

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, August 16, 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. HPHA Annual Meeting Minutes, July 19, 2018
- B. Regular Meeting Minutes, July 19, 2018
- C. Executive Session Minutes, February 15, 2018 (not for public distribution)

IV. DISCUSSION AND/OR DECISION MAKING

- A. To Adopt Resolution No. 18-03 Approving the Section Eight (8) Management Assessment Program (SEMAP) Certification for Fiscal Year July 1, 2017 to June 30, 2018 and to Authorize the Executive Director to Undertake All Actions Necessary to Submit the SEMAP Certification to the U.S. Department of Housing and Urban Development
- B. To Adopt Proposed Rules under the Governor's Emergency Proclamation, dated May 3, 2018, and Supplemental Proclamations dated May 9, 2018, June 5, 2018, and August 3, 2018, Entitled "Emergency Rules Relating to Preferences for the Hawaii County Waiting List", Which is Substantially Based on Chapter 17-2028, Hawaii Administrative Rules (HAR) Entitled "federally-Assisted Public Housing Program", and Sets Forth the Requirements for Preference Eligibility on a Priority Basis for Applicants on the Hawaii County Wait List Throughout the Disaster Emergency Relief Period; and to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Emergency Rules Relating to

Preferences for the Hawaii County Wait List, Including Promulgating Rules Pursuant to Section 91-3, Hawaii Revised Statutes

- C. To Adopt Proposed Changes to the Hawaii Public Housing Authority's chapter 17-2033, Hawaii Administrative Rules, entitled "Rent Supplement Program" and 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. 18-02 to Implement the Revision of Hawaii Administrative Rules, entitled "Rent Supplement Program", including Making Non-Substantive Revisions to Formatting as May be Required, to:
- (1) Amend Section 17-2033-25 [Ineligible Applicant - to include that an applicant determined to be ineligible for participation would be notified in writing of the denial];
 - (2) Amend Section 17-2033-31 [Rent Supplement Payments:
 - (a) clarifying that rent supplement payments will be made as long as the family is in compliance with the program's obligations];
 - (b) clarifying that the maximum allowable monthly rent supplement payment may be reduced per Section 17-2033-44;
 - (3) Amend Section 17-2033-33 [Reexamination - to include that the tenant's allocable share of monthly rent may be adjusted retroactively to the date a tenant's income changes];
 - (4) Amend Section 17-2033-44 [Rent Supplement Agreement-Termination – Clarifying that the HPHA may prorate the amount of rent supplement paid on behalf of a tenant based on available funding];
 - (5) Amend Section 17-2033-44 [Rent Supplement Agreement – Termination:
 - (a) provide for 30 days written notice to the tenant when the HPHA intends to prorate, suspend, or terminate rent supplement payments due to lack of available funds,
 - (b) allow the HPHA to reduce the maximum amount of rent supplement;
 - (c) allow the HPHA to establish a proration amount to be applied equally to all tenants; and
 - (d) suspend requirements for an annual reexamination if a family is suspended from the program
 - (6) Amend to include Exhibit B, entitled "Insufficient Funds – Reduction, Proration, and Suspension", to provide examples of reduction, proration, and suspension
- D. To: 1) Approve Applications to the U.S. Department of Housing and Urban Development (HUD) for Conversion of the Federal Public Housing Properties Mayor Wright Homes (TMK: 1-7-029-003-0000), KPT Towers I, LLC (TMKs: 1-3-039-007-0000,1-3-039-009-0000), and Kuhio Park

Terrace Low Rise/Kuhio Homes (TMKs 1-3-039-008-0000; 1-3-039-006-0000) to Rental Assistance Demonstration (RAD) Properties; and 2) To Authorize the Executive Director to Undertake All Actions Necessary to Submit the Application to HUD

- E. To Appoint Sylvianne Young and Douglas Kaya to the State Eviction Board as Regular Board Members, George W. Smith, Jr., to the State Eviction Board as a State Resident Board Member and Lanialoha Laloulu to the Oahu Eviction Boards as a Floating Resident Board Member, for a Four-Year Term beginning September 1, 2018 and ending August 31, 2022.
- F. To Approve the Mediation Settlement Agreement in Fetu Kolio v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-1172; HUD No. 09-18-2726-08) and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

The Board will 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.

- G. To Discuss the Employment Contract of the Hawaii Public Housing Authority's Executive Director Hakim Ouansafi

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) to consider the evaluation of an officer for consideration of matters affecting privacy will be involved, 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 agenda item.

- H. Background and Update on the Hawaii Public Housing Authority's Properties Located on Formerly Used Defense Sites (FUDS) in the Waikoloa Maneuver Area (WMA), Island of Hawai`i

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.

- I. Status Update on Redevelopment Projects Mayor Wright Homes (Tax Map Key: 1-7-029-003-0000), Kuhio Park Terrace Low Rise/Kuhio Homes (Tax Map Keys 1-3-039-008-0000; 1-3-039-006-0000; and 1-3-039-003-0000) and School Street Administrative Offices (Tax Map Key: 1-6-009-003-0000)

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

V. REPORTS

Executive Director's Report:

- Financial Report for the Month of June 2018 Financial Report is provided to the board in the monthly packet.
- The Report on Contracts Executed During July 2018 and Planned Solicitations for August/September 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 July 2018.
- 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 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, AUGUST 16, 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, August 16, 2018. At approximately 10:15 a.m., Chairperson Pono Shim called the meeting to order and declared a quorum present. Those present were as follows:

PRESENT: Director Pono Shim, Chairperson
Designee Lila King
Director Lisa Darcy
Director George De Mello
Director Myoung Oh
Director Laura Smith
Director Albert Alapaki Nahale-a

