AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. APPROVAL OF MINUTES

Regular Meeting Minutes, March 17, 2016 (pp. 4-13)
Special Meeting Minutes, April 12, 2016 (pp. 14-16)
Executive Session Minutes, November 19, 2015 (not for public distribution)
Executive Session Minutes, February 18, 2016 (not for public distribution)
Executive Session Minutes, March 17, 2016 (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 Reappoint Ms. Joanna Luiz, Whose Original Term Expired in February 2016, to an Additional Four-Year Term on the Hilo Eviction Board; And To Appoint the Ms. Louanne K. L. Kam to a Four-Year Term as a Floating Board Member Who is Eligible to Serve On All Eviction Boards (pp. 17 - 21)

B. MOTION: To Approve the Updated Utility Allowance Rates for May 1, 2016 to May 31, 2017 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Undertake All Steps Necessary to Implement the Updated Rates, Including Accepting Comments on the Updated Rates as Required (pp. 22 – 106)

C. MOTION to: (1) Repeal Chapter 184 of Title 15, Hawaii Administrative Rules (“HAR”), entitled “Rent Supplement Program”; (2) Adopt Proposed New Chapter 2033 of Title 17, HAR, entitled “Rent Supplement Program” which is substantially based on Chapter 15-184, HAR, and includes the
proposed amendments to Chapter 15-184, HAR, previously adopted by the HPHA Board of Directors on January 21, 2016, and sets forth the rules and requirements for HPHA’s Rent Supplement Program which is a program that offers rent subsidies to a qualified person or family; and (3) Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary under Chapter 91, Hawai‘i Revised Statutes, and Administrative Directive No. 09-01 to Implement the Repeal and Adoption of New Rules, including Making Non-Substantive Revisions to Formatting as May be Required (pp. 107 – 165)

NOTE: Proposed Repeal of Chapter 15-184, HAR, and Adoption of New Chapter 17-2033, HAR being considered by the HPHA Board of Directors above may be viewed in person on or about April 15, 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 Kamaau 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 April 15, 2016 on the Lieutenant Governor’s website at: http://ltgov.hawaii.gov/the-office/administrative-rules/
The proposed changes were discussed in detail at the January 21, 2016 Board meeting and have also been posted on the HPHA’s website as part of the Board meeting packet for January 21, 2016.

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities.
V. FOR INFORMATION/FOR DISCUSSION

FOR INFORMATION: Tentatively Scheduled Meeting with U.S. Department of Housing and Urban Development’s Principal Deputy Assistant Secretary Lourdes Castro-Ramirez

VI. EXECUTIVE DIRECTOR’S REPORT (pp. 166 – 202)

- Financial Report for the Month of February 2016
- Contracts Executed During March 2016 and Planned Solicitations for April 2016
- Property Management and Maintenance Services Lease up Status and Eviction Hearings for the Month of March 2016
- Construction Management Activities, including Obligation and Expenditure Status for the Federal Capital Fund Program (CFP) and the State Capital Improvement Program (CIP), Kuhio Park Terrace and Kalihi Valley Homes Construction Activity
- Section 8 Subsidy Programs Voucher Lease Up and Inspection Status for the Month of March 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.
The Board of Directors of the Hawaii Public Housing Authority (HPHA) held their Regular Board Meeting at 1002 North School Street, Building A on Thursday, April 21, 2016. At approximately 9:08 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 Lisa Darcy
Director George De Mello
Director Elizabeth Kim
Director Myoung Oh
Director Laura Smith
Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

EXCUSED:
Director En Young
Director Rachael Wong

STAFF PRESENT:
Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
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
Nelson Lee, IT Analyst
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, IT Officer
Joanna Renken, Supervising Public Housing Manager
Sam Liu, Property Management Specialist
David Nygaard, Budget Resource Specialist
Maricar Campos, Property Management Specialist
Kau’i Martinez, Resident Services Program Specialist
OTHERS PRESENT (and signing in as):
  Wilcox Choy, KMH LLP
  Desiree Kihano, Palolo Homes tenant
  Ira Calkins, Punchbowl Homes tenant
  Andrew Nakoa, Sr., Mayor Wright Homes tenant
  Fetu Kolio, private resident

Proceedings:

  Chairperson Shim declared a quorum present.

Approval of Minutes:

Director De Mello moved,

  To approve the Regular Meeting Minutes of March 17, 2016.

  The minutes were unanimously approved as presented.

Director Darcy moved,

  To approve the Special Meeting Minutes of April 12, 2016.

  The minutes were unanimously approved as presented.

