

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, November 15, 2018
9:00 a.m.**

AGENDA - AMENDED

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, October 18, 2018
- B. Executive Session Minutes, October 18, 2018 (not for public distribution)

IV. DISCUSSION AND/OR DECISION MAKING

- A. To: (1) Approve Amendments to the Hawaii Public Housing Authority's (HPHA) Annual Public Housing Agency (PHA) Plan for Fiscal Year 2018-2019 to Include the HPHA's Planned Submission of an Application to Participate in the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) Program at Mayor Wright Homes, KPT Towers and Kuhio Park Terrace Low Rise and Kuhio Homes, and the HPHA's Intent to Adopt Policies to Implement the Statutory Income Limit for Public Housing; and (2) Authorize the Executive Director to Take All Actions Necessary to Submit and Request Approval of the Amended Plan to the U.S. Department of Housing and Development
- B. To: (1) Adopt the Hawaii Public Housing Authority's Proposed New Chapter 17-2038, Hawaii Administrative Rules, entitled "State Eviction – Practice and Procedure" to Administratively Process State Evictions as Contested Case Hearings by a State Eviction Board; and (2) Authorize the

Executive Director to Take Required Actions to Submit the New Rules to the Governor of the State of Hawaii for Approval

NOTE: Proposed Adoption of New Chapter 17-2038 being considered by the HPHA Board of Directors above may be viewed in person on or about November 9, 2018 at the HPHA's Offices located as follows:

HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu
Oahu: Mayor Wright Homes Office, 521 N. Kukui Street, Honolulu
Oahu: Kalakaua Homes Office, 1545 Kalakaua Avenue, Honolulu
Oahu: Punchbowl Homes Office, 730 Captain Cook Avenue, Honolulu
Oahu: Hale Poai Office, 1001 N. School Street, Honolulu
Oahu: Waimaha-Sunflower Office, 85-186 McArthur Street, Waianae
Oahu: Koolau Village Office, 45-1027 Kamau Place, Kaneohe
Oahu: Kauhale Nani Office, 310 North Cane Street, Wahiawa
Oahu: Palolo Valley Homes Office, 2107 Ahe Street, Honolulu
Oahu: Kuhio Homes Office, 1475 Linapuni Street, Honolulu
Hawaii Office, 600 Wailoa Street, Hilo, Hawaii
Hawaii Office, 78-6725 Malolea Street, Kailua-Kona, Hawaii
Hawaii Office, 65-1191 Opelo Road, Kamuela, Hawaii
Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or

May be viewed on the internet on or about November 9, 2018 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>. The proposed new rules were discussed at the July 19, 2018 Board meeting and have also been posted on the HPHA's website as part of the Board meeting packet for July 19, 2018.

- C. To Adopt Payment Standards for the Hawaii Public Housing Authority's (HPHA) Section 8 Housing Choice Voucher Program for Oahu Zip Codes Where the U.S. Department of Housing and Urban Development Has Required the Use of Small Area Fair Market Rent (SAFMR) Effective January 1, 2019; and to Authorize the Executive Director to Adjust the Payment Standards Between 90% and 110% Based on Projected Housing Assistance Funding Shortfall, with Adequate Notice to Program Participants

- D. To: (1) Amend the Hawaii Public Housing Authority's Chapter 17-2033, Hawaii Administrative Rules, Entitled "Rent Supplement Program" Which Set Forth the Rules and Requirements for the Hawaii Public Housing Authority's Rent Supplement Program Which Offers Rent Subsidies to a Qualified Individual or Family, as follows:

- (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;
 - (d) allow for families to be reinstated if the program is suspended, once sufficient funding is received and after a reevaluation of eligibility;
 - (e) suspend requirements for an annual reexamination if a family is suspended from the program;
 - (f) require suspended participants to continue to meet all eligibility criteria under Section 17-2033-13 for reinstatement; and
 - (g) allow for families terminated due to insufficient funding to be eligible to reapply for the program when the waitlist reopens
- (6) Amend Chapter 17-2033 to include Exhibit B, entitled "Insufficient Funds – Reduction, Proration, and Suspension", to provide examples of reduction, proration, and suspension; and

