Mr. Nakoa stated that the security guards did not need to escort him off the property and could have instead radioed to the guard shack to observe the exiting vehicle.

Mr. Nakoa stated that he has 25 years of experience in security and described the security guards at the property as "amateurs". He stated that the security guards are treating the residents like prisoners. Mr. Nakoa complained that the window in the guard shack is covered, which obstructs their view of the property. Mr. Nakoa stated that he almost hit three children playing near the mail boxes. He believes the security guards should be responsible to watch the children in the street, but stated that they are unable to watch the children with the window in the guard shack covered. He also stated that the guards should move out of the way when there is a passing vehicle or they could be hit by the vehicle's side mirror.

Mr. Nakoa reported that although there are posted signs that prohibit loitering, there are

a lot of people who loiter in the stairway near Unit 25D. He complained that his van is parked near that area and that kids are leaving hand prints on his vehicle.

For Action:

Director Darcy moved:

To Adopt Board Resolution No. 16-01 Expressing Deepest Sympathy and Appreciation to Family of the Late John C. Wong, Deputy Attorney General

The motion was unanimously approved.

Chairperson Shim expressed his deepest sympathy.

Executive Director Ouansafi expressed his condolences to the family of the late John C. Wong, Deputy Attorney General and requested a moment of silence in honor of Deputy Attorney General Wong.

Chairperson Shim stated that Deputy Attorney General Wong started his career in his father's law firm and that he was grateful for the opportunity to work with him again through his appointment to the HPHA Board of Directors.

For Action:

Director Oh moved:

To Reappoint the Following Individuals for Four -Year Terms:

- 1. Robert G. Hill to the Maui Eviction Board**
- 2. Arde Long-Yamashita to the Kauai Eviction Board; and**

To Appoint the Following Individual for a Four Year Term:

- 1. Jennifer K. De La Cruz to the Hilo Eviction Board.**

Director Darcy stated that she met with Mr. Robert Hill on Maui. She was impressed by his knowledge and dedication to help people and to public service. She supports his appointment and recommends that the Board support his appointment.

Executive Director Ouansafi thanked Director De Mello for recommending Ms. Jennifer De La Cruz for appointment to the Hilo Eviction Board. He stated that it is difficult to find individuals willing to serve on the Eviction Board and encouraged the Directors to continue to provide referrals for appointment to the eviction boards.

The motion was unanimously approved.

For Action:

Director De Mello moved:

To Authorize the Executive Director to Execute the Capital Fund Program Amendment No. 153 (form HUD 52840-A) to the Consolidated Annual Contributions Contract to Accept \$9,184,654 in Federal Funds under the U.S. Department of Housing and Urban Development's Capital Fund Program and to Undertake All Actions Necessary to Implement the Grant

Executive Director Ouansafi explained that the federal annual capital fund appropriation to the HPHA is a formula grant. He stated that HUD recognizes that in order to maintain the public housing properties nationwide in a safe, decent and sanitary condition, public housing agencies require capital funds to conduct rehabilitation and modernization activities. Although the funds are not enough to address the capital needs of all housing authorities, HUD's funds are limited by Congressional appropriations. Executive Director Ouansafi explained that the HPHA formerly received approximately \$15 million based on the funding formula, however, with budget reductions HUD is forced to reduce allocations to housing authorities.

Director Wong questioned whether the HPHA received a smaller appropriation of federal capital funds this year and whether the reduction could be quantified to describe the impact to HPHA.

Executive Director Ouansafi clarified that the HPHA received approximately the same amount as last fiscal year, however, the amount has been declining over time. He explained that basically less funds equate to fewer units or repairs being completed.

Director Darcy asked what is the HPHA's greatest challenge in terms of being able to meet the program's needs with a decreasing budget.

Executive Director Ouansafi commented that the HPHA can do what we can, but it does not address all of the repair needs as the HPHA has approximately \$800 million in capital needs and is fortunate to receive State capital improvement project funds to supplement the federal capital fund appropriation. He stated that the Governor and the Legislature have been supportive of the HPHA over the years in addressing of the aging inventory. This year, the Governor has requested \$31 million in State capital improvement project funds for the HPHA's properties.