Deputy Attorney General Klemen Urban

EXCUSED: Director Alena Medeiros, Vice-Chairperson
Director Jason Espero, Secretary

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Officer
Rick Sogawa, Contract & Procurement Officer
Robei Broadous, Property Management Branch Chief
Katie Pierce, Section 8 Subsidy Program Branch Chief
Becky Choi, State Housing Development Administrator
Renee Blondin-Nip, Hearings Officer
Nelson Lee, IT Supervisor
Shirley Befitel, Human Resources Supervisor
Jennifer Stolze, Housing Compliance Specialist
Kevin Auger, Development Specialist
Benjamin Park, Planner
Sarah Beamer, Planner
Jennifer Menor, Secretary

OTHERS PRESENT (and signing in as):
Dori Baba, Oahu Economic Development Board
Marie Petersen, Oahu Economic Development Board
Jesse Wu, Department of Housing and Urban Development
Steve Tataii, Kamehameha Homes resident
Desiree Kihano, Palolo Valley Homes resident

Andrew Nakoa Sr., Mayor Wright Homes resident
Bernice Nakoa, Mayor Wright Homes resident

At 9:02 a.m., Chairperson Pono announced that the Board would not establish quorum until 10:00 a.m. so the meeting would be delayed until then. At 10:15 a.m., Chairperson Shim announced that although there was no quorum, the Board would proceed with public testimony on any item on the agenda.

Chairperson Shim addressed the Board, staff and audience acknowledging that he was elected to another term as the Board Chair and stated that he appreciates their confidence in him. Chairperson Shim stated that the Board has a tremendous responsibility and takes his role seriously.

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.

(Director Oh entered the meeting at 10:22 a.m. Quorum was established.)

Steve Tataii, Kamehameha Homes resident, stated that he has lived at the property for 21 years. Mr. Tataii alleged that he received a notice for late rent for the first time in 21 years. He informed the Manager that he was able to secure the back rent from a nonprofit organization, but that she referred his case for eviction anyway. He also requested a W-9 from the Manager, but because it took 2 weeks to receive the W-9, the grant assistance from the nonprofit was rescinded. He was then forced to find another agency to assist with his late rent. Mr. Tataii alleged that the written statement he submitted was not provided to the Eviction Board until the date of the actual eviction hearing. He believes that the decision to evict him was predetermined because they only deliberated for five minutes.

Mr. Tataii stated that the Legal Aid Society of Hawaii would not represent him, and he revoked their authorization to obtain information on him. He stated that the writ of possession will be issued on Monday, but because he is disabled he not be able to move out by Monday.

Chairperson Shim reminded Mr. Tataii that the HPHA Board of Directors does not administer the evictions process and recommended that he utilize the process that is in place to appeal his eviction.

Mr. Tataii requested an extended time to move out of the public housing unit, if the writ of possession must be issued. He believes that there is a conflict of interest with the Manager because she has attempted to evict him for several years.

Andrew Nakoa Sr., Mayor Wright Homes resident, testified that he attended the tenant meeting at Mayor Wright Homes. He voiced his concerns that the property will be redeveloped all at one time, rather than by phases, and is concerned about where the families will be relocated to.

Mr. Nakoa was told by the Manager that the HPHA does not have a curfew. He complained that there are children playing outside late at night/early in the morning, and security does not send them home unless he calls to complain. Kids are hanging on the clothes lines, breaking his plants, and running around the property. He requested that the HPHA inform parents to keep their kids out of his yard area. Mr. Nakoa complained that parents at the property are not watching their children. Kids are riding scooters and skateboards recklessly, where several times kids crashed into his van.

Mr. Nakoa recommended that future tenant meetings be held at the office, rather than the playground.

Mr. Jesse Wu, HUD Office of Public Housing, Field Office Director provided background on HUD's Rental Assistance Demonstration (RAD) Program. Under the RAD program, public housing units will be able to move to a Section 8 platform with a long-term contract, which will ensure that the units remain permanently affordable to low-income households. Mr. Wu explained the structure of RAD, benefits to public housing agencies, and conversions across the nation. He stated that one of the important aspects is that the RAD program is cost-neutral. A copy of Mr. Wu's presentation is attached.

Approval of Minutes:

Chairperson Shim deferred consideration of the Executive Session Minutes of February 15, 2018 to the next Board meeting.

Director Oh moved,

To Approve the Annual Meeting Minutes of July 19, 2018.

The minutes were unanimously approved as presented.

Director Oh moved,

To Approve the Regular Meeting Minutes of July 19, 2018.

The minutes were unanimously approved as presented.

Discussion and/or Decision Making

Director Smith moved,

Adopt Resolution No. 18-03 Approving the Section Eight (8) Management Assessment Program (SEMAP) Certification for Fiscal Year July 1, 2017 to June 30, 2018 and to Authorize the Executive Director to Undertake All Actions Necessary to Submit the SEMAP Certification to the U.S. Department of Housing and Urban Development

Executive Director Hakim Ouansafi explained that the SEMAP is a federally-mandated management assessment system used to annually measure the performance under the Section 8 tenant-based rental assistance program. SEMAP sets forth fourteen (14) indicators to measure program performance.

The HPHA anticipates receiving 0 points for Indicator 11. Under Pre-Contract HQS Inspections, the HPHA received 0 of 5 points. HPHA conducted the Pre-Contract HQS Inspections on or before the effective date of the action, but the dates were incorrectly entered into the HUD system and were not corrected prior to the end of the fiscal year.