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

  Executive Session, November 19, 2015
  Executive Session, February 18, 2016
  Executive Session, March 17, 2016

Public testimony:

Ira Calkins, resident from Punchbowl Homes, stated that he is the Director of Intergovernmental Research. He stated that he submitted a public information request regarding the HPHA’s practice of charging tenants $35.00 for a duplicate apartment
key. Mr. Calkins stated that the Office of Information Practices determined that the lack of response from the HPHA was deemed a denial of the request. He stated that the administration of the HPHA is refusing to explain to the public why there is a $35 charge for a duplicate apartment key.

Mr. Calkins reported that the emergency call-for-aid system at Punchbowl Homes has not been working since January 2014. He stated that the HPHA has not repaired the system and he purchased his own personal emergency call system. Mr. Calkins requested that the HPHA repair the call system.

Mr. Calkins commented that the minutes approved by the Board are required to be a concise reflection of what occurred at the meeting. Mr. Calkins stated that when he addressed the Board last month, he did not use the word “should”, but said “must” and “shall”. He views the approved minutes as a falsehood and commented that the Board Secretary would be held liable in a court of law.

Mr. Calkins further commented that the HPHA’s By-laws requires the Executive Director to provide the Board a report of the financial condition of the HPHA in July.

Desiree Kihano, Palolo Homes resident, stated that she received a letter in response to her public testimony from last month’s Board meeting. Ms. Kihano did not feel the HPHA’s responses to her questions regarding the resident participation funds were acceptable. She questioned whether it was appropriate for the AMP staff to utilize the funds if there was no resident association at the property.

Ms. Kihano further commented that she wasn’t fully satisfied with the answer to her question about including a discussion of “General Resident Concerns” on the RAB meeting agenda. She commended PMMSB staff on indirectly answering her question and explaining the process used to resolve tenant complaints.

Ms. Kihano stated the response received for the replacement of the association unit was acceptable. However, she stated that the HPHA must be consistent in its approval or denial of the use of housing units for resident association offices.

Willcox Choy, Partner at KHM LLP, stated he wanted to provide insight as to how the financial audit was conducted this past year. Mr. Choy stated that during this year’s audit, KMH proposed 12 adjusting journal entries (AJE). To give the Board a better perspective, he stated that in fiscal year 2012 the auditors proposed 58 AJE. He reported that out of the 12 adjusting journal entries, there was only 1 non-material amount that pertained to the reclassification from construction-in-progress (CIP) to fixed assets. Mr. Choy explained that the impact of the untimely transfer to fixed assets would be the underreporting of depreciation.

Mr. Choy stated that in 2011, there were 12 audit findings; 3 were considered material weakness and 9 were significant deficiencies. This past year, there were no financial audit findings and only 2 significant deficiencies. Mr. Choy wanted to provide context to
the findings and testify regarding the significant improvements he’s seen in the last five years.

Mr. Choy acknowledged the amount of effort it takes for a large agency, such as the HPHA, to make such significant improvement. He commended Mr. Chong Gu, Ms. Stephanie Fo, Ms. Joanna Renken and Executive Director Ouansafi for their outstanding efforts to reduce the financial and program audit findings. He stated that Executive Director Ouansafi has always been willing to work with the auditors to make improvements at HPHA.

Director Kim expressed her appreciation for Mr. Choy’s testimony and explanations on the audit. Chairperson Shim thanked Mr. Choy for providing clarity and recognizing the efforts of the HPHA leadership team from an audit standpoint.

Andrew Nakoa, Mayor Wright Homes tenant, stated that he calls the housing office when incidents occur and reports those to the office. He clarified that he may not report it to the Manager, but he does report incidents to staff in the office. Mr. Nakoa reported that a group of kids were playing in his yard one afternoon and he told them to leave. An hour later, his clothes line was pulled down. Mr. Nakoa stated this has happened four times and he blames the security guards for not patrolling the area.

Mr. Nakoa stated that his family does not want to visit him at Mayor Wright Homes because of the tight security and did not visit him for his birthday, so it was just him and his wife. He would like the rules to be changed.

Fetu Kolio, private resident, stated he continues to come to the Board meetings to address the corrections that are needed. He stated that during his grievance process, there was a continuous mindset which was not correct. Mr. Kolio reported that HPHA staff accused him of “stealing” money from the tenant association. He clarified that he only “misappropriated funds”. He further stated that “stealing is when you go into a bank and you hold up a bank.” Mr. Kolio explained the history of the resident association and alleged that the previous resident association did not maintain ledgers or records regarding the financial status of the association.

