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, May 16, 2019
B. Executive Session Minutes, May 16, 2019 (not for public distribution)

IV. DISCUSSION AND/OR DECISION MAKING

A. To Adopt Board Resolution No. 19-03 Expressing Appreciation to Director Jason Espero

B. To Adopt Board Resolution No. 19-04Expressing Appreciation to Director Laura Smith

C. To Adopt Resolution No. 19-05 Approving the Hawaii Public Housing Authority's (HPHA) Operating Budget for Fiscal Year 2019 – 2020 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574)

D. To Discuss Revisions to the Board Approved Hawaii Public Housing Authority’s Five-Year Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2019 to June 30, 2024, and Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2019 to June 30, 2020

E. To (1) Adopt Amendments to the Hawaii Public Housing Authority’s (HPHA) Annual Public Housing Agency (PHA) Plan for the Fiscal Year
Starting July 1, 2019 and Ending June 30, 2020, to Provide Notice of the HPHA’s Intent to Establish a Program(s) that Provide Incentives to New and Existing Owners/Landlords Who Participate in the Section 8 Housing Choice Voucher Program; and (2) Authorize the Executive Director to: a) Hold Public Hearings on the Proposed Changes to the Annual PHA Plan as Required; b) Undertake All Actions Necessary to Accept, Adopt, or Respond to Comments from the Public and the Resident Advisory Board; and c) Submit the Amended PHA Plan to the U.S. Department of Housing and Urban Development, if No Substantive Changes are Made to the Amended Annual PHA Plan

F. 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

A. Executive Director’s Report:

- Financial Report for the Month of April 2019 Financial Report is provided to the board in the monthly packet.
- Report on Contracts Executed During May 2019 and Planned Solicitations for June 2019/July 2019 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 May 2019.
- 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 June 17, 2019, 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.
The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, June 20, 2019. 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 Robert Hall
- Designee Daisy Hartsfield
- Designee Denise Iseri-Matsubara
- Director Roy Katsuda
- Director Susan Kunz
- Director Milo Spindt

Deputy Attorney General Klemen Urbanc

**EXCUSED:**
- Director Laura Smith

**STAFF PRESENT:**
- Hakim Ouansafi, Executive Director
- Chong Gu, Chief Financial Officer
- Bennett Liu, Assistant Chief Financial Officer
- Kevin Auger, Redevelopment Officer
- Rick Sogawa, Contracts and Procurement Officer
- Katie Pierce, Section 8 Subsidy Program Branch Chief
- Robei Broadous, Property Management and Maintenance Services Branch Chief
- Shirley Befitel, Human Resources Supervisor
- Renee Blondin-Nip, Hearings Officer
- Nelson Lee, IT Supervisor
- Benjamin Park, Planner
- Jennifer Menor, Secretary to the Board

**OTHERS PRESENT (and signing in as):**
- Sara Lin, Governor’s Office
- Thomas Lee, Hunt Development Company
- Steve Colon, Hunt Development Company
- Apelaama Sulu, Mayor Wright Homes
- Segia Too, Mayor Wright Homes
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.

Thomas Lee, Senior Vice President for Hunt Development Company, has been working on the Mayor Wright Homes (MWH) redevelopment since 2015. Mr. Lee stated that several local notable firms have also been working on the redevelopment of MWH: RM Towill (lead Civil Engineer who assisted with the infrastructure planning), PBR Hawaii (lead Planner who assisted with the EIS and NEPA), and as lead Co-Architects, Architects Hawaii and Design Partners. Mr. Lee welcomed the new Board members and indicated that he is looking forward to working with everyone.

Apelaama “Abraham” Sulu, Mayor Wright Homes tenant, testified regarding alleged unequal treatment to the tenants by the housing property manager. Mr. Sulu also complained about the security guards lack of professionalism at Mayor Wright Homes, which included inappropriate name-calling of his wife. He stated that when he sees a specific security guard, he has thoughts of shooting him, but chooses to do what’s right and instead makes complaints. He filed a complaint with the security guard company’s main office. Mr. Sulu has mentioned making multiple visits to HPHA to meet with Executive Director Ouansafi, but has been told that he is in a meeting.

