

**HAWAII PUBLIC HOUSING AUTHORITY  
NOTICE OF MEETING  
REGULAR BOARD OF DIRECTORS MEETING  
1002 North School Street, Building A Boardroom  
Honolulu, Hawaii 96817  
Thursday, October 31, 2019  
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**

Regular Meeting Minutes, August 15, 2019  
Regular Meeting Minutes, September 19, 2019

**IV. DISCUSSION AND/OR DECISION MAKING**

- A. 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, 2020; 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
  
- B. To (1) Approve the Hawaii Public Housing Authority's Draft Title II Transition Plan, Which Represents the Planned Modifications to Programs and Physical Facilities of the Public Housing Authority, to Ensure all Programs and Activities are Readily Accessible to and Usable by Individuals with Disabilities, and (2) Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary to Implement Any Amendments, Including Non-Substantive Revisions to Formatting Prior to and Subsequent to Public Hearings as May be Required

- C. 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: a) Provide Notice of the HPHA's Intent to Establish Site-Based Waiting Lists in the Deconcentration Plan; and, b) Establish a Policy to Allow for the Use of Special Purpose Vouchers; 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

(The Board may go into executive session during the presentation, consideration and deliberation of the redevelopment projects pursuant to Hawaii Revised Statutes sections 92-4, 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, HPHA's School Street Administrative Offices and potential projects listed below under items D, E, F, G, H)

- D. To Approve Resolution No. 19-07 Authorizing the Executive Director to Enter Into a Master Development Agreement ("Agreement") with RHF Foundation Inc., an Affiliate of Retirement Housing Foundation, a California Non-profit Corporation Authorized to do Business in the State of Hawaii ("RHF" or the "Developer") and to Undertake all Actions Necessary to Implement the Agreement; and, To Approve Predevelopment Expenditures as Described Under the Agreement Relating to the Redevelopment of Hawaii Public Housing Authority's ("HPHA") Administrative Offices (the "Project") on Land Situated at Kalaepohaku and Kapalama, at 1002 North School Street, Honolulu, Oahu, TMK No. (1) 1-6-009-003 (the "Property")
- E. To Approve the Second Amendment to the Predevelopment Agreement with RHF Foundation, Inc. ("RHF") for the Redevelopment of Hawaii Public Housing Authority's Administrative Offices on Land Situated at Kalaepohaku and Kapalama, at 1002 North School Street, Honolulu, Oahu, TMK No. (1) 1-6-009-003 (the "Property") to Extend the Predevelopment Agreement to March 31, 2020 or Until an Earlier Date if the Parties Execute a Master Development Agreement
- F. For Information & Discussion: Report, Update, and Overview on the HPHA's Redevelopment Efforts at Mayor Wright Homes (Tax Map Key: 1-7-029-003-0000)

- G. For Information & Discussion: Report, Update, and Overview on the HPHA's Redevelopment Efforts at 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)
- H. For Information: Report, Update, and Overview on Potential Redevelopment Efforts on Hawaii Island in Partnership with Hawaii County, Possible Redevelopment on Maui and Kauai, Potential Redevelopment Effort at Kalaeloa in Partnership with the Lt. Governor's Office.
- I. To (1) Reappoint Ms. Chunmay Chang to the Hawaii Public Housing Authority's (HPHA) Federal Eviction Board as a Regular Board Member, for a Four-Year Term beginning December 1, 2019 and ending November 30, 2023; and (2) Reappoint Wanda Camara to the HPHA Federal Eviction Board as a Floating Resident Board Member, for a Four-Year Term beginning January 1, 2020 and ending December 31, 2023
- J. Appointment of Hawaii Public Housing Authority (HPHA) Board Task Force to Consider Additional HPHA Administrative Policies Regarding HPHA's Redevelopment Projects

## **V. EXECUTIVE SESSION**

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

- A. Approval of Execution Session minutes, August 15, 2019 (not for public distribution)
- B. Approval of Execution Session minutes, September 19, 2019 (not for public distribution)
- C. Board Orientation and Briefing on Legal Matters by the Department of the Attorney General on the Board's powers, responsibilities, duties, privileges, immunities, and liabilities relating to:
  - 1. HPHA Laws
  - 2. HPHA Organization
  - 3. HRS Chapter 92 – Public Agency Meetings and Record: Sunshine Law
  - 4. Board Meeting Agenda
  - 5. Standards of Conduct; Ethics
  - 6. Corrective Action Order 2002
  - 7. Litigation:

- Karsom, et al. v. State of Hawaii, et al. (Civil No. 1CC 17-1-0843-05 JCM, First Circuit Court);
- Demarco v. State of Hawaii, et al. (Civil No. 18-00450 KJM-None, U.S. District Court) (previously Civil No. 18-1-1707-10, First Circuit Court);
- Rodrigues v. Corbit K. Ahn, et al. (Civil No. 1CC 10-1-1411-06, First Circuit Court)
- Andrew Samuel v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority, HCRC No. RE-O-1216; HUD No. (Pending)
- Kelly L. Head v. Paul Sopoaga, State of Hawaii, Hawaii Public Housing Authority, Hawaii Affordable Properties, Inc., Case No. HCRC No. RE-WH-1183; HUD No. 09-18-3384-8
- Christine Marie Salvia and Frank Salvia Jr. v. Hawaii Affordable Properties, Inc.; Nua Vaovasa; Starnani P. Lynch; and State of Hawaii, Department of Human Services, Hawaii Public Housing Authority, Case No. HCRC No. RE-O-1206; HUD No. Pending

## VI. REPORTS

### Executive Director's Report:

- Financial Report for the Month of August 2019 Financial Report is provided to the board in the monthly packet.
- Report on Contracts Executed During September 2019 and Planned Solicitations for September 2019/October 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 September 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). Report on closed contracts.
- 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 October 28, 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.

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A  
HONOLULU, HAWAII 96817  
ON THURSDAY, OCTOBER 31, 2019  
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, October 31, 2019. At approximately 9:03 a.m., Chairperson Milo Spindt called the meeting to order and declared a quorum present. Those present were as follows:

**PRESENT:** Director Milo Spindt, Chairperson  
Director Robert Hall, Vice-Chairperson  
Director Pono Shim, Secretary  
Director Pankaj Bhanot  
Director Lisa Darcy  
Director George De Mello  
Designee Daisy Hartsfield  
Director Denise Iseri-Matsubara  
Director Roy Katsuda  
Director Susan Kunz  
Director Betty Lou Larson  
Director Todd Taniguchi

Deputy Attorney General Jennifer Sugita  
Deputy Attorney General Klemen Urbanc

**STAFF PRESENT:** Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Chong Gu, Chief Financial Officer  
Kevin Auger, Redevelopment Officer  
Rick Sogawa, Contracts and Procurement Officer  
Becky Choi, State Housing Development Advisor  
Benjamin Park, Chief Planner  
Mary Jane (Pua) Hall-Ramiro, Acting Property Management and  
Maintenance Services Branch Chief  
Renee Blondin-Nip, Hearings Officer  
Nelson Lee, IT Supervisor  
Sery Berhanu, Housing Development Specialist  
Jennifer Stolze, Compliance Specialist  
Sarah Beamer, Compliance Specialist  
Sahar Ibrahim, Engineer  
Lisa Izumi, Engineer  
Mario Tadeo, Architect