(2) Authorize the Executive Director to Take Required Action to Submit the Amendment and Compilation of these Rules to the Governor of the State of Hawaii for Approval

NOTE: Proposed Amendments to Chapter 17-2033 being considered by the HPHA Board of Directors above may be viewed in person on or about November 9, 2018 at the HPHA's Offices located as follows:

*HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu*

*Oahu: Mayor Wright Homes Office, 521 N. Kukui Street, Honolulu
Oahu: Kalakaua Homes Office, 1545 Kalakaua Avenue, Honolulu
Oahu: Punchbowl Homes Office, 730 Captain Cook Avenue, Honolulu
Oahu: Hale Poai Office, 1001 N. School Street, Honolulu
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Oahu: Kuhio Homes Office, 1475 Linapuni Street, Honolulu
Hawaii Office, 600 Wailoa Street, Hilo, Hawaii
Hawaii Office, 78-6725 Malolea Street, Kailua-Kona, Hawaii
Hawaii Office, 65-1191 Opelo Road, Kamuela, Hawaii
Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or*

May be viewed on the internet on or about November 9, 2018 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>.

- E. To: (1) Amend the Hawaii Public Housing Authority's Chapter 17-2028, Hawaii Administrative Rules (HAR), Entitled "Federally-Assisted Public Housing Projects" to Amend Smoking Prohibitions in Section 17-2028-60, HAR, to Include Vehicles Owned by the HPHA, to Increase the Minimum Distance From Entrances to Twenty-Five Feet, and Specify the Inclusion of Administrative Offices and Maintenance Areas; and (2) Authorize the Executive Director to Take All Actions Necessary to Submit the Amendment and Compilation of These Rules to the Governor of the State of Hawaii for Approval

NOTE: Proposed Amendments to Section 17-2028-60 being considered by the HPHA Board of Directors above may be viewed in person on or about November 9, 2018 at the HPHA's Offices located as follows:

*HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu
Oahu: Mayor Wright Homes Office, 521 N. Kukui Street, Honolulu*

Oahu: Kalakaua Homes Office, 1545 Kalakaua Avenue, Honolulu
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Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or

May be viewed on the internet on or about November 9, 2018 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>.

- F. To Authorize the Executive Director to Conduct Public Hearings and Undertake all Other Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 18-02 to Implement the Repeal and Adoption of New Rules, Including Making Non-Substantive revisions to Formatting, as May be Required, to
- (1) Repeal Chapter 181 of Title 15, Hawai'i Administrative Rules (HAR), entitled "Resident Advisory Board"; and
 - (2) Adopt Proposed New Chapter 2032 of Title 17, HAR, entitled "Resident Advisory Board", which is Substantially Based on Chapter 15-181, HAR, and includes:
 - (a) Changing Title Numbers from Title 15, HAR, to Title 17, HAR; Changing Subtitle Numbers from Subtitle 14, HAR, to Subtitle 5, HAR; and Changing Chapter Numbers from Chapter 181, HAR, to Chapter 2032, HAR;
 - (b) Changing the State Department to Which HPHA is Administratively Attached, from Department of Business, Economic Development and Tourism, to Department of Human Services;
 - (c) Changing Certain Subchapter titles;
 - (d) Amending the Definitions in Section 17-2032-2 to Add "Rental Agreement";
 - (e) Section 17-2032-21 HAR [Resident advisory board]:

- i. Specifying That all RAB Expenses Shall Be Part of an Approved Budget, and Expenditures Shall Require Prior Written Approval by the Executive Director, for Clarity;
- ii. Clarifying that the Minimum Number of Members to Serve on the RAB Shall be Nine and the Number of Representatives Required From Each Geographic Area;
- iii. Clarifying that the HPHA Shall Appoint Resident Councils or Representatives to Serve on the RAB, Consistent with 24 C.F.R. 903.13(b)(2);
- (f) Removing Completely Old Section 15-181-42 [Executive meetings] in its Entirety From New Chapter 17-2032;
- (g) Section 17-2032-43, HAR [Agenda]: Clarifying the Content of the RAB Agenda;
- (h) Section 17-2032-61, HAR [Nominees for public resident member for the authority's board of directors]: Specifying a Minimum and Maximum Number of RAB Nominees for the Public Resident Member of the HPHA Board of Directors, and the Qualifications of a Nominator of the Public Resident Member of the HPHA Board of Directors;
- (i) Section 17-2032-62, HAR [Recommendation of the resident advisory board]: Specifying a Minimum and Maximum Number of RAB Nominees for the Public Resident Member of the HPHA Board of Directors, and clarifying that the Governor May Select and Appoint the Resident Member for the Board of Directors from the List Submitted; and
- (j) Other Substantive Revisions to Comply with the Procedures Set Forth in Chapter 91, HRS, Hawai'i Administrative Rules Drafting Manual, and for the Purposes of Clarity

NOTE: Proposed Repeal of Title 15-181 and Proposed Adoption of New Rules at Chapter 17-2032 being considered by the HPHA Board of Directors above may be viewed in person on or about November 9, 2018 at the HPHA's Offices located as follows:

HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu
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Hawaii Office, 600 Wailoa Street, Hilo, Hawaii
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Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or

May be viewed on the internet on or about November 9, 2018 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>.

- G. To: (1) Repeal of Chapter 195 of Title 15, Hawai'i Administrative Rules (HAR), entitled "Section 8 Homeownership Option Program"; (2) Adopt Proposed New Chapter 2036 of Title 17, HAR, entitled "Section 8 Home Ownership Option Program", which is Substantially Based on Chapter 15-195, HAR, and includes:
- (a) Changing title numbers from Title 15, HAR, to Title 17, HAR; changing subtitle numbers from Subtitle 14, HAR, to Subtitle 5, HAR; and changing chapter numbers from Chapter 195, HAR, to Chapter 2036, HAR;
 - (b) Changing the state department to which HPHA is administratively attached, from Department of Business, Economic Development and Tourism, to Department of Human Services, and replacing references to Housing and Community Development Corporation, with the Hawaii Public Housing Authority;
 - (c) Revising and adding to new section 17-2036-2 [Definitions]: Includes new definitions of "Family", and "Gender identity or expression";
 - (d) Adding new section 17-2036-3 [Nondiscrimination]: "Gender identity" and "sexual orientation" as protected classes, consistent with the Fair Housing Act;
 - (e) Section 17-2036-22 HAR [Eligibility for admissions; initial requirements – threaten behavior towards staff]: Adding to qualification requirements that applicant(s) shall not engage in or threaten abusive or violent behavior toward the Authority's staff, consistent with HAR federal public housing qualifications;
 - (f) Section 17-2036-24, HAR [Minimum income requirements – disabled, elderly, welfare assistance]: Clarifying minimum income requirements for disabled and elderly participants, and the regard for welfare assistance income, consistent with the CFR;
 - (g) Section 17-2036-31 [Closing and reopening the waiting list - notices]: Removing minority newspapers and adds posting on the Authority's website for publishing notices, for more effective notice;
 - (h) Section 17-2036-42 HAR [Dwelling unit inspection – independent inspector]: Clarifying that independent inspectors shall be qualified

to report on property conditions, including major building systems and components, consistent with the CFR;

- (i) Section 17-2036-44 [Financing requirements]: Removing Authority's ability to disapprove terms of the mortgage loan to eliminate potential liability of the Authority between the applicant and the lender; and
- (j) Other non-substantive revisions; and

(3) Authorize the Executive Director to Take Required Actions to Submit the Repeal and Adoption of These Rules to the Governor of the State of Hawaii for Approval.