Additionally, although the HPHA served the number of FSS (Family Self-Sufficiency) clients required, the HPHA may receive 0 of 10 points. Even with these two deductions, the HPHA will still be a High Performer under the SEMAP. At this time, based on staff review of the first 10 indicators, and HUD's issuance of indicators #11 – 14 we anticipate a score of between 90% - 97%.

Chairperson Shim clarified that the HPHA will submit the score to HUD. HUD will then audit the submission and issue a final score. At that point, the HPHA can challenge the score if necessary.

The motion was unanimously approved.

Director De Mello moved,

To Adopt Proposed Rules under the Governor's Emergency Proclamation, dated May 3, 2018, and Supplemental Proclamations dated May 9, 2018, June 5, 2018, and August 3, 2018, Entitled "Emergency Rules Relating to Preferences for the Hawaii County Waiting List", Which is Substantially Based on Chapter 17-2028, Hawaii Administrative Rules (HAR) Entitled "federally-Assisted Public Housing Program", and Sets Forth the Requirements for Preference Eligibility on a Priority Basis for Applicants on the Hawaii County Wait List Throughout the Disaster Emergency Relief Period; and to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Emergency Rules Relating to Preferences for the Hawaii County Wait List, Including Promulgating Rules Pursuant to Section 91-3, Hawaii Revised Statutes

Executive Director Ouansafi asked for the Board's consideration of proposed Emergency Rules Relating to Preferences for the Hawaii County Wait List. Under the proposed rules, an applicant involuntarily displaced by natural disaster in Hawaii County would be given priority preference before any other applicant regardless of other applicants' preference. Each preference in the three remaining preference groups are of equal weight.

The proposed Emergency Rules relating to the preferences for the Hawaii County wait lists would apply only to applicants in the County of Hawaii who, at the time they are seeking housing assistance, fall within the preference priority groups.

The HPHA currently has preferences for families who are displaced by natural disaster, and we are simply asking to have those families be moved to the top of the waiting list.

Director Darcy asked if the HPHA anticipates a certain amount of families that may need to utilize the preference on the Big Island.

Executive Director Ouansafi stated that no amount has been determined.

Executive Director Ouansafi reported that the HPHA is currently in the process of repairing units, which will become available for families with the preference.

Director Nahale-a asked whether the preference would be implemented island-wide.

Executive Director Ouansafi confirmed that the preference would be island-wide (Hawaii island).

Director Darcy asked whether the proposed preferences would also apply for disasters in other Counties.

Executive Director Ouansafi clarified that the emergency rules would only apply to the Hawaii County due to the use of the Governor's emergency proclamation to adopt the rules.

The motion was unanimously approved.

Director Oh moved,

To Adopt Proposed Changes to the Hawaii Public Housing Authority's chapter 17-2033, Hawaii Administrative Rules, entitled "Rent Supplement Program" and 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. 18-02 to Implement the Revision of Hawaii Administrative Rules, entitled "Rent Supplement Program", including Making Non-Substantive Revisions to Formatting as May be Required, to:

- (1) Amend Section 17-2033-25 [Ineligible Applicant - to include that an applicant determined to be ineligible for participation would be notified in writing of the denial];
- (2) Amend Section 17-2033-31 [Rent Supplement Payments:
 - (a) clarifying that rent supplement payments will be made as long as the family is in compliance with the program's obligations];
 - (b) clarifying that the maximum allowable monthly rent supplement payment may be reduced per Section 17-2033-44;
- (3) Amend Section 17-2033-33 [Reexamination - to include that the tenant's allocable share of monthly rent may be adjusted retroactively to the date a tenant's income changes];
- (4) Amend Section 17-2033-44 [Rent Supplement Agreement-Termination – Clarifying that the HPHA may prorate the amount of rent supplement paid on behalf of a tenant based on available funding;
- (5) Amend Section 17-2033-44 [Rent Supplement Agreement – Termination:
 - (a) provide for 30 days written notice to the tenant when the HPHA intends to prorate, suspend, or terminate rent supplement payments due to lack of available funds,
 - (b) allow the HPHA to reduce the maximum amount of rent supplement;
 - (c) allow the HPHA to establish a proration amount to be applied equally to all tenants; and
 - (d) suspend requirements for an annual reexamination if a family is suspended from the program
- (6) Amend to include Exhibit B, entitled "Insufficient Funds – Reduction, Proration, and Suspension", to provide examples of reduction, proration, and suspension

Executive Director Ouansafi requested that the Board approve the draft rules which addresses how the HPHA will deal with funding shortfalls in the Rent Supplement Program. The goal is to keep all families housed, rather than terminating assistance for only some families. He explained the proposed rule changes:

- If the HPHA lacks sufficient funds for the rent supplement program, all housing assistance would be prorated. This would allow all families to share in an equal percentage of the proration.
- If the proration is higher than 50%, the HPHA would suspend the program (for one or more months) subject to the available funds.
- The proposed rules will allow the HPHA to ensure that funds are available to support the program.

Director Nahale-a expressed appreciation to the Executive Director for the proposed rule changes. However, he questioned whether the Board's action to establish a

system to reduce housing assistance will excuse those who failed to provide the HPHA with adequate funding.

Executive Director Ouansafi stated that the HPHA will need to do better at explaining the importance of the program to the Legislators in the coming session.

Chairperson Shim requested that the HPHA effectively communicate the “trauma” to the families with the Legislature since they are responsible to provide funds for the program. These families cannot survive without assistance and the HPHA needs to share that burden with them.

Executive Director Ouansafi agreed that he would communicate that message to the Legislature. HPHA continues to communicate with the administration and Department of Human Services to identify other alternative sources of funds.