Jennifer Menor, Secretary to the Board  
Khrystyna Rybachok, Ministry of Regional Development Ukraine

**OTHERS PRESENT (and signing in as):**

Jacob Aki, Hawaii State Senate  
Senator Stanley Chang  
Ben Edger, Michaels Development Company  
Michael Formby, Pacific Resource Partnership (PRP)  
Lt. Governor Josh Green  
Stuart Hartman, Retirement Housing Foundation (RHF)  
Brandon Hegland, Michaels Management  
Charlie Lee Howard, UPW  
Frank Jahrling, Retirement Housing Foundation (RHF)  
Jon Kam, Moss & Associates  
Desiree Kihano, Palolo Valley Homes  
Thomas Lee, Hunt Development  
Sara Lin, Office of the Governor  
Pane Meatoga, Hawaii Operating Engineers Industry Stabilization  
Fund (HOEISF)  
Nani Medeiros, HomeAid Hawaii  
John Monis, Hawaii Operating Engineers Industry Stabilization  
Fund (HOEISF)  
Mike Muromoto, Design Partners  
Andrew Nakoa, Sr., Mayor Wright Homes  
Susie Chun Oakland, Lanakila Multi-Purpose Senior Center  
Alan Okamoto, Hida, Okamoto & Associates  
Anni Peterson, Better Tomorrows  
Anders Plett, Retirement Housing Foundation (RHF)  
Bryon Scott, EMG Corporaton  
Gino Soquena, Hawaii Building of Construction Trades Council  
Jenna Takenouchi, Office of Representative Takashi Ohno  
June Talia, Kuhio Homes  
Robin Vaughn, Hunt Development  
Brooke Wilson, Office of the Lt. Governor

**Public Testimony**

Chairperson Spindt 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 Larson left the room at approximately 9:05 a.m. and returned at approximately 9:30 a.m.)

Lt. Governor Josh Green, testified on what his office is doing to address the homeless crisis. There are many challenges to addressing homelessness, such as the lack of affordable housing and the lack of access to adequate social services for those with mental illness or drug addiction. Lt. Governor Green conducted a statewide tour with his team and were told by many homeless that if given a home, some would return to their homeless camp because of the sense of community. As a result, he proposed the idea of building low-impact, low-cost housing, while also providing healthcare, harm reduction services and other supportive services. Lt. Governor Green estimated that under his Kauhale initiative, the community could build tiny homes at an estimated cost of \$20,000-\$25,000 per home. The key elements needed for this endeavor is free land (e.g., government land), infrastructure, and community acceptance. This will also provide a permanent place for homeless individuals to go when the Honolulu Police Department conducts a sweep of homeless camps.

Private partners, including HomeAid Hawaii, will assist with some funding. Lt. Governor Green introduced Ms. Nani Medeiros, Executive Director of HomeAid Hawaii. HomeAid Hawaii has built relationships with contractors and developers to build these homes. He stated that his office is considering Kalaeloa and a piece of DLNR land in Waimanalo as potential sites for development.

Lt. Governor Green discussed the benefits of harm reduction efforts. The average costs of assisting a homeless individual with health issues cost the State approximately \$82,000/year. He stated that housing the homeless helps to decrease that cost by approximately 43%. Lt. Governor Green stated bringing down the cost of Medicaid is one of the ways this project is paid for. He briefly discussed other projects and areas of interest. Lt. Governor Green also travelled to Austin, Texas where he observed their "Community First" initiative, which resulted in decreased drug use by 60% and an 82% retention rate. The project restored dignity to people and got difficult cases off the street, especially those with mental illness.

Lt. Governor Green envisions construction of 39 tiny homes and renovation of the existing building at Kalaeloa, which will serve as a place where individuals can find respite and get needed supportive services.

Director Shim thanked Lt. Governor Green and Ms. Medeiros for their attendance at the meeting. He asked if this proposed program will be State managed or privately managed.

Lt. Governor Green reported that the project would ideally be State contracted to a management company/organization which can comply with all applicable laws. He mentioned that the Honolulu Police Department suggested not having a fence around the area for faster access to the property during emergencies/incidents. There are several non-profits willing to donate health and social services when needed. Lt. Governor Green stated that an entity needs to be identified to manage the program and implement program rules. Often times, the community will self-regulate its own community members. The goal is to start building 12 and complete 39 of these tiny

homes. Lt. Governor Green discussed the adjacent parcel managed by the Veteran's Affairs. He stated that he also does not want to over burden the City for funds during a time when they are dealing with homeless issues at Kakaako. \$2.25 million will be given to the City to manage the parks at Kakaako.

Director Bhanot discussed the importance of having all alternatives available in order to respond to the homeless crisis, especially when it comes to individuals with severe mental illness and substance abuse issues. He expressed his support of the micro-adaptive approach and starting small, evaluating its progress and replicating it in the future. Director Bhanot identified multiple elements that need to be addressed prior to moving forward, such as the property's readiness to receive housing (e.g., infrastructure), public-private investment to build, a State entity to manage the program, and 24-hour services, including security. He discussed the family assessment model and the significance of having both State and community engagement in this program. Procurement rules and regulations would need to be followed.

Lt. Governor Green concurred with Director Bhanot. He stated that there is a small building on the property which would serve as an assessment intake center. Discussions with area representatives, senators and council members resulted with their support. He briefly described the H4 model in Iwilei and described the savings generated by lessening admissions to the hospital. As a result, healthcare centers are willing to use those savings to fund the project. Lt. Governor Green added keeping the focus on each region. For instance, Waimanalo has been committed to those in Waimanalo and by keep the program regional it will help address the NIMBY issue. He highlighted the significance of assessing individuals at any given hour and the benefits of having services near the "tiny homes".

Director Bhanot agrees that Medicaid will be a huge partner as many homeless have health related issues and individuals will likely be recipients of public assistance or healthcare from the government. He inquired where the initial costs will come from to form this project and if the Lt. Governor's office has worked with the Governor's Coordinator on Homelessness. Director Bhanot asked if funding would be provided via the Ohana Zones or if the project is completely reliant on private contribution with government assisting with contracting services and other support.

