

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Wednesday, June 14, 2017
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

III. APPROVAL OF MINUTES

- A. Special Meeting Minutes, April 13, 2017
- B. Regular Meeting Minutes, May 18, 2017

IV. FOR ACTION

- A. **MOTION:** To Adopt Resolution No. 17-02 Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2017 – 2018 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574)
- B. **MOTION:** (1) To Adopt Amendments to the Hawaii Public Housing Authority's Section 8 Administrative Plan to Include Descriptions of the Services Offered to Families at Developments Receiving Project Based Section 8 Funds Where the Project has Received an Exception to the 25 percent Per Building Cap Under 24 Code of Federal Regulations § 983.56(b)(2)(ii)(B); (2) To Authorize the Executive Director to Submit These Amendments to the U.S. Department of Housing and Urban Development; and (3) To Authorize the Executive Director To Take All Actions Necessary to Implement and Monitor Compliance with Said Amendments

- C. **MOTION:** To: 1) Adopt Amendments to Administrative Policy, Programs No. 2, Relating to the Hawaii Public Housing Authority's Violence Against Women Act (VAWA) Policy Applicable to HPHA's Federally Covered Housing Programs; 2) Authorize the Executive Director to Fully Integrate the Substantive Provisions of the Administrative Policy, Programs No. 2, Into the Public Housing Admissions and Continued Occupancy Policy and the Section 8 Administrative Plan, Subject to Approval by the Department of the Attorney General; and 3) Authorize the Executive Director to Take All Actions Necessary to Implement Said Policy

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(8), 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 related to the proposed VAWA Policy.

- D. **MOTION:** To Approve the Settlement Agreement and Release Agreement in Adeline A.S. Liftee v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1105; HUD No.: 09-16-5301-8), and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreements

The Board will go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to this Motion.

- E. **MOTION:** To Approve Amendments to the Hawaii Public Housing Authority's Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2017 to June 30, 2018, Previously Submitted to the U.S. Department of Housing and Urban Development (HUD) and to Authorize the Executive Director to Take Required Actions to Resubmit the Amended Plan to HUD

V. FOR INFORMATION/DISCUSSION

- A. **For Discussion:** Kristyl Hayashida v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1129; HUD No.: Pending)

The Board will go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Kristyl Hayashida v.

State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1129; HUD No.: Pending)

B. For Discussion: 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.

VI. REPORTS

A. Executive Director's Report:

- Financial Report for the Month of March and April 2017. The Financial Report is provided to the board in the monthly packet. Report on Operating Budget for FY 2017-2018.
- The Report on Contracts Executed During April and May 2017 and Planned Solicitations for June 2017 are provided to the Board in the monthly packet. No formal report is planned.
- Public Housing Occupancy/Vacancy Report; Preliminary Results of REAC inspections for Federal Public Housing; Eviction Hearings for the Months of April and May 2017.
- 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.

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.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A
HONOLULU, HAWAII 96817
ON WEDNESDAY, JUNE 14, 2017
IN THE CITY AND 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 Wednesday, June 14, 2017. At approximately 9:01 am, Chairperson Pono Shim called the meeting to order and declared a quorum present. Those present were as follows:

PRESENT: Director Pono Shim, Chairperson
Director Jason Espero, Secretary
Director Lisa Darcy
Director George DeMello
Director Lila King
Director Myoung Oh
Director En Young

Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

EXCUSED: Director Nani Medeiros, Vice Chair
Director Laura Smith

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Ursula Jackson, Chief Compliance Officer
Chong Gu, Chief Financial Management Advisor
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Benjamin Park, Planner
Sarah Beamer, Planner
Deidra Ahakuelo-Kepa, Secretary

OTHERS PRESENT (and signing in as):
Desiree Kihano, Palolo Homes resident
Andrew Nakoa, Mayor Wright Homes resident

Public Testimony

No public testimony was provided.

Approval of Minutes:

Director Young moved,

To approve the Special Meeting Minutes for April 13, 2017.

The motion was unanimously approved.

