

HAWAII PUBLIC HOUSING AUTHORITY

**NOTICE OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS**

**1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, June 4, 2020
10:00 a.m.**

AGENDA

**THIS MEETING WILL BE HELD VIA TELECONFERENCE CALL OR OTHER
ALTERNATIVE MEANS OF COMMUNICATION ONLY INCLUDING BOARD
MEMBERS, STAFF, DEPUTY ATTORNEYS GENERAL, AND THE PUBLIC.**

The Governor's Eighth Supplementary Proclamation dated May 18, 2020, suspended Chapter 92, HRS, Part I. Meetings, to the extent necessary to enable Boards to conduct meetings without any board members or members of the public physically present in the same location.

In consideration of the current COVID-19 situation, the HPHA's offices are closed to the public. Individuals should submit written testimony no later than 12:00 noon on Wednesday, June 3, 2020 which will be distributed to Board members. You may submit written testimony via email to jennifer.k.menor@hawaii.gov or by U.S. mail to PO Box 17907, Honolulu, HI 96817.

The public may participate in the Board meeting as it happens via Zoom app at: <https://zoom.us/j/97949633249?pwd=aXE0RXItVWVQTTVJV0xCQlo1UUhHQT09>. (Please click on this link.) When prompted, enter the Meeting ID: 979 4963 3249 and the Password: 3M0pKx.

Alternatively, testifiers may also participate via telephone by calling: 1-669-900-6833. When prompted, callers should enter the Meeting ID: 979 4963 3249 and the Password: 815984. The Board will consider public testimony on any item relevant to this 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.

I. CALL TO ORDER/ESTABLISHING QUORUM

II. PUBLIC TESTIMONY

The Board will consider public testimony on any item relevant to this 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.

III. DISCUSSION AND DECISION MAKING

- A. To: (1) Approve the Amended and Restated Master Development Agreement (“Amended MDA”) for Revitalization of Kuhio Park Terrace and Kuhio Homes Between The Michaels Development Company I, L.P. (MDC), and the Hawaii Public Housing Authority Relating to the Redevelopment of Kuhio Park Terrace Low Rise and Kuhio Homes (TMK Nos. 1-3-039-008-0000; 1-3-039-006-0000) (the “Project”) Pursuant to the Term Sheet Outlined Under the Proposed Terms to Extend the Suspension of the Termination of the Master Development Agreement Approved at the September 19, 2019 Board Meeting; (2) Approve Predevelopment Expenditures and Predevelopment Loans as Described in the Amended MDA; (3) Authorize the Executive Director to Enter into the Amended MDA; and (4) Authorize the Executive Director to Undertake all Actions Necessary to Implement the Amended MDA

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

- B. To: (1) Authorize the Executive Director to Complete the Hawaii Public Housing Authority’s Submission of the Rental Assistance Demonstration (RAD) Financing Plan that Converts the Federal Public Housing Residential Units at Kuhio Park Terrace Towers (TMK Nos: 1-3-039-007-0000, 1-3-039-009-0000) (PIC Development: HI001000052 KPT TOWERS I, LLC) to Section 8 Assistance under the U.S. Department of Housing and Urban Development RAD program; and (2) Authorize the Executive Director to Undertake All Actions Necessary to Convert the Kuhio Park Terrace Property Under the RAD Program

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

- C. Update on Mayor Wright Homes Redevelopment Project (Tax Map Key No.: 1-7-029-003) and Notice of Incomplete Hawaii Revised Statutes Chapter 201H Application Issued by City and County of Honolulu Department of Planning and Permitting to Applicant MWH Partners, LLC

(The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, and section 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to this matter.)

- D. Board Task Force Update and Status Report on Task Force Discussions Regarding HPHA's Administrative Policies on Redevelopment Activities

- E. To Accept Renovations Valued at Approximately Nine (9) Million Dollars to Approximately 200 Vacant Hawaii Public Housing Authority (HPHA) Dwelling Units From Kahauiki Village Development and Authorize the Executive Director to Execute a Memorandum of Understanding between HPHA and Kahauiki Village Development Memorializing This Gift and Undertake Actions Necessary to Accept This Gift

(The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, and section 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to this matter.)