NOTE: Proposed Repeal of Title 15-195 and Proposed Adoption of New Rules at Chapter 17-2036 being considered by the HPHA Board of Directors above may be viewed in person on or about November 9, 2018 at the HPHA's Offices located as follows:

HPHA's Administrative Offices, 1002 N. School Street, Honolulu
Oahu: Puuwai Momi Office, 99-132 Kohomua Street, Aiea
Oahu: Kalihi Valley Homes Office, 2250 Kalena Drive, Honolulu
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Kauai Office, 4726 Malu Road, Kapaa, Hawaii
Maui Office, 2015 Holowai Place, Wailuku, Hawaii
Molokai Office, Maunaloa Molokai; or

May be viewed on the internet on or about November 9, 2018 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>.

- H. 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)

V. REPORTS

Executive Director's Report:

- Financial Report for the Month of September 2018 Financial Report is provided to the board in the monthly packet.
- Report on Contracts Executed During October 2018 and Planned Solicitations for November/December 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 October 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. If a request is received after November 12, 2018, the HPHA will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. 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, NOVEMBER 15, 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, November 15, 2018. At approximately 9:09 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
Director Jason Espero, Secretary
Director Lisa Darcy
Director George De Mello
Director Laura Smith
Director Albert Alapaki Nahale-a

Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

EXCUSED: Director Alena Medeiros, Vice-Chairperson
Director Myoung Oh
Designee Lila King

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Robei Broadous, PMMSB Chief
Kevin Auger, Redevelopment Officer
Benjamin Park, Planner
Sarah Beamer, Planner
Jennifer Menor, Secretary

OTHERS PRESENT (and signing in as):
Andrew Nakoa, Sr., Mayor Wright Homes

Approval of Minutes:

Director Espero moved,

To Approve the Regular Meeting Minutes of October 18, 2018

The minutes were unanimously approved as presented.

Director Smith moved,

To Approve the Executive Session Minutes of October 18, 2018

Chairperson Shim reported that the only item not included and still being worked on is the discussion on Mayor Wright Homes.

Deputy Attorney General Sugita clarified that minutes for three of the four executive sessions have been provided.

Executive Director Ouansafi requested a change to the language on the second page, that “Chair Case responded that DLNR had no issues making a recommendation to her Board to deed the land to HPHA provided there was a reverter clause”.

The minutes were unanimously approved as amended.

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.

(Mr. Nakoa arrived late to the meeting and Chairperson Shim invited him to testify.)

Andrew Nakoa, Sr., Mayor Wright Homes resident, testified that the security guards are not conducting the roving patrol after hours and are not monitoring the trash bins and the children on the property. Mr. Nakoa also complained that there are a lot of elderly, who are digging through the trash bins for recyclables. He complained that there was a tenant meeting at the property that was scheduled at the same time as the HPHA’s public hearings at the School Street office. He requested that they be held on different dates/times in the future so residents are able to attend both. He indicated that he reported his concerns to Property Management Branch staff.

Mr. Nakoa testified that he is still unsure about how the redevelopment will proceed and how the phasing will work.

Discussion and/or Decision Making

Director Espero moved,

To: (1) Approve Amendments to the Hawaii Public Housing Authority’s (HPHA) Annual Public Housing Agency (PHA) Plan for Fiscal Year 2018-2019 to Include the HPHA’s Planned Submission of an Application to Participate in the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (RAD) Program at Mayor Wright Homes,

KPT Towers and Kuhio Park Terrace Low Rise and Kuhio Homes, and the HPHA’s Intent to Adopt Policies to Implement the Statutory Income Limit for Public Housing; and (2) Authorize the Executive Director to Take All Actions Necessary to Submit and Request Approval of the Amended Plan to the U.S. Department of Housing and Development

Executive Director Ouansafi reported that on September 20, 2018, the HPHA Board of Directors approved the draft Amended PHA Annual Plan for FY 2018 – 2019. Public hearings were held in each county on November 8, 2018.

Executive Director Ouansafi reported that HPHA staff reviewed and considered all testimony received prior to and at the public hearings. No changes were made to the draft Amended Annual Plan based on any of the comments provided.