On behalf of Mr. Sulu, Fetu Kolio stated that Mr. Sulu doesn’t want to shoot anyone and that he is only expressing his feelings.

Segia Too, Mayor Wright Homes tenant, testified that she has made five complaints about her neighbor who is allegedly throwing trash down from the third floor down to her back patio area. Ms. Too stated that property manager hasn’t addressed the issue. Ms. Too bagged all the trash that was thrown down into her patio area and placed it in front of her neighbor’s door. On the same day, Ms. Too mentioned that she received a hand-delivered trash violation letter from property manager. Ms. Too expressed that she didn’t do anything wrong, follows the rules and is always cleaning. She expressed frustration that her neighbors are creating the trash but she’s in jeopordy of getting evicted.

June Talia, Kuhio Park Terrace/Low Rise tenant, requested that HPHA restore in-house security. She stated that the in-house security was more effective than the new security company. Ms. Talia also requests for more information on the new redevelopment.

Fetu Kolio, Makamae tenant, requested information on tenant relocation efforts and rights to return while renovations are being completed at Mayor Wright Homes.
Mr. Kolio also expressed concerns on the selection of eviction board members at a past Board meeting. He doesn’t understand why someone would be voted as an eviction board member when there’s a possibility of a conflict of interest. Mr. Kolio strongly expressed a concern with a past employee, who was a property manager, who is now allowed to evict tenants as an eviction board member.

Steve Colon, President for Hunt Development Company, Hawaii Division, stated that he has been working with Executive Director Ouansafi and the HPHA staff on the redevelopment of Mayor Wright Homes for several years. Mr. Colon attended the meeting to meet the Board and is looking forward to proceeding with the redevelopment project. He mentioned that there are a few critical items that are with the HPHA and now ready for signature, such as the NEPA, which will help move the redevelopment process along.

Andrew Nakoa, Sr., Mayor Wright Homes tenant, testified that there is a lack of security patrolling after 5 p.m. at the housing property. At midnight, he mentioned seeing a child hanging around on the third floor when he lives on the ground floor. In events like those, Mr. Nakoa expressed that security should escort children back to their unit and to speak with the parents. Mr. Nakoa also complained about children playing outside past 1:00 a.m. He continues to request for in-house security.

Mr. Nakoa also expressed concern about a dangerous neighbor who he has had problems with. He stated being witness to the neighbor allegedly beating his own son-in-law and in previous encounters the son-in-law would fight back, but not this one time. He complained again that the security guards continue to identify him as the complainant when they are investigating a complaint. Mr. Nakoa stated that he received a violation letter for harassing/threatening the neighbors and allegedly smoking marijuana. Mr. Nakoa also seeks more information on the redevelopment of Mayor Wright Homes and expressed concerns about health and safety issues during construction. He stated that the tenants are unclear of the plans and requests for a meeting. Mr. Nakoa asked that the Mayor Wright Homes community set up a tenant board.

Director Hall asked about HPHA’s process of addressing the tenants’ concerns.

Executive Director Ouansafi reported that all complaints are followed up on. However, due to confidentiality, the HPHA staff isn’t allowed to convey to the tenant on the exact actions that have taken place.

Director Hall asked for clarification on how, as Board members are often seen out in the public, to answer inquiries if approached regarding complaints being addressed.

Executive Director Ouansafi verified that all complaints/concerns that are presented to HPHA are addressed and taken care of as day-to-day operations, which is reported to the Board at the following meeting.

Director Spindt asked for a briefing on the tenant complaint process when the two new Board members are appointed next month.
Executive Director Ouansafi confirmed that the complaint process will be included during the orientation for all the new Board members.

Director Spindt asked, in response to all the questions from the tenants regarding the status of the Mayor Wright Homes redevelopment, if HPHA has any plans on giving an update to the tenants.

