HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
February 16, 2017
9:00 a.m.

AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. APPROVAL OF MINUTES
   A. HPHA Regular Meeting Minutes, November 17, 2016 (pages 4-15)
   B. Executive Session Meeting Minutes, November 17, 2016
      (confidential – not for public distribution)
   C. HPHA Special Meeting Minutes, December 7, 2016 (pages 16-33)

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 Approve the Draft Public Housing Agency Five Year and
      Annual Plan (PHA Plan) for Fiscal Year 2017 – 2018 and Authorize the
      Executive Director to hold Public Hearings on the Draft PHA Plan (pages
      34-123)
   B. Motion: To Approve (1) Repeal of Chapter 184 of Title 15, Hawai‘i
      Administrative Rules (HAR), entitled "Rent Supplement Program"; (2)
      Adoption of Chapter 2033 of Title 17, HAR, entitled "Rent Supplement
      Program" which sets forth the rules and requirements for Hawai‘i Public
      Housing Authority’s (HPHA) Rent Supplement Program which offers rent
      subsidies to a qualified person or family, and is substantially based on
      Chapter 15-184, HAR; and (3) Authorize the Executive Director to Take
      Required Actions to Submit the Repeal and Adoption of These Rules to
the Governor of the State of Hawaii for Approval, and Implement the Repeal and Adoption of These Rules *(pages 124-186)*

*The Rules may be viewed on the internet on the Lieutenant Governor’s website at: [http://ltgov.hawaii.gov/the-office/administrative-rules/](http://ltgov.hawaii.gov/the-office/administrative-rules/) or at [http://www.hpha.hawaii.gov/referenceinformation/admin_rule.htm](http://www.hpha.hawaii.gov/referenceinformation/admin_rule.htm), or may be viewed from 7:45 a.m. to 4:30 p.m., Monday through Friday, except holidays, at the HPHA’s Offices located as follows:*

Hawaii Public Housing Authority  
1002 North School Street, Bldg. H  
Honolulu, Hawaii 96817

Lanakila Homes  
600 Wailoa Street  
Hilo, Hawaii 96720

Ka Hale Kahaluu  
78-6725 Makolea Street  
Kailua-Kona, Hawaii 96740

Kapaa  
4726 Malu Road  
Kapaa, Hawaii 96746

Kahekili Terrace  
2015 Holowai Place  
Wailuku, Hawaii 96793

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.

**IV. FOR INFORMATION/DISCUSSION**

A. **SUBJECT:** Operating and Capital Budget from the U.S. Department of Housing and Urban Development (HUD), Presentation by Mr. Jesse Wu, Director of the HUD Hawaii Office of Public Housing

B. **SUBJECT:** Status on Legislative Bills and Report on Testimony by the Executive Director for the 2017 Legislative Session *(pages 187-266)*

C. **SUBJECT:** Update on Redevelopment Projects at Kuhio Park Terrace/Kuhio Homes, Mayor Wright Homes and School Street Administrative Offices

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(8), and 103D-105 to discuss, deliberate or make a decision on information that must be kept confidential, 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, and/or 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 related to the Redevelopment Projects at Kuhio Park Terrace/Kuhio Homes, Mayor Wright Homes, and School Street Administrative Offices.

V. REPORTS (pages 267-303)

- The Report on Contracts Executed During November 2016, December 2016, January 2017 and Planned Solicitations for February 2017 are provided to the Board in the monthly packet. No formal report is planned.
- Property Management and Maintenance Services Lease up Status and Eviction Hearings for the Month of January 2017.
- Construction Management Activities, including Obligation and Expenditure Status for the Federal Capital Fund Program (CFP) and the State Capital Improvement Program (CIP).
- Section 8 Subsidy Programs Voucher: Status of Applications and Waiting List. Status of the Special Rent Supplement Program Targeted to Homeless Families. Report on the Opening of the Waiting List and Mass Certification for the Rent Supplement Program. The Section 8 Report is provided to the Board in the monthly packet.