Ms. Medeiros shared that HomeAid Hawaii is a 501(c)3 created by Oahu developers in 2015 and are privately funded. She briefly described their housing program and the processes, including accepting applications from homeless non-profit service providers. If their Board approves the project, HomeAid Hawaii will ask members of the building industry and their partners to assist with the project pro bono or at a greatly discounted rate. In the past three years, HomeAid Hawaii has completed 8 housing projects and has saved approximately \$0.98 on the dollar for the non-profit and the remaining costs were absorbed by HomeAid Hawaii. Kauhale at Kalaeloa will be the first partnership with the State and City. Ms. Medeiros reported that HomeAid Hawaii is in the process of predevelopment activities to assess Kalaeloa and has met with the homeless community in the area. For the Waimanalo parcel, HomeAid Hawaii has donated

\$50,000 in pro bono predevelopment work. For the Kalaeloa parcel, testing is being performed to determine site readiness. Ms. Medeiros stated that a site visit was performed two weeks ago with electrical/structural/geotechnical engineers, and architects to assess the land and the building on site. HomeAid Hawaii will also perform soil testing and testing the grounds and building for hazardous materials. HomeAid Hawaii's aim is to engage the development industry in this new approach and to ask them to contribute pro bono. Recently, HomeAid Hawaii requested their Board to sponsor between 1-4 tiny homes in its entirety.

Director Bhanot asked if the State needs to formalize this partnership.

Lt. Governor Green confirmed they his team has received a right of entry and clearance to be present on the particular State land parcels. In regards to costs, they plan to have a competition for the first 12 tiny homes. He acknowledges needing a Memorandum of Understanding (MOU) and a bonded entity to provide services. Lt. Governor Green stated that his team will go through all the necessity processes to expedite this project. He added that he has partners ready to assist, including working with the homeless. The goal is to keep costs low. If repairs are needed for the standing structure, Lt. Governor Green is looking to HPHA for assistance with repairs.

Ms. Medeiros responded that HomeAid Hawaii's vision for Kalaeloa is a master planned community. Ms. Medeiros discussed the importance of indoor/outdoor living, so all the draft plans display a tiny porch for each tiny home. The goal is to restore dignity for the homeless and keep them from returning to the streets permanently.

Director Katsuda expressed his excitement for this project. He asked who will serve as the developer.

Ms. Medeiros reported that each model has a builder captain who will function as the project manager. For Kalaeloa, Kauhale and many other projects, Ms. Medeiros stated that Harry Saunders, President and CEO of Castle and Cooke, has been serving as the builder captain. HomeAid Hawaii's core team consists of Castle & Cooke (VP and their engineers), Geolab, Ron Ho & Associates, and Design Partners (architects). HomeAid Hawaii projects carry insurance and they only use licensed labor.

(Director Larson returned to the meeting.)

Lt. Governor Green recognized the healthy competition between developers where many want to aid in the issue of homelessness. He anticipates starting work in the next couple of months if the HPHA Board is supportive of the effort. The project is meant to be simple and low-impact with the importance of the health component. Lt. Governor Green is ready to move forward and attack the homelessness crisis.

Director Bhanot commented this will change the statute.

Director Darcy thanked Lt. Governor Green and Ms. Medeiros for all of their work. She shared her enthusiasm in the work that is being done to address the homelessness crisis. Director Darcy recognizes how quality of life builds the community. She is excited about the project and asked if they would work also in Maui. Director Darcy stated that she respects State agencies, but recognizes that the State isn't able to work as quickly due to the many steps needed so she encourages working more with private companies.

Lt. Governor Green expressed his appreciation that the Governor mentioned this proposed public-private partnership in his State-of-the-State address. He added having a relationship with Kaiser Permanente and asked them for \$5M, which he plans to use on Maui. Lt. Governor Green is also in discussions with Hawaii Community Foundation to match Kaiser's \$5M. The Lt. Governor's office will do all that they can. They only need assistance with getting the land and obtaining political approval.

Chairperson Spindt thanked Lt. Governor Green for his time. He shared his excitement for the proposed partnership to address the greater social issue that involves health issues associated with homelessness.

Jacob Aki, on behalf of Senator English, commended the HPHA Board and staff on their hard work and efforts. He presented the HPHA with certificates signed by members of the State Senate. Mr. Aki stated that Senator English also wanted to recognize Executive Director Hakim Ouansafi, Executive Assistant Barbara Arashiro and the HPHA staff. As a third generation public housing resident, Mr. Aki understands the importance of HPHA's work and the impact they have on the families. On behalf of the Senate of the 30<sup>th</sup> Legislature, he stated that they "commend HPHA and recognize their accomplishments in the management, operation, and redevelopment of public housing and affordable housing in the State and extends its Aloha and looks forward to the HPHA's continued success in all of their future work".

Anni Peterson, Director of Hawaii Operations for Better Tomorrows, testified on the Towers at Kuhio Park. She stated that a Choice Neighborhood Initiative planning effort was done in 2012-2014 which studied the population. As a result of the study, there was an opportunity for collaboration amongst 30-50 different non-profit organizations, businesses and government agencies. Ms. Peterson provided a map of the social service spaces at the Towers. She stated that the Towers were renovated by the Michaels Development organization and that they incorporated 17 social service spaces into the facility. Ms. Peterson added that they serve the community, not only those at Kuhio Park Terrace, in over 35 programs.

Anders Plett, Vice President of Acquisitions and Project Development for Retirement Housing Foundation (RHF) (the Master Developer for the School Street Redevelopment project), testified in support of the approval of the MDA and expressed a desire to move forward with the next steps, that include the entitlements, the 201H process, subdivision of the sites, phasing, site due diligence, and design. Mr. Plett shared and introduced the members of the development team, who were present to answer any questions:

Mike Muromoto, Design Partners Inc. (Architect), Alan Okamoto of Hida, Okamoto & Associates (Civil Engineer), Frank Jahrling, RHF Director, and Stuart Hartman, Retirement Housing Foundation (RHF).

Robin Vaughn was called, but decided not to testify.

June Talia, Kuhio Homes tenant, thanked Executive Director Ouansafi, Chief Planner Benjamin Park, and Redevelopment Officer Kevin Auger for the community update on October 26th. She suggested the Board collect \$5 per person, so that they could serve food during all day Board meetings. She requested an additional follow up meeting with the community to report the results of HPHA's meeting with Michaels.

Ben Edger, Development Officer with Michaels Development Company (MDC), thanked Executive Director Ouansafi and Redevelopment Officer Auger for getting MDC on the agenda and expressed a desire to work with HPHA to move the redevelopment effort forward. He works with Anni Peterson and Brandon Hegland, both of whom were present to answer questions.

Brandon Hegland, Michaels Management, stated that he was the General Manager at the Towers for four years and is currently the Regional Property Manager for Michaels Development. He stated that he's here for any questions that the Board may have, including concerns with the REAC inspection. He acknowledged their previous scores of 91 and more recently it's been lower. Mr. Hegland confirmed that they have an action plan in place and has met with Executive Director Ouansafi and Redevelopment Officer Auger on addressing the concerns. Mr. Hegland mentioned Executive Director Ouansafi's and Executive Assistant Arashiro's concern with the overgrown vegetation, and Michaels Development did not take their advice and it cost them points during the inspection. There are other areas, such as issues with smoke detectors being installed but not operable. Moving forward, he confirmed MDC will follow the advice given by Executive Director Ouansafi and Redevelopment Officer Auger and will work closely with HPHA.

Chairperson Spindt thanked Mr. Hegland for his communication to the Board and the HPHA staff to address the issues. The ultimate goal is to have safe, clean, affordable places for the tenants to live.