Mr. Kolio reported that the previous resident association took all-expense paid vacations to Samoa and Las Vegas. He stated that the officers of the previous resident association were never brought up for stealing money, misappropriating funds or eviction proceedings. He alleged that those tenants are affiliated with the management and allowed to engage in criminal activity and assaults on other tenants with no sanctions or punishment.

For Action:

Director Espero moved:
To Reappoint Ms. Joana Luiz, Whose Original Term Expired in February 2016, to an Additional Four-Year Term on the Hilo Eviction Board; And To Appoint Ms. Louanne K. L. Kam to a Four-Year Term as a Floating Board Member Who is Eligible to Serve On All Eviction Boards

The motion was unanimously approved.

For Action:

Director Smith moved:

To Approve the Updated Utility Allowance Rates for May 1, 2016 to May 31, 2017 for the Section 8 Housing Choice Voucher Program and to Authorize the Executive Director to Undertake All Steps Necessary to Implement the Updated Rates, Including Accepting Comments on the Updated Rates as Required

Executive Director Ouansafi explained that under the HUD program rules, public housing agencies are required to provide a utility allowance to families in the Section 8 and public housing programs on an annual basis. The allowances are estimates of expenses associated with different types of utilities and their uses and are based on the actual historical usage for Oahu and actual utility rates provided by the utility companies. The HPHA verified with the Hawaiian Electric Company (HECO) that the cost of utilities in Hawaii decreased and this caused the decrease in the HPHA’s utility allowance rates. He further stated that all Section 8 voucher holders were provided written notification of the proposed changes to the utility allowance rates. Consumption rates remained similar to last year, but the price the utility companies charged decreased. A full copy of the utility allowance study was provided to the Board.

Director Oh asked what happens in a situation where a Section 8 holder moves into a unit and is required to pay a utility deposit.

Executive Director Ouansafi explained that it is the responsibility of the tenant to pay for the deposit. Tenants are referred to nonprofit organizations to provide assistance when appropriate. HPHA was able to work with HECO to waive utility deposits for public housing tenants, but HECO would not provide a similar waiver for Section 8.

Director Darcy commented that utility connection fees on Maui can be cost prohibitive for renters. She asked how often are individuals not able to move in because of the high cost.

Executive Director Ouansafi responded that he is unaware of situations where an applicant was unable to move in because they lacked the utility deposit. He explained that there are nonprofit organizations that can assist families with the deposit.

Chairperson Shim asked about the types of appliances or equipment used for the utility
allowance study. He stated that the Hawaii Clean Energy Initiative energy assessment found that digital video recording (DVR) systems consume the most energy in a home. Chairperson Shim commented that the consultants should consider including the DVR systems in the study.

Executive Director Ouansafi explained that the utility allowance schedule is determined based on the typical cost of utilities and services paid by a conservative household as required by the federal rules. As such, the utility consumption of a DVR is not included in the calculations.

Director Espero asked what happens if a voucher holder finds a unit that is below the fair market rent, yet per the payment standard the HPHA is able to pay up to 110% of the fair market rent. He asked whether the HPHA is able to negotiate with the landlord a higher rent amount to include utility deposit.

Executive Director Ouansafi stated that the HPHA works with the rent charged and does not get involved with negotiations between the tenant and landlord. Executive Director Ouansafi explained that staff are responsible to ensure that the rent is fair and comparable to rent being charged in the surrounding area.

Executive Assistant Arashiro further clarified that the HPHA does not pay more than the comparable rents in the area. She stated that even if the payment standard allows the HPHA to pay up to 110%, the area rent dictates whether HPHA could pay more.

Director Espero asked if the voucher holder is having a difficult time and they find a cheaper unit, will the HPHA be willing to assist, as long as it stays within the 110%.

Executive Assistant Arashiro explained that a landlord could include the utility deposit in the rental agreement. In that situation, if the total amount was comparable to the rents in the area, the HPHA would be able to assist.

Executive Director Ouansafi further commented that the HPHA often pays up to the 110% payment standard amount and landlords ask for more because they know the rental assistance is being provided by the federal government. Landlords are also informed of the comparable rents for their area. Executive Director Ouansafi explained that there are certain exceptions with accessible units, where HPHA is able to request that HUD increase the payment standard.

Director Darcy asked if there was an opportunity to educate tenants on the actual cost of energy and energy usage in their homes. She has researched energy consumption in the past and would like to see tenants informed about energy consumption and ways to save energy.