The Board agenda for this meeting is available for inspection on the HPHA's website: <http://www.hpha.hawaii.gov/boardinfo/packets.htm>.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE SPECIAL MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A
HONOLULU, HAWAII 96817
ON THURSDAY, JUNE 4, 2020
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held a Special Board Meeting at 1002 North School Street, on Thursday, June 4, 2020. Pursuant to the Governor's Eighth Supplementary Proclamation dated May 18, 2020, suspended Chapter 92, HRS, Part I. Meetings, to the extent necessary to enable Boards to conduct meetings without any board members or members of the public physically present in the same location, the Hawaii Public Housing Authority conducted the Board meeting by use of teleconference call or other alternative means of communication only without a physical quorum present in the boardroom at 1002 N. School Street, Honolulu, HI 96817.

At approximately 10:11 a.m., Chairperson Hall called the meeting to order, conducted a roll call and declared a quorum present. Those present were as follows:

PRESENT: Director Robert Hall, Chairperson
Director Pono Shim, Vice-Chairperson

PRESENT (via Zoom) Director George De Mello, Secretary
Director Lisa Darcy
Designee Daisy Hartsfield
Director Roy Katsuda
Director Susan Kunz
Director Betty Lou Larson
Director Kymberly Sparlin
Director Todd Taniguchi

Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Kevin Auger, Redevelopment Officer
Jennifer Menor, Secretary to the Board

OTHERS PRESENT (via Zoom/teleconference):
Stacie Brach, Michaels Management
Jinny Cheung, Hunt Development Company
Ken Crawford, Michaels Development Company
Benjamin Edger, Michaels Development Company
Sharon Gi, Hunt Development Company

Brandon Hegland, Michaels Management
Malachi Krishok, PBR Hawaii
Tharon LeBlanc, Michaels Management
Thomas Lee, Hunt Development Company
Makani Maeva, AHE Group
Milton Pratt, Michaels Development Company
Robin Vaughn, Hunt Development Company
Kimi Yuen, PBR Hawaii

(Director Katsuda joined the Zoom meeting at approximately 10:19 a.m.)

Public Testimony

In consideration of the current COVID-19 situation, the HPHA's physical office locations are closed to the public. Individuals were allowed to submit written testimony no later than 12:00 noon on Wednesday, June 3, 2020 which would be distributed to the Board members. The public was instructed to submit written testimony via email to jennifer.k.menor@hawaii.gov or by U.S. mail to PO Box 17907, Honolulu, HI 96817. The public was also allowed to participate via Zoom app or teleconference.

Chairperson Hall 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.

There was no public testimony.

Discussion and Decision Making

Director Shim moved,

To: (1) Approve the Amended and Restated Master Development Agreement (“Amended MDA”) for Revitalization of Kuhio Park Terrace and Kuhio Homes Between The Michaels Development Company I, L.P. (MDC), and the Hawaii Public Housing Authority Relating to the Redevelopment of Kuhio Park Terrace Low Rise and Kuhio Homes (TMK Nos. 1-3-039-008-0000; 1-3-039-006-0000) (the “Project”) Pursuant to the Term Sheet Outlined Under the Proposed Terms to Extend the Suspension of the Termination of the Master Development Agreement Approved at the September 19, 2019 Board Meeting; (2) Approve Predevelopment Expenditures and Predevelopment Loans as Described in the Amended MDA; (3) Authorize the Executive Director to Enter into the Amended MDA; and (4) Authorize the Executive Director to Undertake all Actions Necessary to Implement the Amended MDA

Executive Director Ouansafi complimented and thanked the Michaels Development team for their efforts and professionalism during the negotiations.

A fully negotiated draft Amended MDA between the HPHA and MDC incorporating the revised terms and conditions outlined in the Term Sheet has been prepared by Reno & Cavanaugh, PLLC. The revised terms and conditions were outlined in the Term Sheet.

Any and all obligations of the HPHA under the Amended and Restated MDA are subject to funding availability, allotment and appropriation of State funds. Under the Amended MDA, HPHA and MDC have agreed to conduct phase II environmental due diligence to identifying the extent of pre-existing hazardous materials on the property.

