

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, January 18, 2018
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. Regular Meeting Minutes, December 21, 2017

IV. FOR ACTION

- A. **Motion:** To Appoint Patrice Matsumoto to the Maui Eviction Board for a Four-Year Term Starting February 1, 2018 and Ending January 31, 2022 as a Regular Board Member
- B. **Motion:** To Approve the Hawaii Public Housing Authority's Draft Five Year and Annual Public Housing Agency Plan for Fiscal Year 2018 – 2019, and to Authorize the Executive Director to Take Required Actions to Hold Public Hearings on the Draft PHA Plan
- C. **Motion:** To Authorize the Executive Director to Execute a Property Adjustment Agreement with the County of Kauai, Department of Public Works Affecting Ele`ele Homes, TMK (4) 2-1-001:013 for Reconstruction of Existing Walkways and Minor Grading Work, Subject to Review and Revisions by the Department of the Attorney General

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 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 this matter.

V. FOR INFORMATION/DISCUSSION

- A. **For Information:** Update on the Housing Discrimination Complaint, Hawaii Disability Rights Center v. Hawaii Public Housing Authority, HUD Case No. 09-16-0001-4 and Possible Voluntary Compliance Agreement

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 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 this matter.

- B. **For Information:** Update on Redevelopment Projects Mayor Wright Homes, HPHA's School Street Administrative Offices, and Kuhio Park Terrace Low Rise/Kuhio Homes

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 Mayor Wright Homes, HPHA's School Street Administrative Offices, and Kuhio Park Terrace Low Rise/Kuhio Homes.

- C. **For Information:** Updates on the State Rent Supplement Program and Budget Shortfalls

VI. REPORTS

Executive Directors Report:

- Financial Report for the Month of October 2017 Financial Report is provided to the board in the monthly packet.
- The Report on Contracts Executed During December 2017 and Planned Solicitations for January 2018 are provided to the Board in the monthly packet. No formal report is planned.
- Public Housing Occupancy/Vacancy Report; Federal Public Housing; Eviction Hearings for the Month of December 2017.
- Obligation and Expenditure Status for Design and Construction Projects Funded Under the Federal Capital Fund Program (CFP) and the State Capital Improvement Program (CIP).
- Section 8 Subsidy Programs Voucher: Voucher Lease-up and Pending Placements; Update on Potential Shortfall for the Rent Supplement Program.

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Jennifer Menor 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 THURSDAY, JANUARY 18, 2018
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 Thursday, January 18, 2018. At approximately 9:10 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 Alena Medeiros, Vice-Chairperson
Director Jason Espero, Secretary
Director Lisa Darcy
Director George DeMello
Director Laura Smith
Designee Lila King

Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

EXCUSED: Director Myoung Oh

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Rick Sogawa, Contracts & Procurement Officer
Renee Blondin-Nip, Hearings Officer
Stephanie Fo, Property Management Branch
Chong Gu, Chief Financial Officer
Bennett Liu, Assistant Chief Financial Officer
Becky Choi, State Housing Development Administrator
Kevin Auger, Development Specialist
Katie Pierce, Section 8 Subsidy Program Branch Chief
Benjamin Park, Planner
Sarah Beamer, Planner
Jennifer Menor, Secretary

OTHERS PRESENT (and signing in as):
U'i Goods, Medical-Legal Partnership for Children in Hawaii
Desiree Kihano, Project Vision Hawaii
Roy Nakamura, Kalakaua Homes resident
Sur Sosuk, Kalakaua Homes resident
June Talia, Kuhio Homes resident

Public Testimony

Chairperson Shim stated that the Board would accept public testimony on any item relevant to the agenda. 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.

Sur Sosuk, Kalakaua Homes resident, (through her interpreter) reported that her neighbor in Unit 627 has many people frequently coming from his unit, ranging from middle-school age to young adults. Ms. Sosuk alleged that Mr. Persons is selling marijuana and has burglarized her unit several times. She is afraid to leave her unit for fear that he will burglarize her unit while she is gone. Mr. Persons is seen often feeding the birds wearing only his underwear and often has lots of kids in his unit lying on the ground. Ms. Sosuk expressed concern with him living in an elderly disabled property. She tries to confront him, but he responds by yelling at her.