Mr. Hegland invited the HPHA Board to visit the KPT site and take a tour. He also commented on Lt. Governor Green's earlier statement that providing social services result in a 92% retention rate. Mr. Hegland reported that the Towers have amazing social services and confirmed the significance on the retention rate.

Michael Formby, Executive Director of Pacific Resource Partnership (PRP), briefly shared about PRP. PRP is a non-profit partnership of 7,000 carpenters and 200+ contractors. Annually they produce a report called *Hawaii Perspective Report*, the human perspective side of the *Alice Report*. Mr. Formby stated that the report speaks to the housing crisis and the cost of living crisis. Recognizing the challenges faced with

the redevelopment, he and PRP would like the projects expedited to address the housing crisis. Mr. Formby affirmed that PRP supports HPHA's redevelopment at Mayor Wright Homes and is willing to aid in delivering affordable and public housing. PRP asks that the HPHA Board approve of the NEPA and design and to request funding from the Legislature for the Mayor Wright Homes redevelopment.

Susie Chun Oakland, Lanakila Multipurpose Senior Center (LMPSC), expressed her gratitude to the HPHA Board and the HPHA staff. She commended the HPHA Board, Executive Director Ouansafi and the HPHA staff for their efforts with regards to the fiscal improvements. Ms. Chun Oakland asked to serve as the Senate Housing Chair in 2013 and 2014 after reading a report that Hawaii was 72,000 homes short. Before she left the Legislature, Governor Ige asked former Senator Chun Oakland for her thoughts on how to increase affordable housing in the State. Two significant laws were passed specific to public housing which included giving the authority to HPHA to build mixed-income units and to do mixed-use projects. With these impactful changes that service the community, Ms. Chun Oakland formed 17 committees within the House and Senate. Numerous meetings were held, and a TOD task force was established to research public and private properties within the State that were potential sites for affordable housing.

Knowing that Executive Director Ouansafi has a development background, Ms. Chun Oakland asked him to calculate, including the housing property, how much can be contributed to the housing shortage with mixed-income in mind. Ms. Chun Oakland stated that Executive Director Ouansafi reported that the HPHA has the potential to build 32,000 units across the State. Her hope is that the HPHA Board is able to accomplish that goal with the help of the community. Ms. Chun Oakland expressed support for the School Street redevelopment as the head of Lanakila Multi-Purpose Center and hopes the Master Development Agreement is approved. With regards to Mayor Wright Homes, she would like to see continued community outreach. She believes that Executive Director Ouansafi put a capable team together that includes staff with development background, architecture and engineering, procurement background and financial/accounting expertise. Ms. Chun Oakland feels that the costs should be a third less because it is State land being redeveloped. The only costs would be for the infrastructure, building materials, and manpower. The average cost per unit is approximately \$740,000 and the HPHA should be able to achieve building costs of much less. Ms. Chun Oakland looks forward to the redevelopment's progress.

(Director Shim left the room at approximately 9:56 a.m. and returned at approximately 9:57 a.m.)

Gino Soquena, Executive Director of the Hawaii Building of Construction Trades Council, testified in support of the redevelopment projects and HPHA's efforts. Mr. Soquena stated his concerns with the delays of the projects' process and approvals. He asked the HPHA Board for their assistance in moving the redevelopment projects forward and stated is available to assist as much as possible.

Director Hall requested that Mr. Soquena reach out to the Lt. Governor's office to discuss how the Council and all of its members could collaborate with their efforts. For example, could the Council assist with reducing the cost of construction or align their efforts under the apprenticeship program.

Mr. Soquena agreed and said that any of the projects that the HPHA is working on, whether big or small, translates into work for its members.

Andrew Nakoa, Sr., Mayor Wright Homes tenant, testified seeing a security guard hand e-cigarettes to two little girls on April 7 and had them smoke outside the property. He continued to share his concern with the security at Mayor Wright Homes. Mr. Nakoa also expressed that security should focus more on towing vehicles without decals, rather than those that are expired. Mr. Nakoa stated that the guards are not watching the vehicles that are entering the project.

Chairperson Spindt stated that all complaints are heard and that the HPHA staff follows up and reports back to the Board on all issues brought to their attention.

Mr. Nakoa added that his son was murdered in 2004 in front of Mayor Wright Homes. As a result, he recognizes the significance of security and patrolling the property.

(Deputy Attorney General Jennifer Sugita arrived at approximately 10:06 a.m.)

Chairperson Spindt asked for presentation on the For Information & Discussion on Report, Update, and Overview on the HPHA's Redevelopment Efforts at Mayor Wright Homes (Tax Map Key: 1-7-029-003-0000)

Executive Director Ouansafi thanked all of the testifiers for their support, as well as the Senate and the Developers. HPHA looks forward to working with everyone. He recommended that the Board go into Executive Session to consult with its attorneys.

Chairperson Spindt acknowledged missing a testifier on the list and resumed public testimony.

Pane Meatoga III, Hawaii Operating Engineers Industry Stabilization Fund (HOEISF), testified on the housing crisis and the climate crisis. He expressed his support of the HPHA's efforts and asked that the redevelopment moves forward quickly as the State needs it.

Director Hall asked Mr. Meatoga to incorporate his support by also collaborating with the Lt. Governor's office and his efforts at Kalaeloa.

## **Discussion and/or Decision Making**

### **For Information & Discussion:**

#### **Report, Update, and Overview on the HPHA's Redevelopment Efforts at Mayor Wright Homes (Tax Map Key: 1-7-029-003-0000)**

Executive Director Ouansafi requested to go into executive session to consult with the attorneys on legal matters. Amongst other items, Executive Director Ouansafi confirmed that he will be updating the Board on the status of the negotiations with the developer and other legal matters which require consultation with the attorneys.

### **Director Katsuda moved,**

**The Board go into executive session for consideration and deliberation of the redevelopment projects pursuant to Hawaii Revised Statutes sections 92-4, 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.**

**The motion to go into executive session was unanimously approved.**

The Board entered Executive Session at approximately 10:16 a.m.

(Director Bhanot left the meeting at approximately 10:46 a.m. and was replaced by Designee Hartsfield.)

(Director Taniguchi left the meeting during executive session.)

The Board reconvened at approximately 1:32 p.m.

Chairperson Spindt reported that the Board was able to discuss legal issues and consult with its attorneys regarding the redevelopment of Mayor Wright Homes.

Chairperson Spindt confirmed that the Board supports the HPHA team in its efforts in continuing the redevelopment of Mayor Wright Homes. Director Iseri-Matsubara and Director Larson concurred and looked forward to the progress on the projects.

Designee Hartsfield expressed concern that the tenants have commented on the slow progress of the redevelopment, but she is happy to hear that the HPHA staff is working hard to move the project forward. She would also like the developers to move forward.

Director Katsuda expressed his support for the staff and looks forward to the Mayor Wright Homes redevelopment moving forward.