Executive Director Ouansafi assured the Board that tenants are notified at meetings when the status changes on the redevelopment projects. He clarified that the tenants will get at least a year notice before any relocation action takes place. Regarding the relocation concerns, Executive Director Ouansafi stated that the projects aren’t at that point in the process. Tenants will not be placed in a hotel, but there will be a relocation plan as required by law and the HPHA would consult with its relocation consultant.

Director Spindt shared that he’s aware of the requirements of relocation, and suggested that HPHA send out a newsletter to the tenants.

Executive Director Ouansafi confirmed that HPHA has followed up with tenants on multiple occasions.

Director Spindt asked when was the last communication to the tenants on the status and on the redevelopment plans.

Executive Director Ouansafi reported that there was a Resident Advisory Board (RAB) meeting this past fall.

Director Katsuda indicated that another meeting to update the tenants could be beneficial.

Director Iseri-Matsubara stated that the Board has asked for a workshop on the status of Mayor Wright Homes redevelopment, and to include a financial plan update, so that the Board can better understand. Director Iseri-Matsubara acknowledges the anxiety that comes with the redevelopment project; however also recognizes the long process before getting to the phase of relocation.

Director Hall expressed that he looks forward to the workshop and the open discussion. He understands the complexity of the redevelopment projects and its long process; however, stated the significance of open communication to the tenants, such as a quarterly newsletter.

(Director Kunz arrived to the meeting at approximately 9:44 a.m.)

Director Iseri-Matsubara asked for clarification on the completion of the NEPA.

President Steve Colon reported that Hunt has completed their part and the NEPA as well as the Section 106 MOA is now with the HPHA to get the final approval from the Governor.
Executive Director Ouansafi reported that there will be an update on Mayor Wright Homes, which is listed on the Agenda.

Executive Director Ouansafi stated that all AMP Managers have quarterly meetings with the tenant community only. Executive Director Ouansafi shared that HPHA has approximately 40,000 tenants. The HPHA staff are aware of the four families complaining and are working on the complaints; however, although HPHA staff are not allowed to respond to tenants at the moment of the complaint, it is addressed and reported to the Board.

Chairperson Shim clarified that legal counsel advised that the Board can call individuals in the audience for clarification, but that there should not be back and forth conversations/discussions during the public testimony with the audience.

Approval of Minutes:

Director Espero moved,

To Approve the Regular Meeting Minutes of May 16, 2019

Executive Director Ouansafi requested a change to page 10 of the Meeting Minutes (page 12 of the Board packet). He asked to correct the statement made on Section 8 HAP. The Section 8 program earns approximately $38M annually in HAP, not $28M as reported.

The minutes were unanimously approved as revised.

Director Spindt moved,

To Approve the Executive Session Meeting Minutes of May 16, 2019

The executive session minutes were unanimously approved as presented.

Discussion and/or Decision Making

Director De Mello moved,

To Adopt Board Resolution No. 19-03 Expressing Appreciation to Director Jason Espero

Executive Director Ouansafi, on behalf of the HPHA staff, expressed appreciation to Director Espero for his hard work and guidance to the HPHA. He wished Director Espero the best of luck in his future endeavors.
The motion was unanimously approved.

Director Hall moved,

To Adopt Board Resolution No. 19-04 Expressing Appreciation to Director Laura Smith

Executive Director Ouansafi expressed gratitude to Director Smith for her hard work and guidance to the HPHA.

Director Darcy commented that both Director Espero and Director Smith have a unique and kind way of addressing difficult issues. She personally commended both on being a guide for herself and many others. Chairperson Shim concurred and expressed his appreciation as well.

The motion was unanimously approved.

Director Darcy moved,

To Adopt Board Resolution No. 19-05 Approving the Hawaii Public Housing Authority’s (HPHA) Operating Budget for Fiscal Year 2019 – 2020 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574)

Executive Director Ouansafi reported that the operating budget is based on requirements of the U.S. Department of Housing and Urban Development (HUD). As part of the process, the Board’s Finance Task Force conducted a review of HPHA’s proposed budget and reported on their findings and recommendations at the previous Board meeting on May 16, 2019.