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 three 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, February 16, 2017. At approximately 9:03 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

PRESENT:
Director Pono Shim, Chairperson
Director Alena Medeiros, Vice Chair
Director Jason Espero, Secretary
Director Pankaj Bhanot
Director Lisa Darcy
Director George De Mello
Director Laura Smith
Director En Young
Deputy Attorney General, Jennifer Sugita

EXCUSED:
Director Elizabeth Kim
Director Myoung Oh

STAFF PRESENT:
Hakim Ouansafi, Executive Director
Chong Gu, Chief Financial Management Advisor
Rick Sogawa, Procurement Officer
Ursula Jackson, Chief Compliance Officer
Helen Enobakhare, Property Management and Maintenance Services Branch Chief
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Becky Choi, State Housing Development Administrator
Shirley Befitel, Personnel Supervisor
Renee Blondin-Nip, Hearings Officer
Nelson Lee, IT Supervisor
Gary Nakatsu, Applications Office
Sarah Beamer, Planner
Beatrice Martinez, Resident Services Specialist
Maricar Campos, Property Management Specialist
Earl Nakaya, Program Specialist
Lyle Matsuura, Resident Services Specialist
OTHERS PRESENT (and signing in as):

Hien Dang, Palolo Valley Homes tenant
U’i Goods, Medical-Legal Partnership
Desiree Kihano, Palolo Valley Homes tenant
Lila King, Special Assistant, Department of Human Services
Fetu Kolio, Makamae tenant
Roy Nakamura, Kalakaua Homes tenant
Monique O’Campo, Nanakuli Homes tenant
June Talia, Kuhio Park Terrace tenant

Proceedings:

Chairperson Shim declared a quorum present.

Chairperson Shim announced that Executive Director Ouansafi must attend legislative hearings at some point during the meeting. Chairperson Shim stated that he would try to expedite the agenda, but would not defer items.

Approval of Minutes:

Director Smith moved,

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

The minutes were unanimously approved.

Chairperson Shim deferred approval of the Executive Session Meeting Minutes, November 17, 2016, until later in the meeting.

Director Bhanot moved,

To approve the Special Meeting Minutes of December 7, 2016.

The minutes were unanimously approved.

Chairperson Shim welcomed and congratulated Director Bhanot on his appointment as Director of the Department of Human Services.
Public Testimony

Chairperson Shim requested that public testimony be limited to three minutes per agenda item.

Roy Nakamura, Punchbowl Homes tenant, testified that it’s not fair that a tenant with criminal background can live in public housing. Mr. Nakamura alleged that a neighbor at his property was arrested for promotion of dangerous drug, contempt of court, and other bench warrants. He also mentioned that other tenants get written up for smoking in their units by anonymous complaints.

Chairperson Shim requested that Mr. Nakamura identify the agenda item he was testifying about.

Mr. Nakamura further stated that he has a copy of a filing from District Court, which is written by many tenants and that if the tenant caused property damage the rule states that he had 15 days to vacate.

Chairperson Shim requested that Mr. Nakamura limit his testimony to an agenda item, and that the issues he raised should be directed to the Property Management Branch.

Mr. Nakamura responded that Management does nothing to address the problems and that people smoke in the hallways and near the elevators, even though the no smoking sign is displayed.

Chairperson Shim thanked Mr. Nakamura for his testimony and confirmed that if he is not going to testify on an agenda item, then he would move on to the next person.

Chairperson Shim dismissed Mr. Nakamura.

June Talia, Kuhio Park Terrace tenant, stated that many tenants are upset and that things are not moving fast enough and that they tried their best to be cool, calm and collective. Ms. Talia sang about hearing her humble request about the issues at their property and not pass them by.

Chairperson Shim asked all testifiers to please keep to the agenda because of time constraints.

Ms. Talia stated that she had to cancel her appointment with the Executive Director because of an emergency, but will schedule another appointment.

Fetu Kolio, Makamae tenant, stated that he would address Agenda Item VI. Executive Director’s Report and commented that his reasonable accommodation request for a two-bedroom unit and a live-in aide was approved, but he is still waiting to be transferred. He believes that the housing authority continues to discriminate and
retaliate against him because of a Supreme Court ruling. He stated that he filed a discrimination complaint with the Hawaii Civil Rights Commission in April 2016 concerning the Applications Unit and worked closely with the Compliance Office. He also mentioned that he doesn't understand why staff keep moving office. He was given a temporary unit where he is now, however he was supposed to be reinstated back to Mayor Wright Homes. He stated that since he is not with his wife, the housing authority required that he live in a one bedroom unit, and that he believes that this is discrimination. Mr. Kolio also stated that he can pursue another discrimination complaint. He stated that he appreciated Executive Director Ouansafi's hard work, but that Mr. Ouansafi does not understand the whole picture. He stated staff that was involved in his eviction is still with the department and as long as they are still employed they will continue to have "discriminatory above the law type of attitude."

Desiree Kihano, Palolo Valley Homes tenant, distributed a handout. She testified regarding the modernization project at Palolo Homes and reported that the last two buildings are vacant pending the installation of the meters. She explained that prior to the renovation the tenants had the right to return to their original units. Their return rights changed when ACOP revisions were adopted. She mentioned that because the ACOP changed the housing authority was not required to provide it in writing. She stated that the tenants were told that they would move once, except for the tenants that had to vacate first to start the renovation. She explained that with only two buildings left and three are ADA units, not all the families can return to the original building. She further explained that the good tenants that deserve to return should be placed back to Palolo, and asked for Management to make a final decision and notify the tenants. She mentioned that no one received notice yet.