Director Kunz expressed her support for the HPHA's team and recognized the complexity of the project. She acknowledged the efforts of the HPHA staff.

Director Shim is pleased that the Board members have had the opportunity to recognize how hard the HPHA staff has been working. He is hopeful that all parties can come together to move forward.

Director Darcy acknowledged the significant complexities and complications of projects of this magnitude. She expressed that the Board is dedicated to seeing HPHA move forward with this project.

Director De Mello stated that he provides the tenant perspective and consistently hears questions about why the project is taking so long to complete. He thanked HPHA staff on all their efforts and hard work. He has worked many years with the HPHA staff and knows that they are working hard.

Executive Director Ouansafi thanked the Board for their support.

Chairperson Spindt requested the Board consider the master development agreement with RHF Foundation.

**Director Hall moved,**

**To Approve Resolution No. 19-07 Authorizing the Executive Director to Enter Into a Master Development Agreement (“Agreement”) with RHF Foundation Inc., an Affiliate of Retirement Housing Foundation, a California Non-profit Corporation Authorized to do Business in the State of Hawaii (“RHF” or the “Developer”) and to Undertake all Actions Necessary to Implement the Agreement; and, To Approve Predevelopment Expenditures as Described Under the Agreement Relating to the Redevelopment of Hawaii Public Housing Authority’s (“HPHA”) Administrative Offices (the “Project”) on Land Situated at Kalaepohaku and Kapalama, at 1002 North School Street, Honolulu, Oahu, TMK No. (1) 1-6-009-003 (the “Property”)**

Executive Director Ouansafi commended RHF for their commitment and transparency in responding to requests for information in order to present the Master Development Agreement (MDA) to the Board. He greatly appreciates RHF and their team for all of the efforts with the School Street redevelopment. Executive Director Ouansafi also shared his appreciation to the HPHA staff, including Redevelopment Officer Auger, for their hard work, EJP Consulting, as well as the efforts of their specialized legal counsel, Reno & Cavanaugh, and the Department of the Attorney General.

Executive Director Ouansafi introduced Redevelopment Officer Auger, who presented the following:

- HPHA's primary objective of the proposed Project is to redevelop an underutilized State land asset to facilitate delivery of urgently needed new affordable rental units to address the existing affordable housing crisis across the State of Hawaii.
- HPHA's administrative offices include thirteen separate low-rise buildings located across approximately six acres of the property. Many of these buildings are over fifty years of age, and all of the buildings are functionally obsolete. HPHA proposes consolidating its outdated and decentralized facilities into a single, efficiently designed, approximately 30,000 square foot office building, occupying a significantly smaller footprint on the Property, and utilizing the balance of the remaining Property to develop, in partnership with RHF, 800 new, affordable, age restricted senior housing rental units.
- No public housing is included in the proposed Project. All residential units within the proposed project will be designed and built as affordable senior rental housing which, in the context of identifying the persons intended to be served by such housing, would primarily include senior households whose incomes are between 30% and 60% of the area median income (AMI). No families or school-aged children will be allowed to reside in the residential units, thereby reducing traffic impact and parking requirements.
- RHF is a mission driven, affordable housing developer and property management organization, based in Long Beach, California and one of the largest organizations in the United States devoted to building and preserving affordable housing for the most vulnerable members of society. Founded in 1961, RHF has developed and now manages 197 communities with a work force of nearly 2,900 employees located in 29 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands. RHF facilities include affordable apartment communities for seniors, families and persons with special needs, as well as assisted living and skilled nursing complexes and are home to more than 22,500 older adults, low-income families, and persons with disabilities.
- The proposed Project will be operated and managed by an RHF affiliate. As in most RHF managed communities, the proposed Project will include educational and recreational opportunities for seniors, including technology, cultural, arts and crafts, dance and movement, exercise, music and health promotion classes and workshops.
- The major beneficial impact of the proposed Project will be the delivery of 800 new, affordable senior rental housing units to help address the urgently needed and critical demand for affordable housing in the State of Hawaii and City of Honolulu, especially for Hawaii's aging population.

Redevelopment Officer Auger added that the Property is an excellent candidate for redevelopment for the following reasons:

- The overall intensification of land uses within the Kalihi-Kapālama-Iwilei corridor is a major objective of the City's long-range vision for Oahu and general development pattern goals, which emphasize the need for the existing urban core around Honolulu to remain the primary urban center.
- The proposed Project will reduce the pressure to develop in more rural areas that may be more adversely impacted by a project of similar scale and which may not have sufficient infrastructure, utilities, or access to transportation networks.
- The Property is well serviced by Oahu's existing bus transit system. It is also located less than a mile from both the Middle Street and Kapalama planned Transit Stations of the Honolulu Rail Transit Project (HART).
- The Master Plan for the proposed Project will be designed in accordance with City and County of Honolulu Complete Streets Ordinance (Section 14-33, ROH).
- The proposed Project will incorporate well-designed recreational spaces combined with green building and sustainability concepts that will contribute to improved individual health, well-being, quality of life and sense of connectedness for existing and future residents.
- The proposed Project represents the efficient use of public resources by leveraging both private and public funding to redevelop an existing, urbanized, but underutilized, State owned land site.
- Under the proposed Agreement, RHF will guide development of a housing, commercial and retail program based on the Preliminary Master Plan as described in the FEIS; prepare development and operating proformas and identify funding commitments in support of implementing the plan.
- Under the proposed Agreement, RHF shall have primary responsibility for obtaining binding commitments for all construction and permanent financing, including any public funding, needed for each development phase, for each phase-specific development plan, with assistance from the HPHA and shall prepare and negotiate appropriate documentation to obtain such funding.
- On June 29, 2016, Act 127, Session Laws of Hawaii (SLH), was signed into law to address the state's rental housing crisis by establishing an affordable rental housing goal to develop *or vest the development* of at least 22,500 affordable rental housing units, ready for occupancy between January 1, 2017 and December 31, 2026. The goal may be met through conversions (non-affordable to affordable) or by new developments.

- Act 127 SLH also provided for the establishment of a Special Action Team on affordable rental housing, chaired by the Director of the Office of Planning (OP), to make recommendations on actions to promote rental housing. The Special Action Team has begun work on developing maps utilizing geographic information system data layers for each island that shows the suitability of state and county, and eventually private lands, for residential development as part of a ten-year plan to identify parcels of land that are suitable for affordable housing units, which would be incorporated into the State Housing Plan.
- Towards that end, HPHA's goals, with respect to the developments, are consistent with the Governor's goals and staff highly recommend moving forward with execution of the MDA.

Director Iseri-Matsubara acknowledged that this project will provide much needed housing for the community. She expressed concerns which include: 1) the need for State funds approximately \$2.5M, and 2) the project's capacity for sewer. She stated that the EIS indicated that there was no capacity for an additional 1,000 units.

Alan Okamoto, with Hida, Okamoto & Associates, reported that a sewer connection application was completed and submitted to the City for Phase 1A and Phase 1B. He anticipates a response within a couple of weeks.

Director Katsuda asked how many units the application was for.