Executive Director Ouansafi summarized the budget as follows:
- Total operating budget consists of approximately $134M
- 52.5% goes to housing assistance payments for programs such as Section 8 and PBCA tenants
- 24.9% covers salaries of the agency’s staff
- 10.3% is budget for utilities (which equates to approximately $13.8M)
- 6% goes to contracts for goods and services (approximately $8.7M)
- The remaining of the budget goes towards repair and maintenance

Director Katsuda asked for clarification on the capital expenditures which is funded by capital funds from the State and HUD, and if this includes refrigerators.

Executive Director Ouansafi explained that refrigerators are included if it’s a part of a major modification. He added that HPHA received approximately $9-10 million from federal, with the highest amount from the State being $93 million approximately seven
years ago. State monies can be used for both state and federal, while federal funds are budgeted exclusively for federal properties.

Director Hall asked if HPHA has an expenditure plan to make sure all capital monies are expended timely.

Executive Director Ouansafi confirmed that HPHA has plans and don’t lapse funds. The Construction Branch meets twice a month with the entire branch and the property staff to prioritize projects and funds.

Director Hall acknowledges that the budget is tight, and with that comes the importance that it is expended timely.

Chairperson Shim suggested that HPHA invite Mr. Wils Choy to the new Board Orientation so that the new Board members can get an overview of how the auditor manages the budget. Executive Director Ouansafi confirmed that HPHA plans to invite Mr. Choy.

Director Hall declared that he will be abstaining from the vote and that he wishes to check on something with HUD.

The motion was approved. Director Hall abstained.

Director Espero moved,

To Discuss Revisions to the Board Approved Hawaii Public Housing Authority’s Five-Year Public Housing Agency Plan for the Fiscal Years Beginning July 1, 2019 to June 30, 2024, and Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2019 to June 30, 2020

Executive Director Ouansafi reported that the Public Housing Agency (PHA) plans are required to be submitted to the U.S. Department of Housing and Urban Development (HUD) to be eligible for federal housing assistance funds.

After the HPHA Board of Directors approval and submission to HUD, the HPHA’s Five Year and Annual PHA Plan has been revised, which is indicated in the Board packet and highlighted in yellow.

Director Hartsfield asked for clarification to the last highlighted bullet (page 41 Board packet) on what it means “to complete the modernization of Salt Lake Apartments to bring back 28 public housing units online by the end of 2019”.

Executive Director Ouansafi explained that the Salt Lake Apartments consist of a total of 28 public housing units, which were in need of renovation. As a result, HPHA relocated the tenants to complete major modernization to the property. During construction, there were unforeseen conditions in the field, such as pipes/plumbing which would not meet current building code requirements, which caused delays. The
completion of the modernization is scheduled for October/November 2019, where 28 units will become available. Of the 28 units, 12 units will be converted to ADA accessible units.

Director Hall commended HPHA on the SEMAP score of close to 100%. He asked if there are opportunities for HPHA to get more Section 8 vouchers from HUD or additional funds for vouchers.

Executive Director Ouansafi reported that HPHA has approximately 3,800 vouchers; however, there is only enough funding to issue approximately 2,400 vouchers. The two sources of funding for Section 8 are through housing assistance payments (HAP) and the administration of that HAP. HUD will fund HPHA based on the funding of the previous year. Executive Director Ouansafi added that Section 8 used 107%, which means 7% came from the HUD reserves. Occasionally, HPHA is offered and accepts additional vouchers for the VASH program. In February, HPHA accepted and was eligible to receive 35 additional VASH vouchers.

Director Hall further asked if HPHA is on schedule to meet the three-year deadline in regards to the Voluntary Compliance Agreement.

Executive Director Ouansafi confirmed that HPHA is fully compliant with the VCA timelines. The HPHA’s ADA consultant has inspected and assessed all of HPHA’s housing properties and reports are being drafted.