Director Espero moved,

To approve the Regular Meeting Minutes for May 18, 2017.

The motion was unanimously approved.

FOR ACTION:

Director Espero moved,

To Adopt Resolution No. 17-02 Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2017 – 2018 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574)

Executive Director Ouansafi reported that the Board Finance Task Force reviewed the proposed budget last month and some minor changes were made. The current proposed budget does not include administrative fees for the Capital Improvement Program, since we are unsure when they will be paid. No other significant changes were made to the budget.

The HPHA is required to approve an annual operating budget prior to the commencement of each fiscal year. Under HUD's rules, public housing agencies are recommended, but not required, to prepare a budget for the central office cost center. Management has prepared a budget for the central office cost center as a matter of good business practice and for board approval.

The motion was unanimously approved.

Director Espero moved,

(1) To Adopt Amendments to the Hawaii Public Housing Authority's Section 8 Administrative Plan to Include Descriptions of the Services Offered to Families at Developments Receiving Project Based Section 8 Funds Where

the Project has Received an Exception to the 25 percent Per Building Cap Under 24 Code of Federal Regulations § 983.56(b)(2)(ii)(B); (2) To Authorize the Executive Director to Submit These Amendments to the U.S. Department of Housing and Urban Development; and (3) To Authorize the Executive Director To Take All Actions Necessary to Implement and Monitor Compliance with Said Amendments

Chairperson Shim clarified that Attachment A needs to have one correction. The title in the attachment was corrected to refer to "Chapter 17-11.G Site Selection, Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards".

Executive Director Ouansafi reported that the regulation requires that public housing authorities must include in the Section 8 administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided.

Both the Palolo Valley Homes and Towers of Kuhio Park Terrace exceed the 25% project based cap. The HPHA is also amending the Section 8 Administrative Plan to list the services provided by Cloudbreak.

The motion was unanimously approved.

Director Darcy moved,

To: 1) Adopt Amendments to Administrative Policy, Programs No. 2, Relating to the Hawaii Public Housing Authority's Violence Against Women Act (VAWA) Policy Applicable to HPHA's Federally Covered Housing Programs; 2) Authorize the Executive Director to Fully Integrate the Substantive Provisions of the Administrative Policy, Programs No. 2, Into the Public Housing Admissions and Continued Occupancy Policy and the Section 8 Administrative Plan, Subject to Approval by the Department of the Attorney General; and 3) Authorize the Executive Director to Take All Actions Necessary to Implement Said Policy

Executive Director Ouansafi reported that pursuant to the Violence Against Women Act (VAWA) and the Final Rule, the HPHA has a responsibility to ensure that victims of domestic violence are protected from losing their housing as a consequence of the abuse.

The VAWA final rule maintains protections for public housing, Section 8 vouchers, and project based Section 8, and also expands the housing protections from VAWA 2005 to include HUD's Homeless Assistance Programs. The proposed revisions to the HPHA's policy are comprehensive and covers the administration of the HPHA's public housing and Section 8 programs.

Included in the For Action are the highlights of the substantive changes made by HUD which apply to the HPHA's housing programs. The HPHA's revisions are being

proposed to comply with the final rule and HUD's PIH Notice 2017-08 (issued May 31, 2017) and were included in the draft. The affected staff will participate in mandatory training on changes to the VAWA and Final Rule Updates.

Director Darcy acknowledged that the HPHA has been providing certain protections to victims of domestic violence prior to the adoption of this policy. She asked whether there were substantive changes that the Board should be made aware of.

Executive Director Ouansafi responded that the current rule expanded the protections for victims under the VAWA, included updated forms, allows for self-certification of eligibility for VAWA protections, updated notices to tenants, and allows for bifurcation of the tenant lease.

Director Young asked whether the HPHA's policy goes above and beyond the federal standard and provides more protections for different classes of individuals.

Executive Director Ouansafi reported that the final rule is very comprehensive and expands coverage to basically all protected classes. Executive Director Ouansafi stated that this is an excellent policy and provides protection to victims in need until someone takes advantage of it. He commented that there is potential for abuse of the protections under the VAWA.