As an example, Executive Director Ouansafi described the modernization project at Lanakila Homes which requires remediation of hazmat materials. He explained that the Lanakila Homes project could potentially cost up to \$9 million which would use the entire federal appropriation to HPHA. However, the HPHA budgets its funds to first conduct repairs to maintain the units in a safe, decent and sanitary condition, the next

priority is the repair of vacant units. He further explained that often, repairs on a unit will trigger accessibility requirements and require additional funds. Executive Director Ouansafi explained that the Construction Management Branch meets on a regular basis with the AMP Managers to discuss property needs and how to use the funds strategically to ensure the most impact.

Director Young asked for clarification on the allowable uses of funds and noted that the report indicated that most of the funds were being used for planning purposes. He questioned whether the federal funds are used to plan a project and the State funds are used for construction.

Executive Director Ouansafi explained that the HPHA is required to expend the federal funds as described in the Public Housing Agency Five Year and Annual Plan. He stated that when requesting funds from the State Legislature it is better to request funds for a project that has been designed, so that there is an estimated construction cost. Executive Director Ouansafi stated that capital funds can be used for design contracts and construction activities. He further explained that the HPHA must also strategically plan its projects to avoid lapsing funds.

The motion was unanimously approved.

Chairperson Shim declared a short recess at 9:58 am and the Board reconvened at approximately 10:14 am.

For Information:

Hawaii Public Housing Authority Legislative Update – Bill Tracking and Bills of Interest, Including Senate Bills (SB) and House Bills (HB) as follows:

- SB 2087 Appropriations for housing programs;**
- SB 2089 Exempts rental subsidy payments for Section 8 from the State general excise tax;**
- SB 2091 Appropriates funds for the repair and maintenance of existing public housing stock in the State.**
- SB 2211 Appropriates funds to the Department of Human Services to target youths who live in public housing at risk of engaging in gang activities;**
- SB 2275 Authorizes issuance of general obligation bonds and appropriates funds for repair and maintenance of public housing projects managed by the Hawaii Public Housing Authority;**
- SB 2343 Prohibits the Hawaii Public Housing Authority from limiting the number of tenants in the Section 8 Housing Choice Voucher program that may occupy a single tax map key property;**
- SB 2509 Establishes a seven-year limit on tenants in state low-income housing projects;**

- SB 2561** Establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26, and establishes a temporary special action team on rental housing to recommend actions by the governor to achieve the goal;
- SB 2563** Makes the projects of the Hawaii Public Housing Authority eligible for grants from the rental housing revolving fund;
- SB 2564** Transfers the State Rent Supplement program from the Hawaii Public Housing Authority to the Department of Human Services on 07/01/17;
- SB 2565** Repeals the State Housing Sales program of the Hawaii Public Housing Authority;
- SB 2734** Authorizes funds for deposit into the dwelling unit revolving fund for the development of infrastructure and improvements of on-site and off-site development;
- SB 2834** Authorizes creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and use of the Dwelling Unit Revolving Fund to finance regional state infrastructure improvements in areas of planned growth;
- SB 2876** Exempts Hawaii Public Housing Authority lands from the definition of "public lands" in section 171-2, Hawaii Revised Statutes;
- SB 2998** Appropriates funds for repair and maintenance of existing public housing stock in the State;
- SB 3077** Establishes a transit-oriented development advisory;
- HB 1640** Requires the Hawaii Public Housing Authority to establish a program to offer insurance policies to landlords who rent to Section 8 tenants;
- HB 1901** Requires any state or county agency that employs personnel whose job duties require or may require intervention in a domestic violence situation to provide such employees with a minimum of 15 hours of domestic violence intervention training;
- HB 1958** Exempts rental subsidy payments for Section 8 and Housing First Programs from the State general excise tax;
- HB 1986** Appropriates funds to the Department of Human Services to target youths who live in public housing who are at risk of engaging in gang activities;
- HB 2097** Requires the Hawaii Public Housing Authority to coordinate with the Office of Planning and work in conjunction with the Hawaii Housing Finance and Development Corporation when developing a public housing project on property within one-half mile of a transit station;
- HB 2244** Makes various appropriations for various housing programs; and
- HB 2246** Establishes a seven-year limit on tenants in state low-income housing projects.