Director Hall asked if the draft transition plan will affect the HPHA’s budget.

Executive Director Ouansafi stated that HUD mandates having a plan. HPHA continues to focus on the needs of the community and has been building more than minimum requirement of the 5% ADA and 2% visual/hearing impaired units.

Chairperson Shim acknowledged that HPHA is aware of the compliance requirements and strives to exceed what is required because staff understands the benefits of it for the tenants.

The motion was approved. Director Hall abstained.

Director Katsuda moved,

To (1) Adopt Amendments to the Hawaii Public Housing Authority’s (HPHA) Annual Public Housing Agency (PHA) Plan for the Fiscal Year Starting July 1, 2019 and Ending June 30, 2020, to Provide Notice of the HPHA’s Intent to Establish a Program(s) that Provide Incentives to New and Existing Owners/Landlords Who Participate in the Section 8 Housing Choice Voucher Program; and (2) Authorize the Executive Director to: a) Hold Public Hearings on the Proposed Changes to the Annual PHA Plan as Required; b) Undertake All Actions Necessary to Accept, Adopt, or Respond to Comments from the Public and the Resident Advisory Board;
and c) Submit the Amended PHA Plan to the U.S. Department of Housing and Urban Development, if No Substantive Changes are Made to the Amended Annual PHA Plan

Executive Director Ouansafi reported the significance of recruiting landlords to participate in the Section 8 Housing Choice Voucher program. A timeline is provided on page 110 of the Board packet. Executive Director Ouansafi added that the meeting with the Resident Advisory Board (RAB) for final comments isn't required, but HPHA included it to the timeline recognizing the importance of transparency and allowing the community to be involved with the process. The amendments will be included in both the PHA Annual Plan and the PHA Five-Year Plan.

Director Hartsfield asked for clarification on the number of public hearings that will be scheduled.

Executive Director Ouansafi confirmed that one public hearing will occur. The HPHA only administers Section 8 vouchers on Oahu. In addition, HPHA will only move forward with the process if the Senate bill gets signed into law.

Director Hartsfield asked that the numbers listed under section A.1 of page 113 of the Board packet were revised and highlighted on page 47 of the Board packet.

Executive Director Ouansafi confirmed that the numbers shown with this Agenda item's attachment were revised and indicated in the previous Agenda item.

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)

(Director Hall left the room at approximately 10:09 a.m. and returned at 10:10 a.m.)

Executive Director Ouansafi reported:

- Redevelopment of Mayor Wright Homes. HPHA continues to experience some issues with this project. Executive Director Ouansafi stated that "we are hopeful that our 17 requests are addressed properly" (which he later clarified that the number is meant as several requests and not exactly 17 specific issues). Despite some delays and undesirable responses, HPHA remains hopeful with the MWH redevelopment. The federal NEPA was received from Hunt and a lot of work is still ahead, and HPHA will continue to give a report to the Board.
• Kuhio Park Terrace (KPT) Low Rise/Kuhio Homes: The Michaels Development Company (MDC) reached out to HPHA to suspend the Termination of Convenience. With the Board approval, that request was granted and MDC was given 120 days for both parties to come to a mutual agreement. Many discussions have taken place with some progress, and HPHA will continue to update the Board. HPHA’s main focus is on a project that will benefit the public housing community. MDC has been responsive to HPHA’s questions regarding the RAD.

• School Street: The EIS was completed and accepted. A red-lined Master Development Agreement (MDA) was sent to Retirement Housing Foundation (RHF) after legislative session. Since the land transfer was not disapproved by the Legislature, the project is moving forward. Since then, proposed changes were submitted and HPHA received a red-line MDA from RHF in late June, which was forwarded to HPHA's attorneys in Washington, D.C. and the development team. Based on the progress shown, HPHA anticipates that this project may be the first to be executed.