Milton Pratt, Executive Vice President of the Michaels Development Company, acknowledged the work put forth by Executive Director Ouansafi and Redevelopment Officer Kevin Auger. He expressed his excitement with moving forward with the Kuhio Park Terrace (KPT) and Kuhio Homes revitalization and the RAD conversion, and welcomed any questions that the Board would like to address.

Makani Maeva, President and CEO of the AHE Group, stated that she was involved with the original RFP (request for proposals) response to KPT in 2009 and was selected as the local developer in conjunction with the Michaels Development Company. A lot of progress was made in a short amount of time renovating 555 units. Although there has been delays during the last eight years, Ms. Maeva recognized the efforts of both parties and looks forward to the next steps.

Director Shim moved,

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

The motion to go into executive session was unanimously approved.

The Board entered Executive Session at approximately 10:33 a.m.

The Board reconvened at approximately 11:19 a.m.

Chairperson Hall reported that the Board consulted with its attorney on issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to this matter.

Executive Director Ouansafi thanked the Board for their discussion. He expressed that he is looking forward to working with the MDC.

Director Sparlin thanked both HPHA and MDC for their hard work. She stated that the Governor's office is frustrated with the lack of movement and is monitoring progress on the project.

Designee Hartsfield stated that her affirmative vote is with the expectation that both parties will continue to work together to move forward with the community in mind.

Executive Director Ouansafi thanked Redevelopment Officer Kevin Auger, Reno & Cavanaugh, Deputy Attorney General Jennifer Sugita, Deputy Attorney General Klemen Urbanc and the MDC team for their efforts and hard work. He recognized the need for housing and stated that he looks forward to continue working with the MDC.

Director Shim thanked Mr. Pratt for his efforts. He recognized that Hawaii is our home and expressed his appreciation to Mr. Pratt for assisting with moving this matter forward.

Chairperson Hall thanked everyone, including the MDC, for their hard work and commitment. He acknowledged the long journey that was taken to move this along and reminded everyone of the HPHA's mission to create more housing for the community.

The motion was unanimously approved.

Director Shim moved,

To: (1) Authorize the Executive Director to Complete the Hawaii Public Housing Authority's Submission of the Rental Assistance Demonstration (RAD) Financing Plan that Converts the Federal Public Housing Residential Units at Kuhio Park Terrace Towers (TMK Nos: 1-3-039-007-0000,1-3-039-009-0000) (PIC Development: HI001000052 KPT TOWERS I, LLC) to Section 8 Assistance under the U.S. Department of Housing and Urban Development RAD program; and (2) Authorize the Executive Director to Undertake All Actions Necessary to Convert the Kuhio Park Terrace Property Under the RAD Program

Executive Director Ouansafi reported that the purpose of the RAD program is to provide a set of tools to address the unmet capital needs of deeply affordable, federally assisted rental housing properties in order to maintain both the viability of the properties and their long-term affordability. RAD also simplifies the administrative oversight of the properties by HUD and allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. This is critical given the estimated \$26 billion plus backlog of public housing capital improvements.

Under RAD, public housing units move to a Section 8 Project Based Voucher (PBV) platform, with a long-term contract that, by law, must be repeatedly renewed. This ensures that the units remain permanently affordable to low-income households.

Residents who convert to RAD continue to pay 30% of their adjusted income towards their rent and maintain the same basic rights as they possess under the public housing program.

The RAD program is budget-neutral to the federal government and does not increase HUD's budget. This program simply shifts units from the Federal Public Housing program to the Section 8 program so that providers may leverage private capital markets to make capital improvements.

HUD considers a RAD conversion to be a "Significant Amendment" to the HPHA's Public Housing Agency Plan. Converting to RAD means that the property will no longer be administered under the public housing program and ACC and instead moves to the Section 8 platform. Because RAD is a net neutral program, the Section 8 subsidy is not set at Fair Market Rent and is instead calculated as the current tenant rent plus operating subsidy plus capital funds for the converting units which is referred to as RAD Contract Rent.