Executive Director Ouansafi reported that housing is a high priority at the Legislature. The HPHA staff are tracking approximately 174 legislative bills and has submitted testimony on many bills that have already been heard in committee.

Executive Director Ouansafi described SB 2087, RELATING TO HOUSING which makes various appropriations for housing programs. He reported that there were several different bills which proposed appropriations for the HPHA in varying amounts (e.g., \$150 million, \$100 million). Executive Director Ouansafi also clarified that the HPHA does not draft bills but only submits its request through the Governor's administrative package.

Director Wong suggested that Executive Director Ouansafi explain the Governor's administrative package.

Executive Director Ouansafi clarified that the HPHA submits its requests to the Legislature through the Governor's administrative package. The administrative package includes two components: 1) request for appropriations; and 2) statutory program changes. Executive Director Ouansafi reported that the Governor included in his request 64 positions for a permanent Multi Skilled Worker program.

The Governor also included a request for \$25 million in capital improvement project funds for capital repairs and \$6 million in capital improvement project funds for vacant unit repairs. Executive Director Ouansafi also reported that the Governor requested a \$3 million appropriation to support expenses under the State Aided Family Housing Program and the State Elderly Housing Program. Last year, the HPHA received its first appropriation from the Legislature to support the state public housing properties and this helped the HPHA avoid rent increases.

Executive Director Ouansafi reported that there was a proposal to delete the limitation on the number of tenant aides that the HPHA can hire. He stated that the bill will not be heard due to the committee's full calendar.

Executive Director Ouansafi reported that the Governor's package included a request for funds for the salaries and administrative costs of the Section 8 program. By paying for the administrative costs with State funds, the HPHA will be able to utilize the federal administrative fees for housing assistance payments to landlords. He further explained that this strategy will help the HPHA in the future years after all of the HUD held reserves are depleted to potentially lease an additional 100 vouchers. HPHA is currently only utilizing approximately 2,200 vouchers and can lease up approximately 800 additional vouchers. This is a long term strategy to help the HPHA utilize its currently unfunded vouchers. Executive Director Ouansafi reported that the HPHA has approximately \$3.0 million in HUD held reserves most of which could be depleted if the existing applicants with vouchers were able to locate rental units and lease up their vouchers. He further clarified that the monthly report on Section 8 shows that the HPHA is 107% leased up for the month, which is because we are using the HUD held reserves.

Executive Director Ouansafi described SB 2089, RELATING TO A GENERAL EXCISE TAX EXEMPTION FOR LOW INCOME RENTAL SUBSIDIES which exempts rental

subsidy payments for Section 8 and Housing First Programs from the state general excise tax. Decision making was deferred until February 23, 2016.

Executive Director Ouansafi reported that SB 2091, RELATING TO PUBLIC HOUSING which appropriates funds for the repair and maintenance of existing public housing stock in the State; SB 2211, RELATING TO YOUTH GANG PREVENTION AND INTERVENTION which appropriates funds to the Department of Human Services to target youths who live in public housing who are at risk of engaging in gang activities or joining gangs; and SB 2275, RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY which authorizes the issuance of general obligation bonds and appropriates funds for the repair and maintenance of public housing projects managed by the Hawaii Public Housing Authority were all deferred.

Executive Director Ouansafi reported that the Senate Housing Chair will likely request \$100 million in capital improvement project funds for the HPHA. He further explained that the HPHA supported the bill as long as it does not negatively impact the Governor's budget.

Executive Director Ouansafi described SB 2343 which prohibits the Hawaii Public Housing Authority from limiting the number of tenants in the Section 8 Housing Choice Voucher program that may occupy a single tax map key (TMK) property. He explained that the HPHA currently allows more than one unit per TMK so this proposed bill does not affect the HPHA.

Executive Director Ouansafi reported that SB 2509 establishes a seven-year limit on tenants in State low-income housing projects; prohibits state low-income housing units from being passed along from one individual to another; and requires unemployed tenants who live in state low-income housing to perform community service or enroll in classes. He explained that there were two versions of the bill with the House version and the Senate version being slightly different. He reported that the Senate version of the bill eliminated the seven year limit on tenancy and allowed the HPHA to implement a community service requirement for 10 hours a month, rather than requiring tenants to perform 20 hours of community service a week. He commented that this program could be difficult to implement and manage without additional staffing as it is different from the federal 8-hour community service requirement.