Director Oh noted that the VAWA seems to refer to women, but wanted to confirm that the policy is gender neutral. He questioned whether the policy to allow or accept self-certification is a federal requirement. He asked whether there was any consideration to require third party certification (e.g., case manager certification) of the victim's status.

Deputy Attorney General Jennifer Sugita clarified that public housing agencies must accept self-certification under the federal regulations. Third party certification is only required/allowed when there is conflicting information from both parties and both are claiming to be the victim of domestic violence, stalking, or sexual assault.

The motion was unanimously approved.

Director Espero moved,

To Approve the Settlement Agreement and Release Agreement in Adeline A.S. Liftee v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1105; HUD No.: 09-16-5301-8), and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreements

Director Oh moved,

To go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to this Motion.

The motion was unanimously approved.

The Board entered Executive Session at approximately 9:19 am.

The Board reconvened at approximately 9:33 am.

Chairperson Shim reported that the Board consulted with the attorneys on its questions related to the settlement agreement and called for the question.

The motion was unanimously approved.

Designee King moved,

To Approve Amendments to the Hawaii Public Housing Authority's Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2017 to June 30, 2018, Previously Submitted to the U.S. Department of Housing and Urban Development (HUD) and to Authorize the Executive Director to Take Required Actions to Resubmit the Amended Plan to HUD

Executive Director Ouansafi reported that on April 13, 2017, the HPHA Board approved the draft PHA Five-Year and Annual Plan and the Executive Director electronically submitted the final proposed PHA Five-Year and Annual Plan to HUD.

After submitting the PHA Five-Year and Annual Plan, HPHA received comments and recommended changes to the Annual Plan from HUD as detailed in the For Action:

Annual Plan, Page 7 of 21.

Adopt a policy ~~[requiring live in aides to establish legal residency]~~ which allows for a tenant with a live-in aide who is lawfully present or admitted to the United States to receive subsidy for an additional bedroom in the Section 8 program, and to occupy an additional bedroom in the public housing program. (24 CFR Section 982.402(a), 24 CFR Section 982.402(b)(8), § 982.402(b)(6), 24 CFR Section 5.403, 24 CFR Section 982.316)

Annual Plan, Page 8 of 21.

Adopt rules where the HPHA may award Section 8 Housing Choice Vouchers to public housing residents for the following reasons in the following order and not equal priority:

1. Existing public housing tenants who are involuntarily displaced for reasons such as for relocation due to modernization activity, or based on an emergency where conditions of the public housing dwelling unit, building, or project pose an immediate, verifiable threat to life, health or safety of the family, and the family cannot be relocated to another public housing unit in the same program, meeting their needs.
2. Approved for a transfer as a reasonable accommodation for a unit with special features[; and have not been offered a unit in the public housing program that meets the family's needs and have waited over one year] based on need and availability.
3. Victims of domestic violence, or stalking, or reprisals, or hate crime, and cannot be safely transferred to another public housing unit in the same program.
4. Homeless families, provided "Homeless" is defined by HUD.

Annual Plan, Page 13 of 21.

~~[The HPHA is considering the use of project based vouchers for the redevelopment of its property at 4002 North School Street.]~~ The HPHA is currently working on a mixed finance redevelopment of its School Street Administrative Offices. The current proposed project is contemplating the use of various forms of financing. The HPHA acknowledges that the proposed project may change over time and as such, the HPHA is providing notices of the potential for this public-private mixed-finance redevelopment to consider the various subsidies, including all eligible forms of federal funding sources that the project qualifies for such as project based vouchers, low income housing tax credits, and public housing subsidies.

The motion was unanimously approved.

FOR DISCUSSION:

For Discussion: Kristyl Hayashida v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1129; HUD No.: Pending)

Director Espero moved,

That the Board go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys

on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Kristyl Hayashida v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1129; HUD No.: Pending)

The motion was unanimously approved.

The Board entered executive session at approximately 9:41 am.