Chairperson Shim thanked the Resident Advisory Board (RAB) for the work that they do and for the thought that went into their comments. He commented that the HPHA should find a way to share RAB feedback with HUD, so that we might be able to provide influence on developing and amending policies.

Chairperson Shim noted that the RAB comments #10, #12, and #14 were thoughtful comments. He noted that the RAB and the HPHA’s comments are important because they demonstrate how we work collaboratively with the RAB.

Chairperson Shim requested that the HPHA consider the qualitative impact of #15 which allows for two individuals to share a room in public housing.

Director Darcy commented that after reading through the RAB comments and the HPHA’s responses it’s difficult to make different/better recommendations due to the complexities facing the agency in its daily operations and in the context of what HPHA has to manage.

Director De Mello was glad that the RAB comments are making an impact. He commented that the HPHA has recognized that it needs the RAB. In the past, there were a lot of responses where the HPHA couldn’t make changes because of statutory requirements. However, it is encouraging to be able to share comments directly with staff regarding RAB concerns, even concerns with statutory requirements.

The motion was unanimously approved.

Director De Mello moved,

To: (1) Adopt the Hawaii Public Housing Authority’s Proposed New Chapter 17-2038, Hawaii Administrative Rules, entitled “State Eviction – Practice and Procedure” to Administratively Process State Evictions as Contested Case Hearings by a State Eviction Board; and (2) Authorize the Executive Director to Take Required Actions to Submit the New Rules to the Governor of the State of Hawaii for Approval

On July 19, 2018, the HPHA Board of Directors authorized the Executive Director to conduct public hearings on proposed rules to administratively process State evictions.

Executive Director Ouansafi explained that the HPHA held public hearings to gather comments on the proposed draft rules. After the public hearing, the HPHA made additional non-substantive revisions to correct formatting.

The motion was unanimously approved.

Director Espero moved,

To Adopt Payment Standards for the Hawaii Public Housing Authority's (HPHA) Section 8 Housing Choice Voucher Program for Oahu Zip Codes Where the U.S. Department of Housing and Urban Development Has Required the Use of Small Area Fair Market Rent (SAFMR) Effective January 1, 2019; and to Authorize the Executive Director to Adjust the Payment Standards Between 90% and 110% Based on Projected Housing Assistance Funding Shortfall, with Adequate Notice to Program Participants

Executive Director Ouansafi explained that the U.S. Department of Housing and Urban Development (HUD) annually estimates fair market rents for certain zip codes on Oahu. In the administration of the Housing Choice Voucher program, SAFMRs are intended to provide families access to rental units in higher rents areas affordable to them.

As required by the Federal program regulations, HPHA reviews and adjusts the Payment Standards when HUD publishes the new zip code based Fair Market Rents. The Board was presented proposed payment standards for zip codes in the City and County of Honolulu to be effective January 1, 2019.

Executive Director Ouansafi further explained that the rules allow the HPHA to set the payment standards within a range of 90% – 110% of the HUD issued SAFMR.

Director Darcy asked why the new payment standard and SAFMR is limited to Oahu. She is concerned that Maui is not benefitting from the SAFMR when they have similar needs.

Executive Director Ouansafi clarified that HPHA only manages the Section 8 program on Oahu. Other counties have their own Section 8 program. Although we may occasionally absorb participants from the other counties, they fall under the HPHA's program rules on Oahu. Other counties may not have SAFMR if they're not considered a metropolitan statistical area under HUD's program.

Chairperson Shim stated Maui recently changed and is considered metropolitan, which include Lanai and Molokai.

Director Nahale-a recalled that HPHA was concerned that the issuance of the SAFMR could impact the available funds in the long run. He asked whether there has been any noticeable change in the program costs and what impact that has had on the available budget.

Executive Director Ouansafi reported that HPHA is still concerned that the higher SAFMR could impact the program, but there hasn't been much movement between zip codes yet. It is still possible for clients to move into high payment standard areas. As an example, there is a new affordable housing development in Hawaii Kai, which could attract families into this high rent zip code area.

Director Darcy asked how this would affect privatizing.