Executive Director Ouansafi described SB 2561, SD1 (currently unavailable) which proposes to establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26; establishes a temporary special action team on rental housing to recommend actions by the Governor to achieve the goal; and places the team under the Lieutenant Governor's office for administrative purposes and designates the Lieutenant Governor as special action team Chair.

Executive Director explained SB 2563 which proposes to make the projects of the HPHA eligible for grants from the rental housing revolving fund; make the Hawaii Public

Housing Authority eligible for the lease of land from the Hawaii Housing Finance and Development Corporation (HHFDC) at token lease rent; and revises the preferences and priorities for the funding of projects from the rental housing revolving fund to provide HPHA with a preference. The HPHA submitted testimony in support. HHFDC submitted testimony in opposition. The bill passed out of committee unamended.

Executive Director Ouansafi explained SB 2564 which proposes to transfer the State Rent Supplement Program from the HPHA to the Department of Human Services on 07/01/17. He explained that although the program is currently underperforming, the HPHA submitted testimony in opposition to the transfer. The HPHA has operated this program for over 25 years. Although the Rent Supplement Program is a small program, the HPHA spent the last year analyzing and evaluating the program's financial and programmatic aspects. This program was formerly operated by approximately 5.0 FTE, but the HPHA currently has only 1.25 FTE authorized positions. He indicated that the administrative rules needed updating and other rules that were revised to improve program efficiencies.

Executive Director Ouansafi reported that subsequent to the financial review by the Fiscal Management Office and the completion of the annual financial audit, he instructed staff to reimburse the State much of the administrative expenses due to the underperforming nature of the program. In January 2016, the funds were reimbursed back to the State's general funds. Executive Director Ouansafi explained that with more staff and the revised administrative rules he felt that program performance should improve. He expressed commitment to continued improvement in program performance. He further explained that the proposed bill would have provided DHS with 2.0 FTE, but would have also doubled the appropriation. Since DHS lacks the system to manage the funds (e.g., staffing, database), the HPHA felt it was better equipped to manage the program and testified against the bill.

Director Wong indicated that DHS agreed that the program should stay at the HPHA.

Chairperson Shim commended Management for their work during this Legislative session, which included tracking hundreds of bills. He requested that Executive Director Ouansafi provide information only on bills that are still relevant or will have a significant impact on the HPHA.

Executive Director Ouansafi commended all of the Branch Chiefs for their work this Legislative session. He explained that there are hundreds of bills that come out of the various committees. He also thanked the DHS staff and HHFDC staff who assist in tracking bills and send the HPHA's notifications on committee meetings.

Executive Director Ouansafi described SB2876 which proposes to exempt the HPHA from the definition of "public lands" in section 171-2, Hawaii Revised Statutes. He reported that the Senate Housing Committee and the Water and Land Committee passed the measure with amendments, however, the updated bill was not available as

of February 17, 2016. This is considered a housekeeping bill as the HPHA formerly held the exemption prior to the bifurcation from the HHFDC.

Executive Director Ouansafi reported that the HPHA also supported various Transit Oriented Design (TOD) bills during the session.

Executive Director Ouansafi stated that the deadline to hear bills is tomorrow (February 19, 2016). He stated that the HPHA has received a lot of support this session. He commented that although there are difficult questions being asked, he felt that the questions were fair. Executive Director Ouansafi reported that the HPHA also received a lot of support from the Governor's Office and the Department of Budget and Finance during the preparation for the session.

Chairperson Shim expressed appreciation for the work that has gone into the testimony and time spent educating the Legislators so that they can work with HPHA. He stated that the testimony reflected the sentiment of the Board.

Director Wong explained that the Legislative process begins with the various State agencies submitting their budget and legislative (program) requests to the Department of Budget and Finance and the Governor's Office. Then, the Governor presents his executive budget request and administrative package to the Legislature. She explained that there were two proposed bills submitted by the Governor that related to the HPHA: 1) related to the exemption for public lands; and 2) removal of the limit on the number of tenant aides the HPHA can hire. She explained that the HPHA can only testify in full support of the two bills submitted by the Governor in his administrative/executive package.