Director Medeiros asked Ms. Sosuk whether she made her concerns known to HPHA staff and/or the Honolulu Police Department.

Ms. Sosuk stated that she has informed Management, but feels that the management is not helping. Ms. Sosuk stated that the police have been called for the burglaries and some other instances. She stated that the police have come and investigated the complaints.

Director Medeiros then asked what makes her think that there are marijuana/drug sales going on.

Ms. Sosuk said that there were two or three instances when she found "joints" on the ground and has witnessed Mr. Persons throw them out.

Roy Nakamura, Kalakaua Homes resident, testified that Ms. Sosuk brought an alleged marijuana joint to his unit which she claimed the neighbor discarded. Mr. Nakamura is concerned there are young kids loitering around the building and defecating in the stairwells. Mr. Nakamura mentioned that the common area bathrooms aren't always open during day. He reported that on Christmas Day, the side entrance to the bus stop was locked and so the kids jumped over the fence. He is also concerned about marijuana, ice and cocaine being around with himself and Ms. Sosuk next to the problem. Mr. Nakamura is requesting that PMMSB follow-up with the complaints against Mr. Persons. He believes that management isn't taking action.

June Talia, Kuhio Homes resident, expressed well wishes to the staff. She requested that the modernization project at Kuhio Park Terrace Low Rise/Kuhio Homes continue. She is concerned that the work at her property will be delayed because of the redevelopment efforts at Mayor Wright Homes. She also feels that the park is overcrowded and does not want to lose the current amenities at Kuhio Park Terrace.

Approval of Minutes:

Director Smith moved,

To approve the Regular Meeting Minutes for December 21, 2017.

The minutes were unanimously approved as presented.

FOR ACTION

Director Espero moved,

To Appoint Patrice Matsumoto to the Maui Eviction Board for a Four-Year Term Starting February 1, 2018 and Ending January 31, 2022 as a Regular Board Member

Executive Director Ouansafi reported that the Eviction Boards are critical to HPHA's business.

Chairperson Shim asked if Patrice Matsumoto served on the Board before, as he was impressed with her resume.

Executive Director Ouansafi responded that this would be her first appointment to the HPHA's Eviction Board.

Director Darcy was interested to know how individuals get referred or hear about positions on the HPHA's Eviction Boards.

Executive Director Ouansafi reported that individuals hear about board positions through various means, including references by other board members and recruitment efforts by the Hearings Office.

(Director Medeiros left the meeting room at 9:29 am and returned at 9:31 am)

The motion was unanimously approved.

Director Smith moved,

To Amend the Agenda to Remove "Five Year and" from the Agenda Item "To Approve the Hawaii Public Housing Authority's Draft Five Year and Annual Public Housing Agency Plan for Fiscal Year 2018 – 2019, and to Authorize the Executive Director to Take Required Actions to Hold Public Hearings on the Draft PHA Plan" so that the agenda reads "To Approve the

Hawaii Public Housing Authority's Draft Annual Public Housing Agency Plan for Fiscal Year 2018 – 2019, and to Authorize the Executive Director to Take Required Actions to Hold Public Hearings on the Draft PHA Plan”

Chairperson Shim reported that the Board is only approving proposed amendments to the Annual Plan, not the Five-Year Plan.

The motion was unanimously approved to amend the agenda.

Executive Director Ouansafi explained the proposed changes to the draft Annual PHA Plan, including plan updates and housekeeping items as follows:

1. Update policy on additions to the household after admission into the Housing Choice Voucher program to allow additions of more than one family member only through birth, adoption, court awarded custody, or hanai, when the addition would increase the subsidy to the family.

HPHA is proposing the deletion of “marriage” from the policy because it’s not an automatic addition, unlike others listed. HPHA is still required to complete a background check, etc. and approve the addition. The other changes are being proposed for clarity.

2. Adopt revisions to the Section 8 policy and Hawaii Administrative Rules to shorten the length of time for a temporary absence from 120 days to 60 days, allowing for specific exceptions for valid medical issues or as allowed under the CFR.

The 60 days is compliant with HUD regulations and the exceptions listed are those allowed under the CFR.

3. Adopt a policy that allows the HPHA to notify the family of a change to a participant’s voucher size based on current household composition up to 120 days before the end of the lease term rather than waiting for the next recertification. (24 CFR 982.516(e)(1))

The change will provide families adequate notice of the change, allowing time to look for a new unit, etc.