Executive Director Ouansafi reported on the Rental Assistance Demonstration (RAD): The Commitment to enter into a Housing Assistance Payment (CHAP) was received from HUD. Discussions have occurred on the conversion of Mayor Wright Homes (MWH) and the conversion of KPT Towers. MWH isn't currently ready for the RAD conversion, while KPT Towers moves forward. HPHA asked for an extension to match the 120-day extension for the development.

Executive Director Ouansafi conveyed that HPHA’s responses are prompt and it’s a matter of waiting for HPHA’s redevelopment partners to respond back. The HPHA team includes the development chief, construction management branch, consultant and legal team, etc.

Director Hall was curious as to what happens if HPHA and MDC are unable to come to a mutual agreement.

Executive Director Ouansafi stated that HPHA has a request for qualifications to select a new developer ready, if needed. Staff will come back to the Board for approval to reissue the termination letter and will move forward with another developer if unable to come to an agreement with MDC.

Director Hartsfield asked for more clarification about the predevelopment agreement deadline of June 30, 2019 for the School Street administrative offices.

Executive Director Ouansafi reported that HPHA hopes to have a Master Development Agreement by the June 30 deadline, which will supersede the Predevelopment Agreement.

Director Hartsfield shared a concern with the apprehension that the tenants expressed regarding Mayor Wright Homes redevelopment. She asked how HPHA will voice the tenant’s interest/worries with the developer, as well as on their relocation.
Executive Director Ouansafi reported that HPHA and the master developer held many consultations with the tenants and the community. Hunt and their team designed a plan that reflected the community needs/interests and that was captured in the EIS. Subsequently, another proposed plan was presented which increased the budget by $400 million. The HPHA, however, would not just approve the new plan without understanding all the costs increases, how much of the original plan was incorporated, and whether there were additional benefits for the tenants. Overall, HPHA aims to do what’s best for the tenants and works to ensure that they are at the center of the evaluation process.

In regards to the relocation plan, Executive Director Ouansafi confirmed that all tenants have the right to return, and HPHA plans to meet with all the families to discuss their needs. The relocation of the tenants will be a long process but a thorough one, and HPHA will be giving the tenants a one-year, six-month and three-month notices.

Director Spindt stated that “previously you said 17 items are not addressed”, for the redevelopment of Mayor Wright Homes contract, for those that aren’t confidential, if HPHA is able to share about the items, especially with the tenants that are present at the meeting for the benefits of clear communication.

Executive Director Ouansafi stated that he doesn’t recall saying that 17 items were not addressed but confirmed that there are several issues to be resolved and responded to by developer. He clarified that most importantly a justification is needed for deviating from a plan that was approved by the HPHA Board, the tenants and the community, particularly when there’s an increase of cost. He explained that the cost increase was not itemized.

Director Spindt asked when the original Master Development Agreement was signed.

Executive Director Ouansafi reported it was signed on December 29, 2017.

Director Spindt asked for more clarification on the cost changes of $400M to the development agreement.

Executive Director Ouansafi stated that the original cost totaled $1.3 billion, which increased to $1.5 billion without HPHA’s knowledge and is currently at $1.7 billion.

Director Spindt asked if HPHA was given any information on why the cost change occurred.

Executive Director Ouansafi confirmed that no justification was given.

Director Spindt asked if justification was given on the original bid.

Executive Director Ouansafi clarified that it wasn’t a bid but a Master Development Agreement of the cost of the project based on the plan that was approved by all parties. From then, the plan was deviated by changing of location of the Tower. In all, HPHA wasn’t given the reasoning for the deviation and the proposed costs.
Director Spindt stated that he works as an Executive Director for a small development company, and some of the issues that come up is that cost estimates are based on assumptions. He acknowledged that assumptions change based on final assessment and proposed project. He had asked if there was any communication/feedback given by the developer.

Executive Director Ouansafi requested that the Board go into executive session, as there is a potential for legal ramifications. Chairperson Shim concurred.

Director Spindt had an inquiry regarding School Street Administrative Offices clarifying that HPHA will come to an agreement by the end of June 2019.