Mr. Okamoto and Executive Director Ouansafi confirmed that the application was for 250 units and full capacity would not be needed until 2022.

Executive Director Ouansafi reported that HPHA has met with the Deputy Director of the City's Department of Environmental Services, who stated that there is appropriate sewer capacity for the Phase 1A and 1B development.

Redevelopment Officer Auger reported that the EIS indicates inadequate capacity for 1,000 units. In preparation for the Board meeting, HPHA requested assurances from the City regarding sewer capacity. The City confirmed that the first phase of 250 units projected to break ground in year 2021 with construction to be completed 24 months thereafter, and based on conversations with the City and County and the project's civil engineers, HPHA believes that there is existing waste water capacity to accommodate for the first phase of the project. Phases 2 and 3 would require completion of the Awa Street Waste Water station.

Executive Director Ouansafi reconfirmed proper sewer capacity for the first phase. He added even if it wasn't, he recommends moving forward with the MDA. More information will be available when they discuss the phases in specific.

Director Iseri-Matsubara asked for clarification on the budget, if the 50% that is needed for the predevelopment agreement is allocated in HPHA's current budget or if HPHA needs to request it in Executive Budget.

Executive Director Ouansafi reported funding was requested to the Department of Budget and Finance to be included in the Governor budget.

Director Iseri-Matsubara stated that in order for funds to be included in the Executive Budget, the Governor's Office needs assurance of sewer capacity in the form of an approved application for sewer capacity/reservation.

Executive Director Ouansafi asked for clarification if the Governor will not support this motion if there isn't an approved application for sewer as this is not normally needed for an MDA.

Director Iseri-Matsubara explained her understanding is that it is normal practice to be assured that there is adequate infrastructure and sewer capacity to move forward with a project. She asked Director Katsuda to give his input since he's developed LIHTC units on Maui.

Director Katsuda stated that based on his experience, it's been done concurrently due to the time element. He stated that it's not unusual to require assurances, but every project is different.

Director Hall expressed his confidence in HPHA's recommendation and looks forward to moving forward with the project. He asked the developer to communicate with HPHA if there are any issues or concerns that arise during the process. Director Hall recognized that there's a tangible MDA, a viable project, and the need. He stated that the Board supports the end result and only asked for continue communication and strong commitment to completing this project. Director Hall expressed his support in this motion.

Director Katsuda shared his support in this motion.

Director Larson referred to page 320 of the Board packet in regards to income averaging. She asked for clarification on the AMI specifics and whether it basically means that the project would be able to take a resident at 40% AMI and average that with a resident at 80% AMI. Director Larson also referred to page 394 of the Board packet on budget and asked for information on whether the loan is for the HPHA office.

Executive Director Ouansafi confirmed Director Larson's understanding on the income averaging. He added that once HPHA begins negotiating the specifics of the Phase 1 Development Agreement, the developer would be able to provide a variety of options to present to the Board. This will also allow HPHA to get feedback from the Legislature.

Designee Hartsfield acknowledged that financing of a project is important. She expressed a concern and asked whether there were alternate plans if the project cannot demonstrate sewer capacity and if the Governor's budget does not include the funds needed to proceed.

Executive Director Ouansafi stated that a completed sewer application was submitted to the City and the HPHA is confident with the informal response received from the City's Department of Environmental Services. He further explained that the Governor's budget is not complete yet and will not be available until it's ready for submission to the Legislature.

Designee Hartsfield referred to page 392 of the Board packet. She asked how the approval of the MDA would impact the development milestone timeline.

Executive Director Ouansafi reported that the developer started to secure the consultants and they are ready to start work.

Mr. Plett confirmed that their goal is to begin work once an approved MDA is received, and the consultant team is ready to move forward with the next process.

Executive Director Ouansafi stated that the only delay that could potentially happen is if there is no capacity and HPHA would need to slow down the process. He stated confidence in the developer and is comfortable that the timelines will be met.

Mr. Plett clarified that the timeline has been adjusted accordingly and will be working within the timeframe.

Chairperson Spindt referred to page 323 of the Board packet, on item R. He expressed his appreciation for the cooperation between HPHA and HHFDC, and was pleased to see that the questions he had on the MDA were answered. Chairperson Spindt briefly discussed information and the benefits of incorporating the income averaging which was recently adopted by the IRS. 26 States have already adopted it, but HHFDC has not adopted this yet. HPHA showed foresight in including it in the MDA. Chairperson Spindt added that the bond funds have been a continued issue where the State for the first time has received its bond capacity. He feels that a continued communication with HHFDC and Department of Budget and Finance is necessary to move the project forward, so HPHA is ready and able to obtain bond funds. Chairperson Spindt expressed concerns with the Governor's request and the need to secure approval of adequate sewer capacity prior to approving the MDA. Chairperson Spindt suggested making the approval of the MDA subject to approval of adequate sewer capacity.

Executive Director Ouansafi stated that he is confident that an approved sewer application will be received in a couple of weeks. Lack of the approved application shouldn't hinder moving forward with the approval of the MDA. The City and County has reassured HPHA that there is adequate capacity for Phase 1 and the Governor's priority is affordable housing.

Chairperson Spindt asked whether any of the Board members felt the need to confer with the attorneys.

None of the Board members requested to confer with the attorneys.

Designee Hartsfield asked if she could see Speaker Saiki's letter that was presented at the last Board meeting.

Director Iseri-Matsubara stated that she still has concerns about funding on for the predevelopment costs and inclusion in the Executive Budget. She asked for clarification on what she's voting on and whether there is an option for her to "vote with reservations."

Deputy Attorney General Sugita confirmed the vote is on the current For Action as written. She also clarified that the MDA includes language that it is subject to the availability to funding and Legislative approval, etc. Deputy Attorney General Sugita added that RHF is aware that the project is greatly dependent on the Legislature.

Director Hall stated that even if the necessary funds are included in the Governor's budget, it still needs approval from the Legislature. The Board does want the HPHA team to be aware that Director Iseri-Matsubara has concerns.

**The motion was unanimously approved.**

### **Approval of Minutes**

Chairperson Spindt deferred consideration of Regular Meeting Minutes of September 19, 2019.

**Director Katsuda moved,**

**To Approve the Regular Meeting Minutes of August 15, 2019**

**The minutes were unanimously approved as presented.**

### **Discussion and/or Decision Making**

**Appointment of Hawaii Public Housing Authority (HPHA) Board Task Force to Consider Additional HPHA Administrative Policies Regarding HPHA's Redevelopment Projects**

Chairperson Spindt appointed Director Robert Hall, Director Denise Iseri-Matsubara, Director Todd Taniguchi (as an engineer), Director Roy Katsuda and himself to the HPHA Board Task Force. He explained that the permitted interaction group would meet to discuss administrative policies regarding HPHA's redevelopment projects.

Director Robert Hall, Director Iseri-Matsubara, Director Roy Katsuda, and Chairperson Milo Spindt accepted the appointment. Chairperson Spindt stated that Director Todd Taniguchi agreed to the appointment prior to leaving the meeting.