The Board reconvened from executive session at approximately 10:11 am.

Chairperson Shim reported that the Board conferred with its attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to Kristyl Hayashida v. State of Hawaii, Department of Human Services, Hawai'i Public Housing Authority; KPT Towers 1, LLC; Interstate Realty Management Company; and the Michaels Development Company I, L.P. (HCRC No. RE-O-1129; HUD No.: Pending)

FOR INFORMATION/DISCUSSION

Update on Redevelopment Projects at Kuhio Park Terrace/Kuhio Homes, Mayor Wright Homes, and School Street Offices.

Executive Director Ouansafi reported that there are ongoing negotiations for all three redevelopment projects.

- For TKPT Phase II, the HPHA is looking forward to working with the Michaels Development Company on the next phase. There is a meeting scheduled on June 20th and we look forward to working on a fair offer for the State and the tenants.
- The environmental impact statement (EIS) work for the redevelopment of the administrative offices at N. School Street is progressing. The developer needs to schedule another community meeting to provide updates on the proposed project. The HPHA has a good partnership with Retirement Housing Foundation and anticipates presenting a business term sheet to the Board for consideration in the near future. They have some concerns about the financial investment they have been making, but HPHA has explained that State law prohibits the execution of a master development agreement prior to the completion of the EIS.
- For the redevelopment of Mayor Wright Homes, the developer has scheduled an update meeting with the community and tenants to share the potential project and gather comments. The HPHA briefed the Governor on the proposed project and will

meet with the Governor and the Mayor on the proposed project. There are ongoing weekly meetings and daily work on the redevelopment and the MDA redline.

Director Espero questioned what could happen if MDC decides not to negotiate fair or acceptable terms.

Executive Director Ouansafi responded that the HPHA values its partnership with the three developers and are hopeful that MDC will reciprocate and come up with a fair offer.

Board Reports:

Executive Director's Report

Executive Director Ouansafi provided a report to the Board on the following:

- It's the end of the fiscal year and the HPHA is busy on all fronts. Staff are doing a good job balancing the demands of the programs. HPHA continues to focus on its core mission to provide safe, decent, and sanitary housing.
- The multi-skilled worker team is mobilizing wherever there is a need in order to maximize operating subsidy and address the needs to the tenants.
- Over the past two months, even though the HPHA was able to move in over a hundred new families into public housing, the program still experienced a net loss of 29 occupied units.
- The HPHA has been aggressively leasing Section 8 vouchers in order to utilize HUD-held reserves by holding mass certifications. There are 2,292 families served under the Section 8 program, an additional 3,000 families under the PBCA program, and 409 veterans served under the VASH program.
- 57% of the Section 8 units inspected failed the first inspection. HPHA needs to attract other landlords to participate in the Section 8 program.

Director Oh reported that he had discussions with Scott Morishige (Governor's Coordinator on Homeless) about how to attract and retain more landlords into the housing assistance programs. Some of the landlord concerns include, different inspectors cite different deficiencies, zoning issues and differences between vouchers. There was discussion about holding another landlord summit, but Director Oh recommended that the state needs to provide some sort of guarantee to the landlords.

- The HPHA has leased up dozens of families under the state Rent Supplement Program and need to determine whether we need to reduce the amount of

housing assistance per family. The HPHA leased up 90 families under the Special Rent Supplement Program who will transfer to the regular rent supplement program.

- HUD is currently inspecting the HPHA's accessible units. HPHA is also preparing for REAC inspections. There are ongoing personnel vacancies on the neighbor islands. For example, Kauai is one large AMP and there are only 2 maintenance staff for the entire AMP.

Designee King moved,

To adjourn the meeting.

The motion was unanimously approved.

The meeting was adjourned at approximately 10:30 am.

MINUTES CERTIFICATION

Minutes Prepared by:



Barbara E. Arashiro
Executive Assistant

7/20/17

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on July 20, 2017 [] As Presented [] As Amended



Director Jason Espero
Board Secretary

AUG 17 2017

Date