4. Amend policy to state that when a family is being downsized due to a change in composition, the voucher size will be changed at the end of the lease term.

This is being proposed also to provide families adequate notice of the change, allowing time to look for a new unit, etc.

5. Amend family break-up policy to award the voucher to the family member who is awarded custody of the majority of minor children or who has the majority of days of custody.

This proposed change will provide clarification on who receives the voucher in the event a family breaks up, and there are children.

6. Amend Housing Choice Voucher policy to require applicants with a criminal history to include their latest conviction date or arrest date.

This proposed change is allowed under 24 CFR §982.553 and will assist with determining applicant eligibility and suitability.

7. Update preference policy to remove from definition of “involuntarily displaced”, applicants who are displaced by action of the housing owner for reasons beyond the applicant’s control and despite the applicant meeting all previously imposed conditions of occupancy.

Proposed change will maintain consistency with HUD definition of “involuntary displaced” and retain in the definition those displaced due to State identified natural disasters and eminent domain.

8. Update preference policy to redefine Homeless individuals as those in a transitional shelter who are verified to be in compliance with a social service plan, or other homeless individuals and families who are verified to be “housing ready” as defined in the Hawaii Administrative Rules.

The proposed change to include “Housing ready” individuals would help to cover those who timed-out of shelters before their name came to the top of the waitlist, but who are otherwise compliant.

9. To establish definition for “Housing Ready”.
10. Expand local preferences to include veterans and their surviving spouses for the federal public housing program.

The proposed change is a permissible preference under HUD rules and will allow the HPHA to assist the large veteran population in Hawaii.

11. Amend applicant waitlist policy from geographic waiting lists to site-based waiting lists for the federal public housing program.

The proposed change is intended to reduce the number of applicants who turn down units.

12. Update Federal Housing acceptance policy relating to “good cause” refusals, to eliminate existing rental agreements that cannot be breached without causing undue financial hardship, and “the applicant’s acceptance of the offer would result in undue hardship not related to consideration of race, color, national origin, or language and

the applicant presents evidence which substantiates this to the authority's satisfaction".

The proposed change is to conform with HUD regulations.

13. Amend continued occupancy reexamination result policy to not renew a lease if a family, who has not complied with the community service requirement one year, does not become compliant by the end of the second year.

The proposed change is to conform with HUD regulations.

14. Update tenant transfer policy to create a tenant incentive transfer policy for highly desirable projects to those with perfect tenant histories over a three-year period.

For example, on-time rent payment, on-time recertification, no housekeeping violations over a three-year period.

This proposed change is to incentivize and reward tenants who are compliant in public housing.

15. Amend occupancy guidelines to assign one bedroom for every two-family members only, with consideration for disability-related reasons and the presence of a live-in aide.

This will allow HPHA to better assist more individuals.

16. Update "schedule of charges" policy by having the maintenance work-order system record the actual cost of materials and time spent by maintenance workers to charge tenants the actual cost of intentional, careless or negligent damages beyond normal wear and tear. (24 CFR part 966.4)

HPHA is currently implementing this, but it needs to be put into the policy.

17. Amend Administrative Rules to include updated VAWA policy.

The proposed change is to conform with HUD regulations.

18. Update policy on Individual Relief in Administrative Rules.

The proposed change is to conform with HUD regulations

19. Increase Housing Choice Voucher program minimum rent from \$25 to \$50. This will establish a minimum rent that is consistent with the Public Housing program.

20. Amend HVC policy relating to interim increases and decreases. When an increase will occur, special reviews will be conducted for all increases. A decrease will need to be reported to the HPHA by the 20th of the month for it to take effect the following month.

Special reviews will allow HPHA to house more families. The change to the reporting date of the 20th will allow HCV staff time to make changes and reduce errors.

21. Regarding operations and management, Executive Director Ouansafi noted some housekeeping items, such as grammar corrections.

22. Regarding, demolition and disposition, HPHA will follow HUD's protocol to apply for and obtain the necessary approvals to proceed with demolishing the community center at Kalihi Valley Homes, if demolition and disposition is necessary, as well as at the units of Pahala.

23. Regarding smoking policies, this proposal change is to comply with HUD regulations, where the distance was changed to 25 feet.