The motion was unanimously approved.

Director Darcy moved,

1) Approve Applications to the U.S. Department of Housing and Urban Development (HUD) for Conversion of the Federal Public Housing Properties Mayor Wright Homes (TMK: 1-7-029-003-0000), KPT Towers I, LLC (TMKs: 1-3-039-007-0000,1-3-039-009-0000), and Kuhio Park Terrace Low Rise/Kuhio Homes (TMKs 1-3-039-008-0000; 1-3-039-006-0000) to Rental Assistance Demonstration (RAD) Properties; and 2) To Authorize the Executive Director to Undertake All Actions Necessary to Submit the Application to HUD

Executive Director Ouansafi thanked Mr. Jesse Wu, HUD Field Office Director, for providing information on the Rental Assistance Demonstration (RAD) program.

Executive Director Ouansafi reported that the application submission to HUD for RAD conversion is just the first step. The HPHA also held tenant meetings in the affected communities that would be converted from public housing to the RAD program.

Executive Director Ouansafi stated that the Board will need to decide whether to apply for Section 8 project based vouchers (PBV) or the Section 8 project based rental assistance (PBRA) program. Under the PBV program, the Section 8 project based vouchers are issued to the HPHA. HPHA would earn fees under this issuance. Under the PBRA program, HUD would contract directly with the owner and the housing assistance payments would be administered by the Performance Based Contract Administrator (currently Bremerton Housing Authority).

Director Nahale-a asked whether the conversion to RAD could also occur on the neighbor island and whether the conversion would accelerate repairs there.

Executive Director Ouansafi explained that the RAD conversion does not work out favorably for all of the HPHA's properties and that the HPHA is currently analyzing the current inventory to determine benefits and drawbacks of conversion. Although there is potential for increased cash flow which would be used as leverage in the private market, the cash flow analysis may not be beneficial at all properties.

Chairperson Shim clarified that at Mayor Wright Homes there are currently 364 units under HUD's Annual Contribution Contract, and the Board will need to decide whether to convert those to PBV or PBRA units.

Director De Mello moved,

To continue the Meeting on Monday, August 20, 2018 at 10:30 a.m.

The motion to continue the meeting on Monday, August 20, 2018 was unanimously approved.

Director Smith moved,

To postpone the vote on this motion.

The motion to postpone was unanimously approved.

Chairperson Shim announced that the meeting would be continued on Monday, August 20, 2018 at 10:30 a.m.

Director Oh moved,

To Appoint Sylvianne Young and Douglas Kaya to the State Eviction Board as Regular Board Members, George W. Smith, Jr., to the State Eviction Board as a State Resident Board Member and Lanialoha Laloulu to the Oahu Eviction Boards as a Floating Resident Board Member, for a Four-Year Term beginning September 1, 2018 and ending August 31, 2022.

During the 2018 Legislative session, H.B. No. 2357 was passed and enacted as Act 204 on July 10, 2018. This new law places the State public housing eviction process directly under Chapter 356D, HRS, to be processed by an eviction board similar to the federal public housing evictions.

With this item for action, staff requested the appointment of Sylvianne Young and Douglas Kaya to the State Eviction Board as Regular Board Members, George W. Smith, Jr., to the State Eviction Board as a State Resident Board Member and Lanialoha Laloulu to the Oahu Eviction Boards as a Floating Resident Board Member. Ms. Young and Mr. Kaya previously served as eviction board members for the Federal

public housing program. However, they have expressed interest in serving on the new eviction board for State public housing.

Executive Director Ouansafi stated that the eviction boards are important to ensure that residents have an independent body to decide on evictions, rather than the HPHA staff.

The motion was unanimously approved.

Director Darcy moved,

To Approve the Mediation Settlement Agreement in Fetu Kolio v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-1172; HUD No. 09-18-2726-08) and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

Director Smith moved,

The Board will 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 11:26 a.m.

The Board reconvened at approximately 11:50 a.m.

Chairperson Shim stated that the Board consulted with its attorney on questions and issues related to this agenda item.

The main motion was unanimously approved.

For Discussion:

To Discuss the Employment Contract of the Hawaii Public Housing Authority's Executive Director Hakim Ouansafi

Director Oh moved,

That the Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) to consider the evaluation of an officer for consideration of matters affecting privacy will be involved, 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 agenda item.

The motion was unanimously approved to go into executive session.

The Board entered Executive Session at approximately 11:52 a.m.

(Designee King entered Executive Session at approximately 12:20 p.m.)

(Director Oh left the meeting at approximately 1:38 p.m.)

The Board reconvened at approximately 1:39 p.m.

Chairperson Shim reported that the Board went into executive session to consider the evaluation where matters affecting privacy were involved and 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 agenda item.

For Information:

Background and Update on the Hawaii Public Housing Authority's Properties Located on Formerly Used Defense Sites (FUDS) in the Waikoloa Maneuver Area (WMA), Island of Hawai'i

Executive Director Ouansafi provided as background, the HPHA has five family properties in the FUDS area in Hawai'i County, specifically in the Waikoloa Maneuver Area:

1. Ke Kumu `Ekahi (Privately Managed Tax Credit property under HPHA control) – 48 units
2. Ke Kumu `Elua – 26 units, State property
3. Ke Kumu `Ekolu – 20 units, HUD-assisted Federal property
4. Noelani I – 19 units, HUD-assisted Federal property
5. Noelani II – 24 units, HUD-assisted Federal property

On January 18, 2017, HUD issued a PIH notice which, established minimum requirements for construction and maintenance activities with regards to properties located in the WMA FUDS. HUD rules provided that no work can be performed at any of the sites since the issuance of the PIH notices.