Executive Director Ouansafi explained that that HPHA will continue to utilize the program flexibility and adjust the payment standard between 90% and 110% of the SAFMR.

The motion was unanimously approved.

Director Espero moved,

To: (1) Amend the Hawaii Public Housing Authority's Chapter 17-2033, Hawaii Administrative Rules, Entitled "Rent Supplement Program" Which Set Forth the Rules and Requirements for the Hawaii Public Housing Authority's Rent Supplement Program Which Offers Rent Subsidies to a Qualified Individual or Family, as follows:

- (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;
 - (d) allow for families to be reinstated if the program is suspended, once sufficient funding is received and after a reevaluation of eligibility;
 - (e) suspend requirements for an annual reexamination if a family is suspended from the program;
 - (f) require suspended participants to continue to meet all eligibility criteria under Section 17-2033-13 for reinstatement; and
 - (g) allow for families terminated due to insufficient funding to be eligible to reapply for the program when the waitlist reopens
- (6) Amend Chapter 17-2033 to include Exhibit B, entitled "Insufficient Funds – Reduction, Proration, and Suspension", to provide examples of reduction, proration, and suspension; and

(2) Authorize the Executive Director to Take Required Action to Submit the Amendment and Compilation of these Rules to the Governor of the State of Hawaii for Approval

Executive Director Ouansafi thanked the HPHA Board of Directors for their approval of the proposed rules and authorizing HPHA to hold public hearings on August 16, 2018.

The HPHA held public hearings to gather comments on the proposed draft rules. After the public hearing, the HPHA made additional non-substantive revisions to correct formatting.

Executive Director Ouansafi commented that the State Rent Supplement Program is one of the best programs as it makes a tremendous amount of difference for our tenants. Many elderly and disabled individuals attended the public hearing to testify about how the program makes a difference for them.

Executive Director Ouansafi hopes to secure more funding from the Legislature. HPHA's goal is to keep people housed and will continue to request adequate funding.

Director Espero acknowledged the positive impact of this program. He voiced his support for the State Rent Supplement Program and agreed that there are many families that may just need a couple hundred dollars to make their rent. He is hopeful that the Legislature will continue to fund and increase funding for this program.

Director Nahale-a agrees the Rent Supplement Program is excellent. He suggested talking with the Office of Hawaiian Affairs about leveraging funds for participants with Hawaiian descent.

The motion was unanimously approved.

Chairperson Shim commended Deputy Attorney Generals Jennifer Sugita and Klemen Urbanc for their hard work with all of the HPHA's administrative rules.

Executive Director Ouansafi agreed and also recognized HPHA's Planner, Sarah Beamer, for her work with the administrative rules.

Director Darcy moved,

To: (1) Amend the Hawaii Public Housing Authority's Chapter 17-2028, Hawaii Administrative Rules (HAR), Entitled "Federally-Assisted Public Housing Projects" to Amend Smoking Prohibitions in Section 17-2028-60, HAR, to Include Vehicles Owned by the HPHA, to Increase the Minimum Distance From Entrances to Twenty-Five Feet, and Specify the Inclusion of Administrative Offices and Maintenance Areas; and (2) Authorize the Executive Director to Take All Actions Necessary to Submit the Amendment and Compilation of These Rules to the Governor of the State of Hawaii for Approval

Executive Director Ouansafi reported that HPHA had implemented a policy which prohibited smoking within 20 feet of any building, doorway, or window prior to the HUD rule being adopted. While a smoke-free policy or statute for the HPHA currently exists, changes were required to abide by the new Federal standards of no smoking up to 25 feet away from public housing buildings and administrative office buildings. No public comments received.

Executive Director Ouansafi thanked the HPHA staff, the Resident Advisory Board and the Department of the Attorney General for all their work on the various rules being considered by the Board.

The motion was unanimously approved.