The motion was unanimously approved.

Director King moved,

To Authorize the Executive Director to Execute a Property Adjustment Agreement with the County of Kauai, Department of Public Works Affecting Ele'ele Homes, TMK (4) 2-1-001:013 for Reconstruction of Existing Walkways and Minor Grading Work, Subject to Review and Revisions by the Department of the Attorney General

Executive Director Ouansafi explained that the proposed agreement would allow the County of Kauai to use their funds to construct a sidewalk on County property and reconstruct some of HPHA's existing walkways and perform minor grading work. Executive Director Ouansafi explained that the HPHA is also trying to assist the County of Kauai to avoid lapsing federal funds.

Deputy AG Sugita noted that the agreement needs revisions to match the For Action and to include terms and conditions to protect the State.

Director Espero moved,

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 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 this matter.

The motion was unanimously approved to go into executive session.

The Board entered executive session at approximately 9:46 am.

The Board reconvened from executive session at approximately 9:57 am.

Chairperson Shim reported that the Board consulted with its attorneys regarding questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to this matter.

The motion was unanimously approved.

FOR INFORMATION/DISCUSSION

For Information:

Update on the Housing Discrimination Complaint, Hawaii Disability Rights Center v. Hawaii Public Housing Authority, HUD Case No. 09-16-0001-4 and Possible Voluntary Compliance Agreement

Executive Director Ouansafi reported that the Hawaii Disability Rights Center filed a complaint with HUD against the HPHA. Last year, HUD sent an inspection team to conduct an audit of the HPHA's properties. When the HUD report was issued, the HPHA determined there were potentially hundreds of errors in the HUD findings. HPHA and its consultants are confident that the HUD regulations allow the HPHA to use the 2010 ADAAG instead of UFAS and we requested clarification from HUD but did not receive a response to HPHA's request for clarification.

HPHA requested a copy of HUD's site visit reports. Initially HUD refused to provide HPHA with a copy of the findings and after repeated requests, HUD provided a copy of their report. Upon review, it was determined that HUD only provided a list of detailed findings on half of the units inspected. To date, HUD has disapproved the HPHA's request for an extension and has not provided a response to HPHA's inquiry regarding the applicability of the 2010 ADA Standards.

Chairperson Shim asked whether there is someone at HUD that the HPHA is working with.

Executive Director Ouansafi reported that the initial complaint was handled by HUD's regional offices and the HPHA will work with the local field office on the VCA.

For Information:

Update on Redevelopment Projects Mayor Wright Homes, HPHA's School Street Administrative Offices, and Kuhio Park Terrace Low Rise/Kuhio Homes

Executive Director Ouansafi reported that HPHA executed the master development agreement for approximately 2,500 units. HPHA has completed the EIS studies, which will be sent to the Governor's office in February. The environmental reviews under the NEPA are still ongoing.

HPHA had also put in a request for \$4,500,000 to cover the after EIS pre-development cost.

HPHA executed a pre-development agreement with HUNT back in March 2016 under which HUNT paid for the predevelopment costs up to completion of the EIS.

Executive Director Ouansafi acknowledges a definite cooperation with HUNT and looks forward to continuing with the process.

For Information:

Updates on the State Rent Supplement Program and Budget Shortfalls

Executive Director Ouansafi reported that in January 2017, HPHA determined that the subsidy provided to families on the State Rent Supplement Program was too low considering their rent and monthly living expenses. HPHA subsequently amended its administrative rules to increase the maximum subsidy to \$500. The current average subsidy is \$397 and the program assists 487 families. After review of the program performance, HPHA determined that the state appropriation is not enough to support the existing participant families. Executive Director Ouansafi reported that the HPHA made a conscious decision to keep the homeless tenants on the program and supplemented the state appropriation with its earned administrative fees.

Director Medeiros recognized Executive Director Ouansafi's efforts to identify funds to support the program and felt that management made the right decision to use cost savings to provide housing assistance.

Executive Directors Report:

- Executive Director Ouansafi reported that HPHA has different issues with different tenants. Specifics aren't discussed, but there is a tremendous amount of actions that take place, where a process is followed. HPHA takes every complaint seriously, and every complaint is investigated. Due to confidentiality, tenant's information isn't shared with others.