Executive Director Ouansafi reported that HPHA submitted a letter of interest to HUD in May 2017 for 885 ACC units [to be placed on the waiting list for conversion to HUD's RAD Program]. The properties included the following:

1. Kuhio Park Terrace Towers for 347 Units
2. Kuhio Park Terrace Homes and Low-Rises for 174 units
3. Mayor Wright Homes for 364 Units

A year later, HUD notified HPHA on their position on the RAD waiting list. On July 3, 2018, HUD issued the Federal Register Notice formally announcing its determination and commencing the 60 calendar days' period from the date of the publication for the submission of a completed RAD application.

To complete the HUD RAD Application, HPHA conducted two pre-application resident meetings, which were held on August 7 & 8, 2018 in the case of the KPT Towers.

On August 16, 2018, HPHA's Board approved applications to the U.S. Department of Housing and Urban Development (HUD) for the conversion. On September 4, 2018, HPHA submitted its RAD application for the KPT Towers. A month later, HUD granted HPHA a preliminary award by issuing a Commitment to Enter into Housing Assistance Payments Contracts (CHAP).

On January 17, 2020, a RAD Physical Needs Assessment (PNA) was completed to determine the level of rehabilitation necessary to sustain the property for the next 20 years.

The KPT Towers/Kuhio Park Low-rises and Kuhio Homes are considered a multi-phase RAD application whereby the first phase will address KPT Towers and the second phase would address Kuhio Park Terrace Low Rise and Kuhio Homes. Since Kuhio

Park Terrace Low Rise and Kuhio Homes will be a later phase of a multi-phase RAD application, the HPHA will have until September 30, 2024 to submit the RAD application for these units.

Between now and September 2024, the HPHA and MDC, under an Amended and Restated Master Development Agreement, will continue work to complete a master plan and the NEPA environmental requirements for Kuhio Park Terrace Low Rises/Kuhio Homes.

After the Board's approval to complete submission of the RAD Financing Plan to HUD, and approval of the Environmental Review (ER) is received from the Governor, the approximate timeline and steps for completing the conversion is as follows:

1. HUD issues RCC: 30 – 60 days from Financing Plan full submission
2. HPHA accepts RCC: 30 days from issuance by HUD
3. Closing: 60 days from acceptance of RCC

Designee Hartsfield asked what the negative long-term impact would be if this action was not approved.

Executive Director Ouansafi reported that the RAD conversion is included in the Amended MDA. If the RAD conversion isn't approved, HPHA will need to meet with MDC to discuss other means of moving forward and will need to renegotiate terms. Overall, the biggest impact would be that the timeline would be delayed. Executive Director Ouansafi confirmed that despite losing some federal funding for the RAD conversion, this action will be beneficial to the residents.

Recognizing that the public housing funds will be moved to the Section 8 platform, when executing the RAD proceeds, Chairperson Hall encouraged HPHA to have sufficient funding set aside for other means, such as operational reserves and capital maintenance like elevators.

Executive Director Ouansafi confirmed HPHA's intent to have sufficient funding for operating reserves.

The motion was unanimously approved.

For Information:

Update on Mayor Wright Homes Redevelopment Project (Tax Map Key No.: 1-7-029-003) and Notice of Incomplete Hawaii Revised Statutes Chapter 201H Application Issued by City and County of Honolulu Department of Planning and Permitting to Applicant MWH Partners, LLC

Executive Director Ouansafi reported that HPHA received a letter on May 22, 2020 from the City and County of Honolulu regarding the 201H application. The Notice of Incomplete Application was provided in the Board packet.

Executive Director Ouansafi requested to go into executive session.

Director Shim moved,

That Board go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(3) to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, and section 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to this matter

The motion to go into executive session was unanimously approved.

The Board entered Executive Session at approximately 11:41 a.m.

(Director Sparlin left the Zoom meeting during executive session.)

The Board reconvened at approximately 1:00 p.m.

Chairperson Hall reported that the Board consulted with its attorney on issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to this matter.

Board Task Force:

Update and Status Report on Task Force Discussions Regarding HPHA's Administrative Policies on Redevelopment Activities

Chairperson Hall reported that on October 19, 2019, the HPHA Board of Directors agreed to the "Appointment of the Hawaii Public Housing Authority (HPHA) Board Task Force to Consider Additional HPHA Administrative Policies Regarding HPHA's Redevelopment Projects." The Task Force comprised of Chairperson Hall, Director Katsuda and Director Taniguchi.