Executive Director Ouansafi stated that an agreement was received on June 19, 2019 and if an extension is needed, HPHA will come to Board for approval.

**Director Katsuda moved,**

The Board go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 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 attorney 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 Board entered Executive Session at approximately 10:29 a.m.

The Board reconvened at approximately 11:38 a.m.

(Recess from 11:38 a.m. to 11:47 a.m.)

Chairperson Shim reported that the Board consulted with its attorney on issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities related to the HPHA’s redevelopment projects.

**Executive Director’s Report:**

Executive Director Ouansafi reported the following:

- Of the families referred for eviction, HPHA has an eviction rate of approximately 25%. He explained that one of the Eviction Board members must be a public housing tenant. In the event of a potential conflict of interest, an Eviction Board member could recuse them self from the proceedings. There are also other Eviction Board members that HPHA could assign to hear a case.
Director Hall asked if there’s a financial impact to the HPHA when a tenant is evicted and the rent doesn’t get paid.

Executive Director Ouansafi responded that when a family is evicted, the HPHA has a process in place to collect the outstanding balance. Many of the families who are not evicted are put on a conditional rental agreement for repayment of the back rent.

- Executive Director Ouansafi stated that security services are selected based on a competitive procurement. HPHA staff has visited the housing properties at various hours and verify that the security is patrolling accordingly.

Occasionally, there is conflict between tenants. To the public, it may appear as though the HPHA is not working on resolving issues; however, it can take about six months to investigate situations, especially when there is no evidence or proof of wrongdoing. However, 100% of all complaints are investigated and followed through accordingly. If tenants aren’t satisfied with their managers, they are instructed to visit the School Street administrative office to speak with staff at the Property Management and Maintenance Services Branch. When available, the Executive Director will meet with a tenant at their request, but it is not something that he can do on a daily basis. The PMMSB has qualified staff who are capable of handling complaints and conducting thorough investigations.

- Executive Director Ouansafi mentioned that inspections of federal public housing units are currently ongoing at HPHA, and HPHA staff are receiving training on the REAC inspection protocol. HUD recently changed their inspection guidelines. For example, it could be considered a deficiency if a repair patch on the wall doesn’t match the rest of the wall.

HUD is not supportive of the public housing model and is making it more difficult for public housing agencies to operate.

Director De Mello discussed a new requirement being enforced where there needs to be 5 feet between the screen door and the main door, so many tenants are removing their screen door. Executive Director Ouansafi added that if there is a patch which shows where the screen door was removed, the HPHA would get cited as having a deficiency.

- HPHA expects to take some hits during the inspections, but will still continue to move forward.

- HPHA moved in 53 families in May. The net gain in occupancy is zero due to HPHA’s continued focus on internal transfers for reasonable accommodations, relocation of properties under construction, and health and safety transfers. As an example, when a current tenant is transferred as a result of an approved reasonable accommodation, a new vacancy is created once they move.

- There are 140 vacant units currently under modernization/construction and approximately 30 of those units are considered “Type C” which are outside of the
capacity of the HPHA’s staff to repair. Those units are included in the HPHA’s adjusted occupancy. By HUD’s definition, the HPHA is at approximately 92% occupied. Unless the Board redirects the E.D otherwise, concentration will continue to be on ensuring that occupied units meet standards, and reasonable accommodations and relocations are handled as priorities and not occupancy.

- Earlier in the meeting, Hunt Companies mentioned that the NEPA, as well as the Section 106 MOA, is with HPHA. Those documents were received a week prior to the Board meeting and were forwarded to the HPHA’s legal counsel for review. Executive Director Ouansafi clarified that the process is not complete as the developer still needs to respond to the HPHA’s comments and complete the HUD process to file the NEPA.

- Year-to-date, HPHA had 183 eviction referrals of which 47 families were evicted.