The board packet provided information on HUD's requirements and HPHA's activities to date. Training of the tenants and staff was held on Thursday, August 2, 2018.

For Information:

Status Update on Redevelopment Projects Mayor Wright Homes (Tax Map Key: 1-7-029-003-0000), Kuhio Park Terrace Low Rise/Kuhio Homes (Tax Map Keys 1-3-039-008-0000; 1-3-039-006-0000; and 1-3-039-003-0000) and School Street Administrative Offices (Tax Map Key: 1-6-009-003-0000)

Executive Director Ouansafi reported on the redevelopment at Mayor Wright Homes. The HPHA continues to work with HUNT on pro forma statements and analyze the benefits of a RAD conversion. HUNT is also in the final stages of the NEPA EA.

Director Nahale-a moved,

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

The motion was unanimously approved to go into executive session.

The Board entered Executive Session at approximately 1:44 p.m.

(Designee King left the meeting at approximately 1:54 p.m.)

(Director Nahale-a left the meeting at approximately 1:56 p.m.)

The Board reconvened at approximately 1:59 p.m.

Executive Director Ouansafi reported that the HPHA continues to work on negotiations and redevelopment projects.

Executive Director Ouansafi confirmed that the information provided during public testimony that the Mayor Wright Homes would be demolished all at one time was not accurate, as we do not yet know. Much work will need to be done before a decision is made to demolish all or in phases.

Chairperson Shim announced that the meeting would be continued on Monday, August 20, 2018 at 10:30 a.m. (HPHA staff posted the required meeting Notice of Continuance.)

HAWAII PUBLIC HOUSING AUTHORITY
CONTINUED FROM THURSDAY, AUGUST 16, 2018
TO AUGUST 20, 2018 AT 10:30 A.M.
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, August 16, 2018. The regular meeting was continued on August 20, 2018 at 10:30 a.m. Chairperson Pono Shim reconvened the meeting at approximately 10:36 a.m. and declared a quorum present. Those present were as follows:

PRESENT: Director Pono Shim, Chairperson
Director Jason Espero, Secretary
Director George De Mello
Director Lisa Darcy
Director Laura Smith
Designee Lila King
Director Myoung Oh

Deputy Attorney General Klemen Urban

EXCUSED: Director Alena Medeiros, Vice-Chairperson
Director Albert Alapaki Nahale-a

STAFF PRESENT: Hakim Ouansafi, Executive Director
Kevin Auger, Development Specialist
Jennifer Menor, Secretary

OTHERS PRESENT (and signing in as):
Steve Tataii, Kamehameha Homes resident

Resuming the discussion on the motion from August 16, 2018:

1) Approve Applications to the U.S. Department of Housing and Urban Development (HUD) for Conversion of the Federal Public Housing Properties Mayor Wright Homes (TMK: 1-7-029-003-0000), KPT Towers I, LLC (TMKs: 1-3-039-007-0000,1-3-039-009-0000), and Kuhio Park Terrace Low Rise/Kuhio Homes (TMKs 1-3-039-008-0000; 1-3-039-006-0000) to Rental Assistance Demonstration (RAD) Properties; and 2) To Authorize the Executive Director to Undertake All Actions Necessary to Submit the Application to HUD

Executive Director Ouansafi reported that the RAD application are for the following three projects:

1. Mayor Wright Homes, for 364 units

2. Kuhio Park Terrace Towers, for 347 units
3. Kuhio Park Terrace Homes and Low-Rises, for 174 units

Executive Director Ouansafi discussed: 1) the amount of units available; and 2) the difference between ACC units converting to Section 8 Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA). Executive Director Ouansafi explained the benefits of and recommended consideration of converting to RAD under PBV.

Redevelopment Officer, Kevin Auger, presented the preliminary draft Rental Assistance Demonstration (RAD) Public Housing Program application. Executive Director Ouansafi briefly discusses the five sections of the application process.

Chairperson Shim commented that under the proposal HPHA would appear to maintain control and resources that accompany the vouchers, so no value to the HPHA is lost.

Redevelopment Officer Auger, stated a difference between the RAD application for Mayor Wright Homes from the application for the KPT Towers and KPT Low Rise, where both KPT Towers and KPT Low Rise are constructed independently so they have a portfolio application.

Executive Director Ouansafi reported that the majority of the content for the Mayor Wright Homes' RAD application is complete. HPHA is waiting for guidance on the last page.

Deputy Attorney General Urbanc mentioned that Page 1, Section 2 "Is the property subject to a Capital Fund Financing Program (CFFP), Energy Performance Contract (EPC), or repayment agreement?" is incomplete.

Executive Director Ouansafi confirmed that there was no area to put the answer "no", but HPHA can put it under the "Other" field.

Chairperson Shim asked when the deadline is for portfolio application and if HPHA has a copy of the portfolio application.

Executive Director Ouansafi replied that the deadline is the same as the RAD application, September 4, 2018. Redevelopment Officer Auger presented the RAD Portfolio application. Executive Director Ouansafi reported that the RAD Application is complete.

Chairperson Shim asked if all the RAD applications are the same except for Rehabilitation vs. Construction and the bedroom sizes/content.

Executive Director Ouansafi confirmed.

Chairperson Shim asked if the Choice Neighborhoods initiative is different for Mayor Wright Homes and KPT.

Executive Director Ouansafi clarified that the Choice Neighborhood only applies to KPT.

Designee King questioned the date in the narrative summary of Item 1, "all RAD units are expected to be completed and available for occupancy no later than January 31, 2018".