**Designee Hartsfield 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, 2020; 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 referred to page 32 of the Board packet, which states the following:

- The U.S. Department of Housing and Urban Development (HUD) annually estimates fair market rents (FMR) for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county.
- In the administration of the Housing Choice Voucher (HCV) program, SAFMRs (i.e., FMRs established at the zip code–area level) replace the 50th percentile FMRs previously required in metropolitan areas with high concentrations of voucher families. SAFMRs are intended to provide families residing in such areas with access to low-poverty areas by providing rental assistance at a level that makes the higher rents in such areas affordable to them.
- For HCV-assisted families who reside in designated SAFMR metropolitan areas, PHAs are required to use SAFMRs in establishing families' payment standards. The HPHA's Section 8 HCV program is operated in the City & County of Honolulu and is considered a "Designated SAFMR PHA".
- 42 USC 1437f requires FMRs be posted at least 30 days before they are effective and that they are effective at the start of the federal fiscal year (generally October 1).

Executive Director Ouansafi summarized that the payment standards are created to encourage families to live in higher rent zip codes. The HPHA is required to establish payment standards by zip codes.

Director Larson commented that the tiered payment statement table was not user friendly and recommended that the table include the neighborhood descriptions/names, so that those looking for housing will know what areas to look at.

Executive Director Ouansafi reported that voucher holders are given a voucher along with all the housing available and the price range to look for. He added that voucher holders are not limited to specific zip codes. Once they find a place they are interested in, they will submit to HPHA and their staff will validate the rent is reasonable. Executive Director Ouansafi stated that the tiered payment standards are used as a guideline to ensure fair rent pricing.

Designee Hartsfield asked what the consequences would be if this motion is not approved.

(Deputy Attorney General Sugita left the room at approximately 2:20 p.m. and returned at approximately 2:23 p.m.)

Executive Director Ouansafi confirmed that Board approval is needed to implement the revised payment standards. HUD allows for flexibility to go higher (between 90% and 110%). Executive Director Ouansafi stated that setting a standard shows transparency and consistency.

Executive Assistant Arashiro added that without Board approval, HPHA will be non-compliant with the requirement to establish payment standards.

Director Hall explained his understanding that the payment standard encourages voucher holders the opportunity to look in all areas where housing is available. He stated that there needs to be a balance as the HPHA's budget is also affected by changes in the payment standards.

Executive Director Ouansafi confirmed Director Hall's understanding.

Designee Hartsfield asked for clarification on whether the motion allows the Executive Director to adjust the payment standards up to 110%.

Executive Director Ouansafi confirmed that approval of this motion authorizes HPHA to adjust the standards up to 110%.

Chairperson Spindt stated the importance of passing the motion, as it's a compliance-related issue. HUD's goal with this process is to eliminate concentration of low-income individuals or voucher holders in particular areas.

Executive Director Ouansafi added that HUD has program reserves and will assist HPHA with funding if needed as long as the family has a voucher.

Chairperson Spindt agreed that the revised payment standard combined with the fund to pay for tenant caused damages is good for the program and the tenants.

**The motion was unanimously approved.**

**Director Hall moved,**

**To (1) Approve the Hawaii Public Housing Authority's Draft Title II Transition Plan, Which Represents the Planned Modifications to Programs and Physical Facilities of the Public Housing Authority, to Ensure all Programs and Activities are Readily Accessible to and Usable by Individuals with Disabilities, and (2) Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary to Implement Any Amendments, Including Non-Substantive Revisions to Formatting Prior to and Subsequent to Public Hearings as May be Required**

Executive Director Ouansafi reported that their consultant, EMG, is present for any questions that the Board may have. He added that hearing notices will be advertised, as indicated on page 39 of the Board packet.

Director Hall referred to the compliance strategy that states "It is the intent of HPHA to correct barriers located in both mobility and vision and hearing impaired (VHI) identified units in the next two years and find additional sources of revenue to eliminate the wait list for accessible units in the next four years". He asked if HPHA has the numbers of the mobility and VHI identified units, as well as the wait list to ensure that HPHA isn't guaranteeing something that can't be accomplished.

Executive Director Ouansafi reported that the transition plan is not a guarantee; however, HPHA does have the numbers and reassured that this is HPHA's best effort to comply with the law.

Bryon Scott, consultant with EMG, stated by DOJ standards, that the transition plan is a document that illustrates the best estimate and is an evolving plan. He added that if issues arise, the plan can be adjusted and that it is not legally binding to be completed in four years. Mr. Scott stated that an Appendix E was added which shows the distribution of units throughout the State. Hawaii is unique because the islands are geographically separated by water. All islands, except for Oahu, have enough space. The Needs Assessment will show that the HPHA is approximately 114 units short of the 6.8%, but compliant with the minimum 5% requirement.

(Director De Mello and Director Kunz left the meeting at approximately 2:29 p.m.)

(Director Iseri-Matsubara left the room at approximately 2:29 p.m. and returned at approximately 2:31 p.m.)

Chairperson Spindt thanked Mr. Scott for his efforts in drafting the comprehensive transition plan. He shared his concerns on funding the requirements and asked for staff to prepare a funding plan.

Executive Director Ouansafi reported that a budget was prepared for ADA conversion statewide. Once the transition plan is finalized, a detailed listing of funding will be submitted for Legislative approval.

Chairperson Spindt asked whether any portion of the cash reserves are allocated for conversion.

Executive Director Ouansafi stated requiring approximately \$16M. Once funding is received, all moneys will be prioritized. For the past six years, staff were instructed that all modernization projects should exceed the minimum 5% requirement. This document will assist in demonstrating in detail where funds are needed.

Director Katsuda asked when all renovations are completed, whether the HPHA will meet HUD's 5% requirement.

Mr. Scott stated that the voluntary compliance agreement approved by the Board required that HPHA complete a Needs Assessment. The federal requirement is a minimum of 5% mobility units and 2% visually/hearing impaired units. The Needs Assessment, which was completed several months ago, revealed that HPHA should be building 6.8% mobility and 4.1% visually/hearing impaired units due to the state population. These units are also to be distributed evenly amongst the developments. One of the findings was that Oahu was lacking accessible units. Although the 5% requirement was met, the requirement is not being met on Oahu as it's been distributed elsewhere.

Director Katsuda asked once the requirement is met, how many will be on the waitlist for accessible units.

Mr. Scott stated that at that point of time, this would eliminate the waitlist for accessible units.

Executive Director Ouansafi clarified that the 6.8% is derived from studying the waitlist, the community, and engagement with non-profits that worked with the disabled.

Director Katsuda stated that he has been retired for almost two years, but recalls that his agency had to offer the accessible units to non-disabled persons.

Executive Director Ouansafi stated having the same concern, but confirmed that HUD has an adequate way of calculating the minimum. Additionally, the HPHA requires non-disabled families to agree to move if a disabled family requires the accessible unit.

Mr. Scott stated a unique strategy of having four different islands so there may end up being a surplus on each island.