Hien Dang, Palolo Valley Homes tenant stated that she wants to return to her original unit because she felt safe and comfortable with her neighbors. She explained that since she moved across the street there are a lot of problems with tenants snooping around her unit, and people breaking into the cars in the parking lot. She explained that Management first told them that they could move back to their unit, but now they are saying they cannot.

Monique Ocampo, Nanakuli Homes tenant mentioned that she came across a list of 5,000 illegal residents that live in housing through a Google search. The list does not include names due to confidentiality rules but wanted to share with the housing authority as this may be a way to increase revenues. She explained her understanding of the process for a reasonable accommodation and a live-in-aide (LIA). She agreed that the Management should conduct criminal background check on the LIA, but commented that some Managers are asking questions about the LIA's income. Ms. Ocampo doesn't feel it is necessary because the LIA income is not part of the household or counted towards rent. She also mentioned that residents need training on requesting reasonable accommodations and modifications.

Ms. Ocampo explained that she is the founder of Island Tenants on the Rise, but that organization no longer exists. Her job is to advocate for the tenants that are being
evicted. She suggested that the tenants prepare a summary like Management and be sure they read and understand it. She also stated that she teaches them to apologize and be honest or not to lie because they will get caught by the eviction and/or grievance Boards.

Ms. Ocampo mentioned that the Island Tenant on the Rise never lost a case on eviction in court. She feels that once the judge understands that the resident was not provided due process, the HPHA will lose the case. She reiterated that her role was more of an advocate for tenants rather than an enemy of the housing authority. She stated that she knows how to build partnerships and has worked cooperatively with HHA, HCDCH, and HPHA for many years.

Chairperson Shim thanked everyone who testified and mentioned that it is significant to the Board as we go through developing strategy and planning.

June Talia asked if whether staff from HUD is on the Board of Directors. Chairperson Shim responded that no HUD staff are on the Board.

Chairperson Shim stated that there is a correction to the Agenda, there are six Agenda Items, as Agenda Item IV was repeated twice.

For Action:

Director Espero moved,

To Approve the Draft Public Housing Agency Five Year and Annual Plan (PHA Plan) for Fiscal Year 2017 – 2018 and Authorize the Executive Director to hold Public Hearings on the Draft PHA Plan

Executive Director Ouansafi explained that this is a requirement by HUD for the HPHA to receive federal funds (Capital and operational funds and Section 8 subsidies). He further explained that it must go to public hearing, then back to the Board for final approval and submitted to HUD in April, 2017.

Executive Director Ouansafi mentioned that there is one change to the timeline and that the hearings will be held a day earlier than scheduled due to the publication deadline for the Maui newspaper. It will also be posted on the HPHA website.

Director Espero asked for the location of the public hearings. Executive Director Ouansafi responded that the public hearings will be held at the main offices on each island and the exact date, time, and location will be published.

Director Young mentioned that there is no testimony from the big island and he wasn’t sure if they just don’t attend the public hearing; and although he is aware of the
comments from RAB he asked to what extent is HPHA seeking comments from outside the HPHA system for testimony or comments.

Executive Director Ouansafi responded that it is for the public, residents and non-residents.

Director Bhanot mentioned that residents and non-residents alike would be able to appear in person or they may submit comments electronically or by mail.

Director Darcy asked if the newspaper is the only way it would be announced because a lot of people don’t read the newspaper. She also asked if flyers would be distributed.

Executive Director Ouansafi responded that information will be included in the residents’ rent bill, at the project office and on the website. Also, requested information can be provided through email.

The motion was unanimously approved.

For Action:

Director Medeiros moved,

To Approve (1) Repeal of Chapter 184 of Title 15, Hawai‘i Administrative Rules (HAR), entitled "Rent Supplement Program"; (2) Adoption of Chapter 2033 of Title 17, HAR, entitled "Rent Supplement Program" which sets forth the rules and requirements for Hawai‘i Public Housing Authority's (HPHA) Rent Supplement Program which offers rent subsidies to a qualified person or family, and is substantially based on Chapter 15-184, HAR; and (3) Authorize the Executive Director to Take Required Actions to Submit the Repeal and Adoption of These Rules to the Governor of the State of Hawaii for Approval, and Implement the Repeal and Adoption of These Rules.