Executive Director Ouansafi stated that HPHA will reflect a change in date to January 31, 2022.

Deputy Attorney General Urbanc reported that based on the revised form and the information presented, there is no issue with the Board approving the RAD Applications.

The motion was unanimously approved.

Director Oh moved,

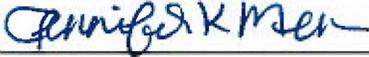
To adjourn the meeting.

The motion was unanimously approved.

The meeting adjourned at 11:14 a.m.

MINUTES CERTIFICATION:

Minutes Prepared by:

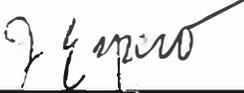


Jennifer K. Menor
Secretary

SEP 20 2018

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on September 20, 2018 [] As Presented [] As Amended



Director Jason Espero
Board Secretary

SEP 20 2018

Date

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Rental Assistance Demonstration (RAD) Briefing

August 16, 2018

Hawaii Public Housing Authority

August 2018 Board Meeting

Jesse Wu, Director: Office of Public Housing

Lora Han, Chief Counsel: Region XI

Background on RAD

The Problem

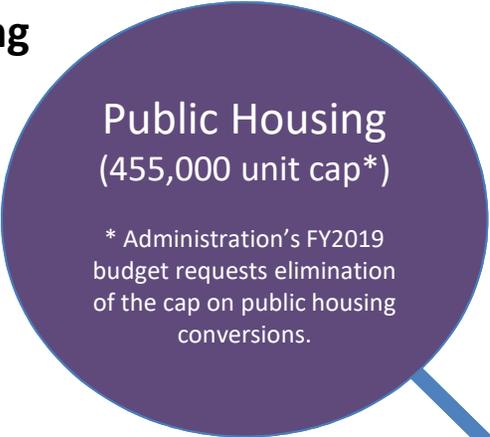
- Deferred public housing capital repair needs. 2010 estimate in excess of \$25.6B across the portfolio (>\$23k per unit) and rising. Current estimate over \$35B.
- Public housing platform creates barriers to accessing private capital
- Multifamily “legacy” program properties also at risk

The Solution – Changing the Regulatory Platform

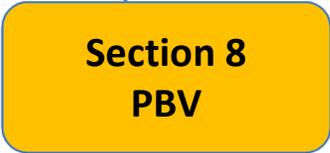
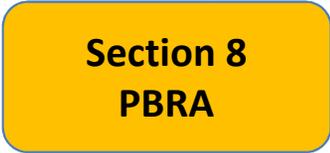
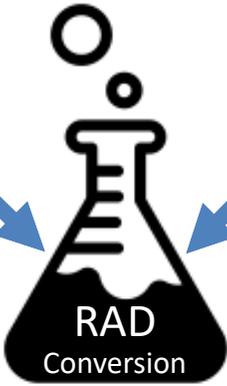
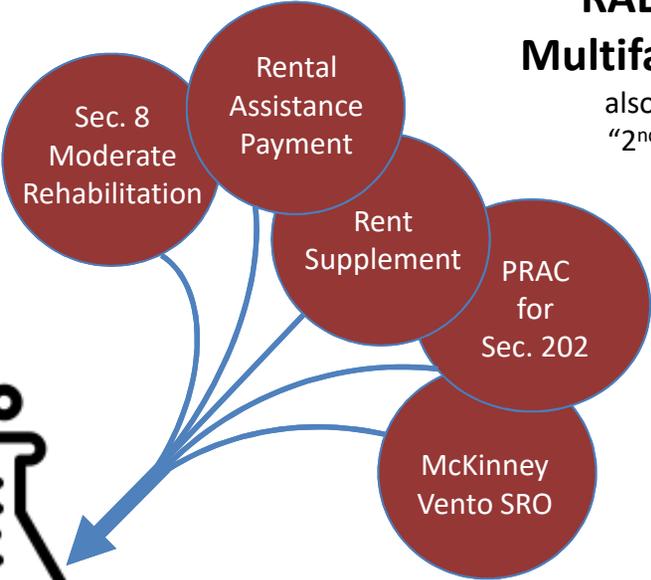
- RAD created in FY2012 Appropriations Act with subsequent incremental expansions
- Allows public housing to convert to long-term Section 8 Housing Assistance Payment (HAP) contracts
- Also allows at-risk legacy assisted properties to convert to Section 8 HAP contracts
- Leverages private investment to address capital needs, improving conditions for residents, creating jobs and stabilizing the assisted portfolio

Structure of RAD

RAD for Public Housing
also known as the "1st Component"