Director Espero moved,

To Authorize the Executive Director to Conduct Public Hearings and Undertake all Other Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 18-02 to Implement the Repeal and Adoption of New Rules, Including Making Non-Substantive revisions to Formatting, as May be Required, to

- (1) Repeal Chapter 181 of Title 15, Hawai'i Administrative Rules (HAR), entitled "Resident Advisory Board"; and**
- (2) Adopt Proposed New Chapter 2032 of Title 17, HAR, entitled "Resident Advisory Board", which is Substantially Based on Chapter 15-181, HAR, and includes:**

- (a) Changing Title Numbers from Title 15, HAR, to Title 17, HAR; Changing Subtitle Numbers from Subtitle 14, HAR, to Subtitle 5, HAR; and Changing Chapter Numbers from Chapter 181, HAR, to Chapter 2032, HAR;**
- (b) Changing the State Department to Which HPHA is Administratively Attached, from Department of Business, Economic Development and Tourism, to Department of Human Services;**
- (c) Changing Certain Subchapter titles;**
- (d) Amending the Definitions in Section 17-2032-2 to Add “Rental Agreement”;**
- (e) Section 17-2032-21 HAR [Resident advisory board]:**
 - i. Specifying That all RAB Expenses Shall Be Part of an Approved Budget, and Expenditures Shall Require Prior Written Approval by the Executive Director, for Clarity;**
 - ii. Clarifying that the Minimum Number of Members to Serve on the RAB Shall be Nine and the Number of Representatives Required From Each Geographic Area;**
 - iii. Clarifying that the HPHA Shall Appoint Resident Councils or Representatives to Serve on the RAB, Consistent with 24 C.F.R. 903.13(b)(2);**
- (f) Removing Completely Old Section 15-181-42 [Executive meetings] in its Entirety From New Chapter 17-2032;**
- (g) Section 17-2032-43, HAR [Agenda]: Clarifying the Content of the RAB Agenda;**
- (h) Section 17-2032-61, HAR [Nominees for public resident member for the authority’s board of directors]: Specifying a Minimum and Maximum Number of RAB Nominees for the Public Resident Member of the HPHA Board of Directors, and the Qualifications of a Nominator of the Public Resident Member of the HPHA Board of Directors;**
- (i) Section 17-2032-62, HAR [Recommendation of the resident advisory board]: Specifying a Minimum and Maximum Number of RAB Nominees for the Public Resident Member of the HPHA Board of Directors, and clarifying that the Governor May Select and Appoint the Resident Member for the Board of Directors from the List Submitted; and**
- (j) Other Substantive Revisions to Comply with the Procedures Set Forth in Chapter 91, HRS, Hawai’i Administrative Rules Drafting Manual, and for the Purposes of Clarity**

Executive Director Ouansafi explained that on January 21, 2016, the HPHA Board of Directors adopted substantive changes to Chapter 15-181, “Resident Advisory Board,” HAR, to place the administrative rules chapter governing the Resident Advisory Board under Title 17, to correctly reflect that the HPHA is administratively attached to the Department of Human Services, by renumbering Chapter 15-181, HAR, to Chapter 17-2032, HAR, and add new definitions and sections, and amend and repeal various sections to better govern the Resident Advisory Board.

Executive Director Ouansafi anticipates that the public hearing and rule adoption process will be completed by April 2019.

The motion was unanimously approved.

Director Darcy moved,

To: (1) Repeal of Chapter 195 of Title 15, Hawai'i Administrative Rules (HAR), entitled "Section 8 Homeownership Option Program"; (2) Adopt Proposed New Chapter 2036 of Title 17, HAR, entitled "Section 8 Home Ownership Option Program", which is Substantially Based on Chapter 15-195, HAR, and includes:

- (a) Changing title numbers from Title 15, HAR, to Title 17, HAR; changing subtitle numbers from Subtitle 14, HAR, to Subtitle 5, HAR; and changing chapter numbers from Chapter 195, HAR, to Chapter 2036, HAR;**
- (b) Changing the state department to which HPHA is administratively attached, from Department of Business, Economic Development and Tourism, to Department of Human Services, and replacing references to Housing and Community Development Corporation, with the Hawaii Public Housing Authority;**
- (c) Revising and adding to new section 17-2036-2 [Definitions]: Includes new definitions of "Family", and "Gender identity or expression";**
- (d) Adding new section 17-2036-3 [Nondiscrimination]: "Gender identity" and "sexual orientation" as protected classes, consistent with the Fair Housing Act;**
- (e) Section 17-2036-22 HAR [Eligibility for admissions; initial requirements – threaten behavior towards staff]: Adding to qualification requirements that applicant(s) shall not engage in or threaten abusive or violent behavior toward the Authority's staff, consistent with HAR federal public housing qualifications;**
- (f) Section 17-2036-24, HAR [Minimum income requirements – disabled, elderly, welfare assistance]: Clarifying minimum income requirements for disabled and elderly participants, and the regard for welfare assistance income, consistent with the CFR;**
- (g) Section 17-2036-31 [Closing and reopening the waiting list - notices]: Removing minority newspapers and adds posting on the Authority's website for publishing notices, for more effective notice;**
- (h) Section 17-2036-42 HAR [Dwelling unit inspection – independent inspector]: Clarifying that independent inspectors shall be qualified to report on property conditions, including major building systems and components, consistent with the CFR;**
- (i) Section 17-2036-44 [Financing requirements]: Removing Authority's ability to disapprove terms of the mortgage loan to eliminate potential liability of the Authority between the applicant and the lender; and**

(j) Other non-substantive revisions; and

(3) Authorize the Executive Director to Take Required Actions to Submit the Repeal and Adoption of These Rules to the Governor of the State of Hawaii for Approval.

Executive Director Ouansafi reported that the HPHA Board of Directors adopted proposed substantive changes to Chapter 15-195, "Section 8 Homeownership Option Program" on January 21, 2016. The Department of the Attorney General recommended to hold a public hearing for housekeeping revisions to the draft rules, which took place on October 15, 2018.

Director Darcy asked in which newspapers are the notices posted.

Executive Director Ouansafi clarified that notices are posted in every major paper in each County (e.g., Honolulu Star Adviser, Maui News, Hawaii Tribute Herald, West Hawaii Today and the Garden Island).

The motion was unanimously approved.

For Information:

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 the following:

- Mayor Wright Homes: HPHA continues to work closely with HUNT. HPHA communicated their concerns regarding the proforma and the schematic designs to HUNT. Redevelopment Officer, Kevin Auger, is leading a team on this development with about 170 years of construction and development experience. A relocation expert has been retained and has visited the property.
- School Street: Executive Director Ouansafi expressed his gratitude to BLNR and Chair Suzanne Case for unanimously approving the transfer of the deed to HPHA for the School Street property. He thanked Attorney General Sugita for working behind the scenes with her counterpart at the AG's for expediting this matter. HPHA received substantive comments on the proposed master development agreement from partner RHF and are in the process of reviewing those comments.
- Kuhio Park Terrace Low Rise/Kuhio Homes: HPHA is finalizing the letter and termination agreement with Michaels Development. HPHA will seek a new developer in a couple of weeks to proceed with Phase II.

Executive Director's Report:

- Executive Director Ouansafi reported that HPHA has been busy with REAC inspections and continues to work on repairing units at the housing properties.
- For occupancy, HPHA's main concern is concentrating more on the tenants and prospective tenants versus the rating/score. HPHA is focusing its current efforts on occupied units. The current projected PHAS score is in the 80's, but the staff continue to work to score in the 90's.
- The HPHA contracted a consultant to conduct accessibility assessments and prepare a draft transition plan consistent with the Voluntary Compliance Agreement with HUD.

Chairperson Shim reported that the next Regular Board meeting will be moved from December 20, 2018 at 9 a.m. to December 13, 2018 at 10 a.m.

Director Espero moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 10:18 a.m.

MINUTES CERTIFICATION:

Minutes Prepared by:



Jennifer K. Menor
Secretary

DEC 13 2018

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on December 13, 2018 [] As Presented [] As Amended



Director Jason Espero
Board Secretary

DEC 13 2018

Date