Director Wong further explained that State agencies can support the intent of a proposed bill, but not to the detriment of the executive request. All of the other bills were drafted by the Legislators.

Director Darcy commented that it helps to know how the bills are generated and where they come from.

Director Wong explained that bills that are part of the Governor's State Plan are generally labeled as Governor's package. She stated that affordable housing is a priority and that public housing is an important part of the Governor's housing strategy.

Director Young commented that he would like be briefed on the HPHA's relationship to the Rental Housing Trust Fund and the Dwelling Unit Revolving Funds. He would also like a better understanding of the HPHA's access to those funds and what are considered allowable costs. He also requested additional information on TOD and how the HPHA supports TOD development.

Executive Director Ouansafi explained that the first project to be most impacted will be Mayor Wright Homes. He explained that coordinating the redevelopment with the TOD

plan will be beneficial for the developer. He reported that the HPHA supported the TOD bills because the HPHA will be developing along the TOD rail line. He further explained that when low income or affordable housing is built there will be a gap in financing and programs like the Rental Housing Revolving Fund (RHRF) may provide that gap financing. Executive Director Ouansafi stated that after the legislative session, he will coordinate a presentation/meeting to provide the Board with additional information. He further explained the RHRF and that the HPHA is able to score well on the application because the HPHA's target population is very low income. Executive Director Ouansafi reported that there is proposed legislation which gives the HPHA priority (preference) over other nonprofit applicants for the RHRF.

Director Oh questioned whether there has been any discussion at the Legislature to allocate a portion of the conveyance tax to the HPHA or a fund managed by the HPHA.

Executive Director Ouansafi responded that there was some discussion in previous years regarding the conveyance tax. He has also heard, however, that opponents suggested that it will reduce competition and affect the number of developers that will compete for the funds.

Director Oh commented that most new development projects will need to deal with infrastructure issues, including the Mayor Wright Homes development.

Executive Director Ouansafi reported that Senator Suzanne Chun Oakland convened a TOD task force which the HPHA continues to participate in. Much of the task force discussion centered on the redevelopment at Mayor Wright Homes and the problems with the surrounding City infrastructure and sewer capacity. Additional issues have surfaced with other parties (e.g., Department of Education, other developers) showing increased interest in developing in the same area.

Executive Director Ouansafi stated that there are two main TOD-related bills: 1) calls for the establishment of a formal special action team; and 2) another which studies issues with City infrastructure.

Director Wong reported that the Governor, in the State of the State address, announced his vision for the Kalihi community called "Kalihi 21st Century". The Governor's plan will include community engagement so that people who live, work, and play in this area are intentionally included in planning for the community.

Executive Director Ouansafi voiced his support of the planning efforts and stated that the Mayor Wright Homes redevelopment will play a role in the redevelopment of the Kalihi community.

Executive Director's Report

- Executive Director Ouansafi reported that the HPHA continues to focus on vacant unit repairs and provided program updates as posted in the report.

- Executive Director Ouansafi reported that all complaints or concerns are reviewed and evaluated. He also stated that the Compliance Office has an excellent team of attorneys that evaluate requests and uniformly process those requests according to the rules, laws, and standards.
- Executive Director Ouansafi stated that the HPHA continues to emphasize non-smoking in public housing and collaborated with the Department of Health Public Health Nurses and the Hawaii Public Health Institute to provide training for the Managers. There was a bill related to non-smoking in public housing, but it was deferred since the HPHA already has administrative rules in place related to smoking.
- Executive Director Ouansafi reported that the staff continue to work with the various properties to form resident associations in compliance with federal rules. In the past, HPHA had 8 FTE staff who worked with resident associations. HPHA currently has 1 FTE working with resident associations due to the conversion to Asset Management.
- Executive Director Ouansafi reported that notices were sent to tenants regarding changes to the Lease Agreement.
- Executive Director Ouansafi reported that the HPHA's occupancy decreased, but many of those vacant units are under construction. The HPHA has approximately \$200 million in design and construction work ongoing. He stated that unfortunately when a unit is in construction, the family may need to be relocated, and when that occurs the unit is considered vacant.
- Executive Director Ouansafi reported that construction of Palolo Homes, Phases 1& 2 are near completion.
- Executive Director Ouansafi reported that the staff comment that is bracketed on page 232 which starts "Please verify the information below..." should be deleted.
- Executive Director Ouansafi reported that the United Public Workers meeting went well. There are currently 36 employees participating in the Multi Skilled Worker (MSW) Pilot Program. Recently, however, 3-4 staff indicated that they would like to leave the program and return to their AMP. Executive Director Ouansafi stated that many staff take advantage of and appreciate the ongoing training, but acknowledged that it is hard work. He stated that there are ongoing efforts to attract more staff into the MSW pilot program but he is also cognizant of the need to maintain balanced staffing at the AMPs.
- Executive Director Ouansafi provided program updates on the Section 8 program as reported in the Board packet, including program statistics on homeless veterans. He reported that many of the section 8 units failed the initial Housing