Director Larson asked how EMG plans to eliminate the waitlist in two years.

Mr. Scott reported that the waitlist can be eliminated by modifying existing units to be accessible.

Executive Director Ouansafi added that HPHA has also relocated people in order to convert existing units for accessibility features.

Mr. Scott clarified this will be for the elimination of the waitlist for the accessible units, not the entire waitlist for public housing.

Director Larson stated that some units are high-cost conversions and asked if any of them are impacted by the redevelopment.

Mr. Scott stated that when the transition plan was created, EMG identified six phases: Phase 0: Units couldn't get access to (e.g., Salt Lake under modernization)

Phase 1: Maintenance work

Phase 2: Exterior work

Phase 3: Interior/dwelling units work

Phase 4: Common areas

Phase 5: Employee only area work

A project like Mayor Wright Homes would be scheduled later in the conversion and would get taken off the list as the redevelopment proceeds.

Director Hall asked if HPHA is able to move public housing people into Section 8. He stated that if HPHA is unable to accommodate with a public housing unit, it may be effective and financially beneficial to issue the family a tenant-based voucher instead.

Executive Director Ouansafi identified that those are two separate programs, but we are changing the rules to allow them to transfer in certain situations.

**The motion was unanimously approved.**

**Director Shim 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: a) Provide Notice of the HPHA's Intent**

**to Establish Site-Based Waiting Lists in the Deconcentration Plan; and, b) Establish a Policy to Allow for the Use of Special Purpose Vouchers; 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 that establishing site-based waiting lists will help applicants to apply for the property they are interested in and will assist the HPHA in its administrative tasks. Applicants are not limited to the original site and would be able to change their preferred site as needed.

In addition, Executive Director Ouansafi stated that HUD has established some special purpose vouchers called Mainstream, which HPHA applied for 115 vouchers. Another that HPHA plans to apply for is called Foster Youth Initiative vouchers.

(Director Iseri-Matsubara and Director Katsuda left the meeting at approximately 2:42 p.m.)

Chairperson Spindt wanted to ensure that the Board members understood that by approving this action, if there are no substantive changes, this will be submitted to HUD for their approval.

Executive Director Ouansafi stated that if there are other changes that are needed in the future, HPHA will come to the Board for review and approval.

**The motion was unanimously approved.**

Chairperson Spindt stated that with the approval of Item IV (D), Item IV (E) is not required and was cancelled from the agenda.

**Director Darcy moved,**

**To (1) Reappoint Ms. Chunmay Chang to the Hawaii Public Housing Authority's (HPHA) Federal Eviction Board as a Regular Board Member, for a Four-Year Term beginning December 1, 2019 and ending November 30, 2023; and (2) Reappoint Wanda Camara to the HPHA Federal Eviction Board as a Floating Resident Board Member, for a Four-Year Term beginning January 1, 2020 and ending December 31, 2023**

Executive Director Ouansafi expressed his gratitude to the two individuals for their willingness to continue to serve. By law, the HPHA Federal Eviction Board must have a minimum of one tenant.

Chairperson Spindt recognized the difficult task of being on an Eviction Board and thanked the individuals for agreeing to continue their service.

**The motion was unanimously approved.**

**For Information & Discussion:**

**Report, Update, and Overview on the HPHA's Redevelopment Efforts at 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)**

Chairperson Spindt requested this discussion be skipped.

**For Information:**

**Report, Update, and Overview on Potential Redevelopment Efforts on Hawaii Island in Partnership with Hawaii County, Possible Redevelopment on Maui and Kauai, Potential Redevelopment Effort at Kalaeloa in Partnership with the Lt. Governor's Office**

Executive Director Ouansafi reported meeting with all the Counties on how HPHA can team up with them to build some small projects.

Executive Director Ouansafi stated that HPHA is looking to build 86 units on the Big Island (Lanakila Homes).

Executive Assistant Arashiro stated that the HPHA staff met with Hawaii County Representative on September 11, 2019 to discuss its plans to move forward with the redevelopment of the vacant land at Lanakila Homes. The property is located on a 29.3-acre parcel that is bound by Kapiolani Street, Wailoa Street, and Ululani Street and contains approximately 8 acres of land available for redevelopment that can accommodate approximately 80-100 units. The site contains contaminated soils that will need to be remediated. HPHA is working with Hawaii County to identify potential funding resources available to assist the redevelopment effort.

Executive Director Ouansafi reported that this will be a federal funded project, so it will be eligible for federal subsidy.

Executive Director Ouansafi stated also meeting with Maui and Kauai counties to discuss how they can team up on potential redevelopment.

Chairperson Spindt shared his advocacy for Kauai and looks forward to the potential redevelopment.

Executive Director Ouansafi reported that HPHA has partnered with the School of Architecture at the University of Hawaii approximately a year ago to explore redevelopment on Kauai. Renovation costs were estimated at \$325,000. HPHA's goal is to identify areas for smaller projects statewide and executing them quicker.

Director Hall stated that he recognizes that HPHA has skilled workers with priorities to restore vacant units and complete all the remodeling. He feels that the maintenance team would likely welcome the opportunity to build new units. If the HPHA has design/plans from various smaller projects, we could possibly build several units simultaneously. Director Hall strongly advocates for the HPHA to continue to move in this direction.

Chairperson Spindt stated that the training in Denver was beneficial and that the housing authority they visited is working on similar redevelopments.

### **Executive Director's Report**

Director Larson asked for clarification as information in the Board packet indicated that if there are not enough funds, HPHA would conduct a lottery for those who would lose their subsidy.

Executive Director Ouansafi confirmed that it's included. He stated that if the State Rent Supplement Program is not fully funded, a lottery would be used to reduce participants or the HPHA could reduce the maximum amount provided to each participant.

Director Larson agreed that HPHA needs a policy to address funding shortfalls. She expressed her concern, however, that having a lottery could cause intense trauma, especially for the elderly population.

Executive Director Ouansafi shared that there are many steps HPHA will follow prior to the lottery option and that the Board would help craft a policy related to a lottery.

Executive Assistant Arashiro referred to page 295 of the Board packet which indicated that the plan included excluding the elderly, disabled, victims of domestic violence, and VASH.

Executive Director Ouansafi reported that the reference was in regards to Section 8; however, Director Larson's concern seems to be with rent supplement.

Director Larson stressed a concern for the elderly, disabled and young families.

Executive Director Ouansafi clarified that Director Larson must have read that somewhere else, as the PHA Plan deals with the federal side and not the state. He explained that there are rules with Rent Supplement that allow HPHA to adjust accordingly if funding isn't received.

**Director Hall moved,**

**To Adjourn the Meeting**

**The motion was unanimously approved.**

The meeting adjourned at 2:57 p.m.

**MINUTES CERTIFICATION:**

Minutes Prepared by:

  
Jennifer K. Menor  
Secretary to the Board

NOV 21 2019

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on November 21, 2019 [  ] As Presented [  ] As Amended

  
Pono Shim  
Board Secretary

NOV 21 2019

Date