- Executive Director Ouansafi reported that HPHA has approximately 300 positions, where only two are State funded and the rest are federally funded. Through grants, HPHA is able to house approximately 11,000 families which assists over 35,000 people.
- Executive Director Ouansafi mentioned that there are five major programs and one small one: Federal Public Housing, State Public Housing, VASH program, Section 8, PBCA and the Rent Supplement.
- Through the Federal program, Executive Director Ouansafi reported that HPHA was able to house 4,374 families, with an approximate funding of \$33 million; however, there are about 9,000 people on the waitlist. Executive Director Ouansafi also reported that from this program, last year, HPHA was able to house more than 200 homeless families.
- Through Section 8, Executive Director Ouansafi reported that combined with the VASH, HPHA was able to house about 2,400 families, which increased from five years ago at 1,800.
- Through to the VASH program, Executive Director Ouansafi reported that HPHA was able to house 468 veterans with about 65 that have vouchers but are still looking for a place.
- Through the PBCA, Executive Director Ouansafi reported that HPHA housed approximately 3,000 families.
- Executive Director Ouansafi mentioned that HPHA is 94% federally funded and 6% state funded. He reported about 14,000 families on the waitlist, but through all of the programs, HPHA was able to serve about 600 homeless families last year. He acknowledges that the backlog is tremendous, so HPHA continues to seek private and public partnerships.

Chairperson Shim requested an update on Legislative issues.

- Executive Director Ouansafi mentioned the Governor's Legislative request consisted of a couple of bills. \$29 million in lump sum amount is included in the Administration's budget. Health and safety is considered top priority, repairs for existing tenant occupied units being second priority and any alterations to be ADA compliant.
- \$4.5 million CIP was requested for Mayor Wright Homes and \$1.55 million in general funds to supplement the Rent Supplement Program. Also, there was a fringe benefit federal increases, statewide, that was requested.

- Executive Director Ouansafi reported that there are 4 administration bills that affect the HPHA.
 - 1) Bill for Eviction process: to conform to the federal code.
 - 2) Bill for Public Land: a carryover bill from last year.
 - 3) Bill for Smoking: to conform to the federal requirement of establishing no smoking areas 25 feet from 20 feet around buildings and housing units.
 - 4) Bill for Trespassing: also reviving so that our properties aren't considered public land.
- Executive Director Ouansafi knows that homelessness and housing is a priority, and the HPHA will be monitoring activities on the various bills that are introduced during the legislative session.
- The HPHA participated in two budget briefings with House Finance and Senate Ways and Means this week.

Vice Chairperson Medeiros asked for information on the HPHA's original budget request and the final budget request approved by the Governor.

- Executive Director Ouansafi responded that the HPHA requested \$59 million. B&F and the Governor's approved budget request will include of \$29 million in CIP and \$4.5 million for predevelopment activities at Mayor Wright Homes. The actual backlog of repairs is over \$820 million.
- The full request for additional funds to support the Rent Supplement Program was included in the Governor's budget.

Vice Chairperson Medeiros referred to the Variance Report, and asked whether HPHA put in an increase in Section 8 program and Section 8 contract administration in the budget request.

- Executive Director Ouansafi reported that Section 8 is very specific. Federal funding is calculated based on the previous year expenditures, minus any proration from congress.

Director Espero asked of the \$29 million requested, how many families will that impact.

- Executive Director Ouansafi explained that it's difficult to assess because some of the funding is used for ADA compliance. HPHA needs to account not only for the unit, but also the accessible path to the housing units, the HPHA offices and common areas.

Vice Chairperson Medeiros requested to see a breakdown to see how many units are repair and maintenance and how many are vacant.

- Executive Director Ouansafi stated that the repair and maintenance is considered and operational expense and not funded through CIP appropriations.

Chairperson Shim asked the Executive Director to continue to provide updates on the Legislative process and to recommended that we continue to work with the Legislature.

Director Medeiros moved,

To adjourn the meeting.

The motion was unanimously approved.

The meeting adjourned at approximately 10:34 am.

MINUTES CERTIFICATION:

Minutes Prepared by:

 FEB 15 2018

Jennifer K. Menor Date
Secretary

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on February 15, 2018 [] As Presented [] As Amended

 FEB 15 2018

Director Jason Espero Date
Board Secretary