Quality Standards inspections. Landlords are given an opportunity to repair the units and then staff conduct a reinspection of the unit.

- Executive Director Ouansafi introduced Ms. Helen Enobakhare, the new Property Management and Maintenance Services Branch Chief, who is originally from England and is a practicing attorney. He stated that the HPHA was patient in hiring a Branch Chief and thanked Ms. Joanna Renken, Mr. Sam Liu, and Ms. Stephanie Fo for filling in and assisting with the tasks normally assigned to the Branch Chief.
- Executive Director Ouansafi reported that the Procurement Office report on pages 223 – 226 are duplicated on pages 227 – 229.
- Executive Director Ouansafi reported that the HPHA continues to negotiate with the Hunt Group for the redevelopment of Mayor Wright Homes and will bring a proposed agreement to the Board in the near future.
- Executive Director Ouansafi requested the establishment of a Financial Task Force to review the Single Audit Findings and the Proposed Budget for FY 2016-2017.

Director Wong questioned whether she would be able to appoint a proxy to participate on the Board's task force.

Deputy Attorney General Sugita explained that the purpose of a task force is for Board members to discuss items at length with staff and should be limited to Board members.

Executive Director Ouansafi also clarified that the budget document is considered confidential until approved by the Board. Executive Director Ouansafi reported that the proposed budget would be available for review in April 2016.

Director Darcy asked whether membership on the task force could be changed at a future meeting.

Deputy Attorney General Sugita clarified that Chairperson Shim would need to dissolve the current task force and appoint a new one.

Due to the HPHA having potentially only two findings in the single audit, the Board determined that a Task Force to review the single audit was not necessary at this time. Chairperson Shim appointed Director Smith, Director Young, Director Medeiros, Director Oh, and Director Darcy to a Task Force to review the annual operating budget for 2016-2017 for the Hawaii Public Housing Authority.

- Director Young commented that there was a positive variance in administrative expenses, but wanted to understand how that is affecting the HPHA's staff and capacity.

Executive Director Ouansafi explained that although the HPHA budgets for positions, it is difficult to attract staff for various positions. He indicated that there are technical positions that are difficult to fill and also the salary is a limiting factor in hiring. Executive Director Ouansafi reported that due to the thriving construction industry it is difficult to find maintenance staff. He further reported that the HPHA held a job fair where applicants could come and submit on line applications directly into the Department of Human Resource Development's (DHRD) website. DHS and DHRD staff were present to assist applicants. The HPHA received only five applicants for maintenance positions at the job fair this year. In 2013, the HPHA held a job fair and approximately 200 applicants attended the job fair and most were applying for maintenance positions.

Executive Director Ouansafi described the difficulties of hiring for positions responsible for heavily regulated programs (e.g., Section 8) in a tight employment market and all of the various ways the HPHA is advertising its positions. He further explained that Hawaii's high cost of living presents a challenge when hiring interested applicants from out of state. Additionally, under Asset Management, every AMP needs to be able to sustain the positions hired under their budget.

Director Young moved,

To go into Executive Session to Approve the Minutes of November 15, 2015 Executive Session.

The motion passed unanimously.

Adjournment:

Director Wong moved,

To Adjourn the Meeting.

The motion was passed unanimously.

The meeting adjourned at approximately 11:52 am.

MINUTES CERTIFICATION

Minutes Prepared by:



Deidra Ahakuelo-Kepa
Secretary

MAR 17 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

MAR 17 2016

Date