Chairperson Pono stated that there are organizations, such as Hawaii Energy, that do that type of work in the community.
Executive Director Ouansafi stated that the HPHA has been working with Hawaii Energy for several years to educate our tenants on energy saving measures.

Director DeMello concurred and explained that Ms. Helen Wai from Hawaii Energy has provided tenant education on things like phantom loads and energy saving measures. Hawaii Energy has also provided public housing tenants with power strips, timers, and energy saving light bulbs.

The motion was unanimously approved.

For Action:

Director Espero moved:

To (1) Repeal Chapter 184 of Title 15, Hawai‘i Administrative Rules (“HAR”), entitled “Rent Supplement Program”; (2) Adopt Proposed New Chapter 2033 of Title 17, HAR, entitled “Rent Supplement Program” which is substantially based on Chapter 15-184, HAR, and includes the proposed amendments to Chapter 15-184, HAR, previously adopted by the HPHA Board of Directors on January 21, 2016, and sets forth the rules and requirements for HPHA’s Rent Supplement Program which is a program that offers rent subsidies to a qualified person or family; and (3) Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary under Chapter 91, Hawai‘i Revised Statutes, and Administrative Directive No. 09-01 to Implement the Repeal and Adoption of New Rules, including Making Non-Substantive Revisions to Formatting as May be Required

Executive Director Ouansafi stated that the proposed administrative rules include the substantial amendments previously approved by the Board. However, the Department of the Attorney General has determined that the HPHA must repeal Chapter 184 of Title 15 and adopt the changes under a new chapter.

Executive Director Ouansafi reported there were also other housekeeping changes that were necessary as identified in the board packet. He stated that Deputy Attorney Generals Jennifer Sugita and Klemen Urbanc were present to answer questions.

The motion was unanimously approved.

For Information:

Tentatively Scheduled Meeting with U.S. Department of Housing and Urban Development’s Principal Deputy Assistant Secretary Lourdes Castro
Executive Director Ouansafi reported that HUD's Principal Deputy will be visiting Hawaii and will meet with Management and the Board’s Chairperson, Vice Chairperson, and Secretary.

**Executive Report:**

- Executive Director Ouansafi reported on proposed legislation and senate budget version which provided the HPHA with 36 Multi-Skilled Worker positions, $35 million for repair and maintenance and additional fees for Section 8. He reported that the staff are tracking several other bills which may impact the HPHA and its tenants.

- Executive Director Ouansafi reported that the predevelopment efforts at Mayor Wright Homes are starting. HPHA and the MWH Partners will hold community meetings to answer questions and obtain community input regarding the redevelopment.

- Executive Director Ouansafi reported that the Operating Budget for FY 2016-2017 is drafted and under review by the staff. Management will meet with the Board’s Finance Task Force in the near future.

- Executive Director Ouansafi reported that work continues on the electronic waitlist portal. The on-line system will allow for more efficient processing of applications.

- Executive Director Ouansafi provided status reports on occupancy and evictions. HPHA has translated the public housing rental agreement into nine different languages.

- Executive Director Ouansafi reported that the HPHA coordinated Fair Housing Awareness Month in the State of Hawaii. HPHA participated in proclamation signing ceremonies held by Governor David Ige and Mayor Kirk Caldwell. HPHA hosted a Fair Housing Awareness event at the State Capitol which was well attended by members of the public.

- Executive Director Ouansafi reported that HPHA housed 9 homeless veterans and completed 251 quality control reinspections.

- Executive Director Ouansafi reported that HPHA has 41 staff vacancies and the Human Resources Office is currently filling the vacancies.

Director Kim asked Executive Director Ouansafi about the General Expenses and pCard purchases.

Executive Director Ouansafi responded that the pCard is used for purchases that are
related to the public housing properties, such as maintenance materials and supplies. There are also purchases for other expenses such as travel.

Executive Assistant Arashiro commented that State rules require all State agencies use the pCard to execute purchases under $2,500, where the vendor accepts the pCard.

**Director Kim moved,**

To go into Executive Session to Approve the Minutes of November 19, 2015 February 18, 2016 and March 17, 2016.

The motion passed unanimously.

Chairperson Shim reported that the Executive Session Minutes of November 19, 2015, February 18, 2016 and March 17, 2016 were approved in Executive Session.

**Adjournment:**

Director Darcy moved,

To Adjourn the Meeting.

The motion was passed unanimously.

The meeting adjourned at approximately 10:55 am

**MINUTES CERTIFICATION**

Minutes Prepared by:

Jonessa Burns
Secretary

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on May 19, 2016: [ ] As Presented [ ] As Amended

Director Jason Espero
Board Secretary