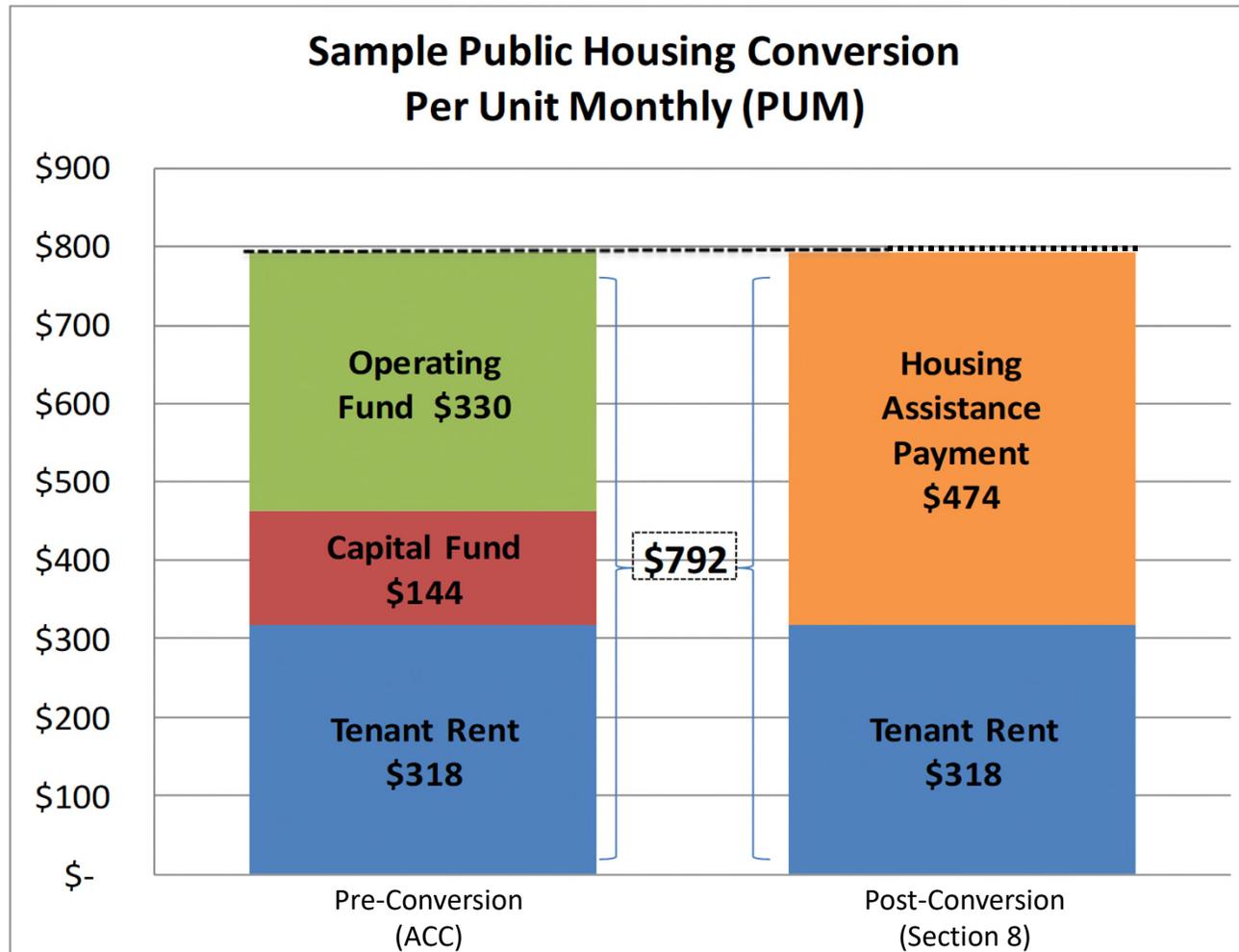
RAD for Other Multifamily Housing
also known as the "2nd Component"



Why RAD for Public Housing?

- Proven to be successful in securing resources for public housing modernization based on conversions to date
- Preserves prior federal investment in place-based affordable housing
- Provides flexibility, creativity, and local control for PHAs
- Voluntary and budget-neutral
- Transfers property from one regulatory platform to another, facilitating access to private market for capital improvements and improving conditions for residents
- Balances interests of PHAs, private partners, residents and other stakeholders

Public Housing Conversions Rent Setting



At conversion, PHAs will convert funding to a Section 8 contract rent at “current funding” levels

RAD Public Housing Conversions – Status*

98,680 Public Housing Units

converted from Public Housing to Section 8.

\$5.81 Billion

(roughly \$60K per unit)

in construction investment* in RAD public housing conversion properties. It would have taken participating PHAs roughly 46 years to accumulate enough public housing Capital Funds to complete a similar amount of construction.

16,708 Public Housing Units

in the final stages of the RAD Component 1 conversion pipeline – with Financing Plans submitted or with RCCs issued.

Roughly 360,000 Public Housing Units

are in the RAD Component 1 pipeline in some form (relative to the 455,000 unit cap). This includes converted units, units with CHAPs, units reserved under multiphase or portfolio reservations, and units that have been on the waiting list and that, upon processing, will have RAD authority under the increased 455,000 unit cap.

* This figure doesn't include items such as acquisition, soft costs, reserves & developer fee.

Hawaii Public Housing Authority

Hawaii Public Housing Authority: Letters of Intent (5/26/17)

- Mayor Wright Homes (AMP 32) 364 units
- KPT Towers I, LLC (AMP 52) 347 units
- Kuhio Park Terrace (AMP 40) 174 units

RAD Status:

- Current Authorization up to 455,000 units for conversion by September 2024
 - Prior RAD caps: 60,000 units → 185,000 units → 225,000 units → 455,000 units
- Current projects which had been on the waitlist and are starting the application process (8/18)
 - Commitment to Housing Assistance Payments (CHAPs) on hold 18,906 units
 - Waitlist: High Investment (new const, major rehab, CNI) 2,425 units
 - Waitlist: All other Applications and Letters of Interest 83,914 units