Executive Director Ouansafi explained that this is the final step of the rule making process. Public hearings were held and there were no substantial changes to the rules based on the comments received. The most significant change to the Administrative Rules is the ability to provide Rent Supplement assistance from $234 to $500.

Executive Director Ouansafi requested Board approval to submit the final rules to the Governor for final approval and implementation.

The motion was unanimously approved.
For Information/Discussion:

For Information: Operating and Capital Budget from the U.S. Department of Housing and Urban Development (HUD), Presentation by Mr. Jesse Wu, Director of the HUD Hawaii Office of Public Housing

Chairperson Shim deferred this item to a later date.

For Information: Status on Legislative Bills and Report on Testimony by the Executive Director for the 2017 Legislative Session

Executive Director Ouansafi reported that there are approximately 120 bills that were reviewed by the HPHA staff. HPHA supported 18 legislative proposals, provided detailed comments on seven and strongly opposed one. The HPHA opposed a bill that proposed the establishment of a State Public-Private Partnership Coordinator position to manage public-private partnerships entered into by all State agencies. The proposed bill would have exempted the HPHA, but we submitted testimony in opposition of the proposal.

Chairperson Shim asked if all 120 bills are still active and under consideration by the Legislature.

Executive Director Ouansafi reported that some bills have died and approximately 20 bills that could affect the HPHA are still active. The HPHA will also likely oppose a bill which requires mandatory participation in a self-sufficiency program for new public housing applicants. The bill also proposed that new tenants would be required to save funds, HPHA would make matching payments and tenants would be required to move out in five years. Executive Director Ouansafi explained that would be difficult for a family to save enough in five years to transition successfully and that such a program could generate a tremendous amount of evictions.

Director Medeiros asked whether Senate Bill 127 (SB 127), which prohibits discrimination based on lawful source of income and rental transactions, affects the HPHA's Section 8 program. Executive Director Ouansafi responded that there was strong opposition from the Realtors Association. Director Medeiros commented that it may be helpful if landlords are open to all sources of income like Section 8.

Director Ouansafi mentioned, in relation to SB 127, that HPHA provided comments regarding the proposed requirements that the second inspection of units occur within three days. Records show that 54% of all Section 8 rental units fail the initial inspection and the HPHA would be unable to conduct a 2nd inspection within three days. Also, the proposed 10% penalty to the tenant if they missed a payment would be unfair.
Chairperson Shim requested Executive Director Ouansafi circulate an update on the subject matter. Executive Director Ouansafi mentioned that there may be a special meeting regarding this subject.

Executive Director Ouansafi left the meeting at approximately 9:45 a.m.

Chairperson Shim declared a short recess at 9:46 a.m. and the Board reconvened at 9:58 a.m.

Executive Director's Report:

Chong Gu, Chief Financial Management Advisor reported.

Overall, the HPHA is in good financial standing year-to-date (YTD). For example, rental income is higher for the month of December. Operating expenses are within budget.

Director Espero asked for the components of the General Expenses. Mr. Gu responded that majority are for pcard expenses pending the supporting documents to allocate to the appropriate expense accounts.

Director Bhanot asked if the pcard purchases are reconciled by the fiscal year end. Mr. Gu responded affirmatively.

Helen Enobakhare, Property Management and Maintenance Branch Chief reported.

- Referred to page 292 figures for Move Ins and vacancies for the months of December 2016 and January 2017. She explained that vacancies are attributed to evictions.

- Effective November 1, 2016 the security deposit increased from $150 to equivalent to one month's rent. She explained that 1/3 of the applicants that were offered units denied because they could not afford the security deposit.

Director Smith asked for the range or average of security deposit. Ms. Enobakhare responded that we don't have an average but it could range from negative rent to over $1,000.

Director Smith asked for the timeframe to accept and pay the deposit. Ms. Enobakhare responded that they have three days to accept. They do make
exception if they have confirmation that a charitable organization will assist with
deposit.

Director Medeiros asked if the new security deposit rule applies to anybody
offered a new unit. Ms. Enobakhare responded it is for new applicants from the
waitlist.

Director Bhanot asked if the Rent Supplement Program would apply. Ms.
Stephanie Fo responded that Rent Supplement Program is for private rentals.

Director Young asked if applicants could put a deposit against assets. For
example, could a car be used as collateral, and tenants be allowed to pay the
deposit over a six-month period. Ms. Enobakhare responded that HPHA doesn’t
have the ability to collateral.

Ms. Fo clarified that the HPHA has a security deposit agreement that allows them
to pay every month.

Director Bhanot mentioned that he understands the fundamental philosophy and
logic behind the current practice. However, we need to be fair and ensure that
families are given sufficient amount of time. He raised a concern that we may
not be giving them options or may not be flexible enough to ensure that we
provide stable housing.