- HPHA conducted an applicant purge and provide applicants extra time to respond to the HPHA letters. We currently have approximately 4,300 families registered through the HPHA’s online applicant portal. HPHA has slowed down on placements at Mayor Wright Homes so as not to place families only to have them relocated in a short time. It is important to have a clean waiting list, but with so many families it will still take years to place all of those families on the waiting list.

(Director Spindt left the meeting at approximately 12:00 p.m.)

- For Section 8, HPHA has expended approximately $2.94 million. Currently, 208 families have been issued a voucher and are in housing search, and 85 of those families are veterans.

Director Darcy asked if the new landlord liaison position will have any impact on assisting those who are still hunting for housing.

Executive Director Ouansafi stated that if the landlord bill becomes law effective July 1, 2019, with the six-month hiring freeze and the process of establishing the new position, HPHA is anticipating to hire someone in the landlord liaison position around March 2020. The position will provide a positive impact on the program because the landlord liaison will also be responsible for the new landlord incentive program. Many landlords are hesitant to accept a Section 8 voucher holder and are worried that the family will damage their unit. We believe the new landlord incentive program will help address those concerns and concerns about late payments to landlords.

Director Darcy asked if the position is statewide.

Executive Director Ouansafi clarified that the position will be on Oahu only, as the HPHA’s program is only on Oahu. Vouchers can be ported to other areas, but we will usually transfer those.
The HPHA assists 369 families on the Rent Supplement Program. HPHA will pay up to $500 in housing assistance payments. HPHA appreciates the additional legislative appropriation and the Governor's support of that request to fully fund the existing participants.

HPHA has a total of 318 filled positions. 53 positions are in recruitment. Of the HPHA positions, one percent is funded by state. HPHA is largely funded by the federal subsidy and defederalized funds earned by the HPHA.

Director Hall commented as HPHA moves forward, especially with the new projects, and recognizing that HPHA's inventory is limited in terms of being able to handle relocations, transfers, etc. the net gain (in occupancy) will be very minimal. In the meantime, simultaneously, he suggested that HPHA look at smaller initiatives to create housing sooner to prevent a long standstill to the waitlist.

Executive Director Ouansafi stated that HPHA entered into an agreement many months ago with UH to assist with design and program models. The issue that HPHA runs into is that HUD will not give any more operating subsidy due to the Fair Cloth Limit. He identified that there's little movement due to reasonable accommodations and aging of tenants. HPHA welcomes additional ideas from the Board that the agency can look into.

Director Hall added that land cost is minimal and hopes it'd be an incentive for the Legislature to show their support for additional housing.

Director Iseri-Matsubara expressed that it is great to consider other developments, but also important to continue with what's already in place due to the limited resources in the State. There are many challenges to development and the demand for housing is great so the public and the tenants don't have the patience to wait as the State works through those challenges.

Executive Director Ouansafi reported that there are 16 units currently in construction at Lanakila Homes on the Big Island, and HPHA could potentially build 60-100 additional units in partnership with the County. HPHA has also identified two smaller projects in Kauai which could be redeveloped and a report will be made to the Board when more information is available.

Director Iseri-Matsubara asked for clarification if Lanakila Homes is a redevelopment project or a demolition and rebrand.

Executive Director Ouansafi confirmed that Lanakila Homes was completely demolished and 16 units are being constructed with HPHA funds.

Executive Director Ouansafi reported that there are discussions of shutting down some public housing in Molokai within the 2-3 months. There are no applicants on the waitlist and units currently ready. HPHA will be asking the Board for approval to move the ACC units to another location to continue receiving the federal funds.
Director Hall asked what happens to Molokai units if the ACC units are moved.

Executive Director Ouansafi stated that the Molokai units will be transferred to the State.

Director Darcy moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 12:14 p.m.

MINUTES CERTIFICATION:

Minutes Prepared by:

[Signature]
Jennifer K. Menor
Secretary to the Board

[Signature] JUL 18 2019
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on July 18, 2019 [ ] As Presented [✓] As Amended

[Signature] JUL 18 2019
By: Director Pono Shim
Date
Its: Board Secretary