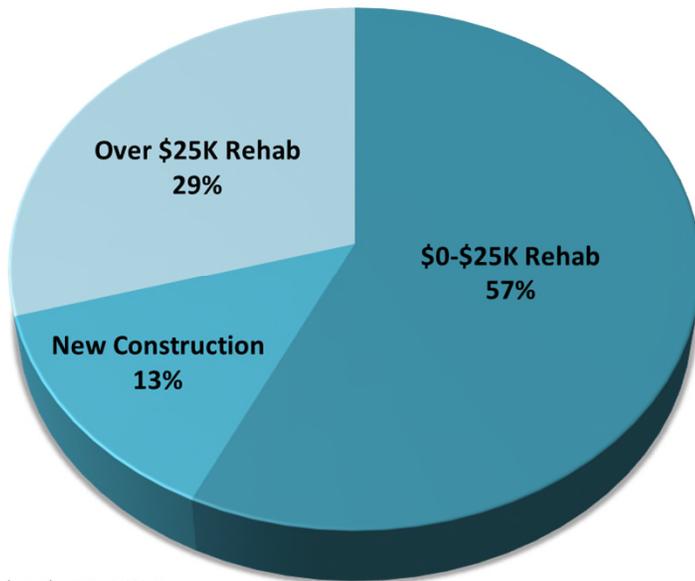
Application requirements:

- Board of Commissioners Resolution, Resident Meeting and excel worksheet
- Timeline requirements (i.e. next 9% funding round, etc.)

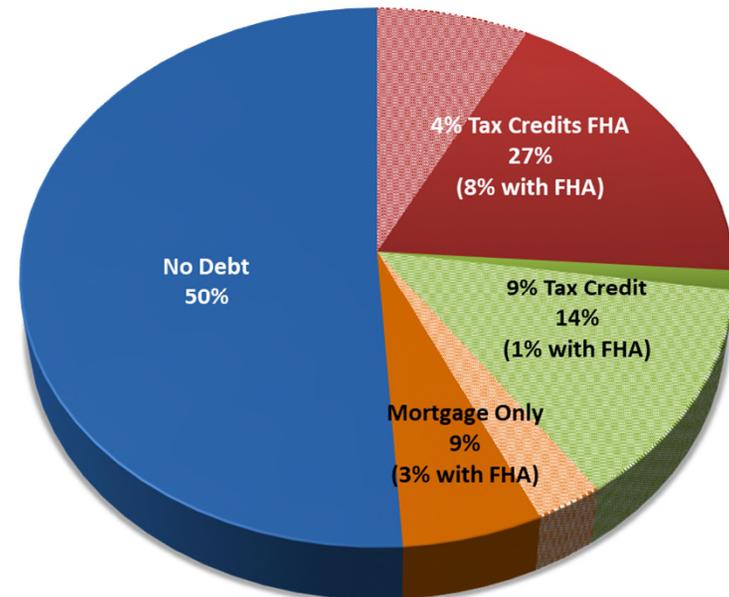
PH Conversions – Financing*

- 42% of transactions involve significant work – from \$25K to new construction
- 40% of transactions involve either 4% LIHTC or 9% LIHTC
- A major driver of the deeper-investment transactions, particularly those using 4% LIHTC, is accessing the value of the existing real estate (most significantly, by tapping into acquisition credits).

RAD Transactions by Investment Type



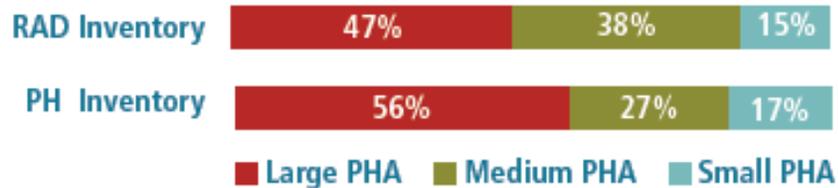
RAD Closed Transactions by Financing Type



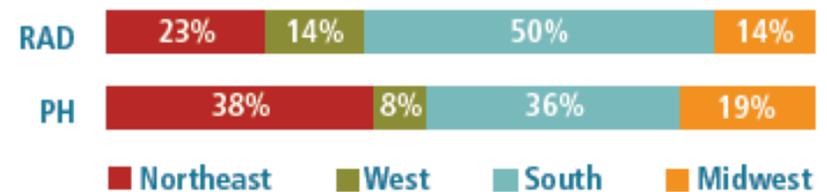
* Data through July 17, 2018.

PH Conversions – Where it works

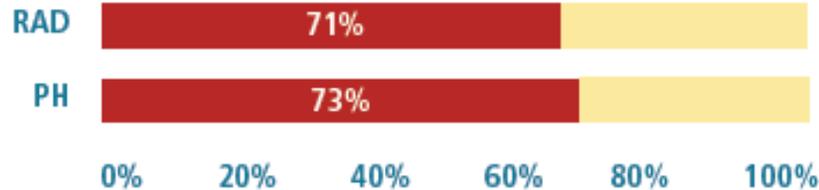
Inventory Comparison by PHA Size



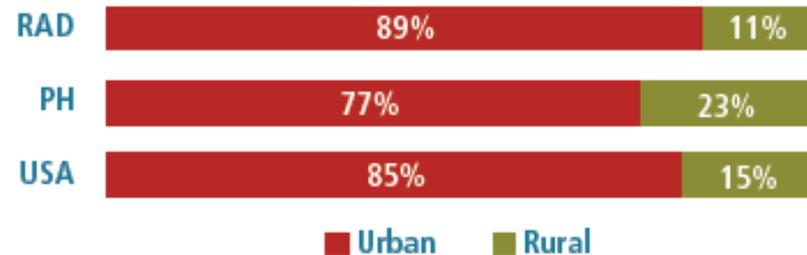
Inventory Comparison by Geography



Inventory Comparison of Published RAD Rents Relative to Fair Market Rent



Inventory Comparison by Urban/Rural



Note: This data reflects the inventory of RAD public housing applications (“projects”) received compared to the inventory of public housing projects existing in each region prior to any RAD conversions.

Thank You.

For more information and case studies visit
www.hud.gov/rad