Ms. Enobakhare mentioned that the higher income families are able to pay the
higher deposit and have more choices than the lower income families.

Director Medeiros raised a concern that the Department of Human Services
Homeless Services Branch funds and program funds are administered by placing
restriction on shelters to move people into permanent housing within 90 days and
the HPHA is a source of permanent housing, and may have a barrier because
they don’t have the funds for security deposit. She requested for additional
information as this progress (since November), and is interested to see people
coming from shelters into housing units, if we track, and also to see the impact
this effort in moving people from shelter system into permanent housing versus
transferring within or coming from outside of housing (not shelters).

Chairperson Shim clarified that although Executive Director Ouansafi and
Executive Assistant Barbara Arashiro are not present at this meeting, and the
Board is requesting feedback and follow up because they do have great interest
in having additional reports, discussion etc. they would appreciate staff share this
information with them. He further explained that they are addressing the use of
the units in its highest capacity to prevent the crises that they are trying to advert
at this current time.
Director Smith commented that she understands the mission to keep the units in place but raised a concern about the families having only three days to come up with the security deposit and lose out on stable housing under this new rule. She requested for creative strategies that can be used.

Director Bhanot mentioned that Director Medeiros' point is well taken and that we should see how it all works out over a period of time before we rush to judgement.

Director Young asked for further clarification on negative rent. Ms. Enobakhare clarified that there is no security deposit for a tenant "paying" negative rent and the authority will give tenant a utility allowance check.

Director Darcy asked if there were any reports generated when it was first implemented. Ms. Enobakhare responded that there were public testimony, input from tenants and RAB were all taken into account and moving forward she will ensure monitoring or reports be done.

Director Espero requested information on families that declined units because they did not have the full deposit over the last six months.

Becky Choi, State Housing Development Administrator, Construction and Maintenance Branch reported.

- Salt Lake Apartments renovations experienced delays due to unforeseen conditions, but it's back on track.
- Lanakila Homes, Hilo, Department of Health approved the plan for remediation.
- Palolo Valley Homes phase is almost complete, just pending HECO's installation of meters for the last two buildings.
- Chairperson Shim requested a list of all the properties that may be delayed by HECO. Ms. Choi reported that Palolo Homes and Puahala Homes were the two mainly affected.

Stephanie Fo, Section 8 Subsidy Programs Branch Chief reported.

- Rent Supplement Program. HPHA notified 500 people on the waitlist and scheduled two days for mass interviews. On the first day, approximately 100 applicants showed up. Approximately 70 of the 500 are for neighbor islands and we requested they mail in their packets. HPHA received 9 packets for the neighbor islands to date. HPHA will continue to call applicants until the waiting list is exhausted and will reopen the waiting list again at that time.
- Section 8 Vouchers. There are approximately 5,500 applicants and HPHA will contact 100 - 200 applicants from the top of the waiting list soon and try to lease up.
Director Medeiros asked if everyone on the list showed up we would have spent all the money? Ms. Fo responded affirmatively.

Director Medeiros asked if there is anything they can do to get the word out to the applicants that they signed up and that funds are available. Ms. Fo responded that at the time families applied, the housing assistance payments (HAP) were limited to $230 per month. However, once the HAP is increased up to $500 per month, we hope to get more interest in the program. Ms. Fo reported that the HPHA is also working on securing scheduling software which would allow applicants to set appointments for a time convenient to them.

Chairperson Shim suggested staff consider providing appointment letters that applicants can take to their employer. The community at large is concerned about the housing situation and this could help employers understand the need for people to take off.

Ms. Fo mentioned that staff is willing to accommodate applicants for nights and weekend appointments.

Director Darcy asked if we had a sense as to why there is such a low reply. Ms. Fo responded that historically there has been a low response rate and usually less than half of those that apply, respond to our notices. She also mentioned that less than 30 letters were returned as undeliverable.

Chairperson Shim thanked staff for reporting on their programs. He acknowledged Chong Gu for all his hard work on the financial statements.

Director Bhanot moved,

To approve the Executive Session Meeting Minutes of November 17, 2016.

The minutes were unanimously approved.

Director Young moved,

To adjourn the meeting.

The motion to adjourn was unanimously approved.

The meeting was adjourned at approximately 10:38 a.m.
MINUTES CERTIFICATION

Minutes Prepared by:

Deintra Ahakuelo-Kepa
Secretary

Date

MAR 16 2017

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on March 16, 2017 [✓] As Presented [ ] As Amended

MAR 16 2017

Director Jason Espero
Board Secretary

Date