Over the course of several months through successful meetings with the Office of the Executive Director (OED) and HPHA management, the Task Force reviewed and discussed project background, status updates and other relevant information regarding HPHA's major redevelopment efforts.

The Task Force expressed that it is equally important to focus on smaller projects where housing units could be delivered more swiftly to respond to the critical and urgent need for units and to show progress so that they could generate more support for their efforts.

The Task Force referred to these projects as “low hanging fruit” where HPHA could take on smaller projects using its own development staff and force labor.

The Task Force also recognized that maximum usage of HPHA’s public housing and rental assistance programs ensures that greatest number of individuals and families are being served today. They found that the intended results of these efforts to be consistent with HPHA’s By-Laws, Statement of Mission and Purpose, whereby the Legislature has mandated that the Authority shall perform the function of developing and maintaining public housing and ensuring that more individuals and families are being served and transitioned into permanent housing.

The Task Force recommended HPHA to establish a baseline project status report on all redevelopment activities. A draft timeline/tracker was created and provided to the Board for their review and consideration.

Director Katsuda discussed the benefits of the tracking spreadsheet, which will give a quick overview of HPHA in terms of development and operations.

Director Taniguchi expressed the importance of the Board having this information available on a monthly basis to review the timeliness, the quality, and the quantity of all the development activities. He stated the benefits of having the data be broad and visible to increase collaboration and focus for more impactful meeting discussions.

Chairperson Hall explained how the tracker will be an attempt to establish general milestones for multiple years. The aim is to eliminate delayed timelines, while allowing HPHA to place smaller projects on the schedule. Chairperson Hall discussed the benefits of the trackers, such as setting the pace for future funding and staying on track with the Governor’s mission of addressing affordable housing.

Designee Hartsfield commended and thanked the Task Force on their efforts. She stated how pleased she is to be a part of the Board and expressed her support for the recommendations presented.

Director Kunz asked if the tracker will include the exact projects that are transpiring within all the Counties. For example, for Hawaii County, the draft tracker identified 80 units. Director Kunz explained how having a subcategory would be beneficial to distinguish the project(s) involved. She thanked the Task Force on their efforts.

Chairperson Hall clarified that the provided tracking spreadsheet is an example and the numbers are not properly indicated. The intent was in keeping the spreadsheet at 1-2 pages to give an overview. Chairperson Hall stated that the spreadsheet can be revised to how the Board finds it most helpful.

Director Larson expressed her support for the recommendations and usefulness of the tracker. She recommended that the tracking spreadsheet also include a category for the number of units by AMI percentage. Separate from the tracker, Director Larson also

stated interest in a report given every two years where HPHA evaluates the AMI income of the residents to identify who the agency is serving.

Director Darcy echoed Director Kunz's suggestion of including more information on the properties at the other Counties. She asked if HPHA anticipates any challenges that can impede with expediting this tracker and if HPHA could use assistance with it.

Executive Director Ouansafi stated that he doesn't anticipate any challenges. The information is readily available to be incorporated into a detailed spreadsheet in the format that is suggested by the Board. As projects are identified on the neighbor islands, Executive Director Ouansafi intends to include subcategories with the project(s) name and the corresponding number of units. Executive Director Ouansafi expressed his support for the spreadsheet tracker. He concluded by complimenting the Task Force on their hard work.

Deputy Attorney General Sugita clarified that today's discussion is a presentation. If the Board would like to adopt the tracking spreadsheet as a new policy, she instructed that it be added to the agenda for the upcoming Board meeting.

Director De Mello, being a public housing tenant himself, expressed his support of the ultimate goal of establishing more housing for the community. He thanked the Task Force for their hard work.

Director Shim commended the Task Force on their efforts.

The Task Force expressed their appreciation to each other for their participation and commitment.

Director Taniguchi thanked the Board members for their consideration and input on the Task Force's recommendations.

Director Shim moved,

To Accept Renovations Valued at Approximately Nine (9) Million Dollars to Approximately 200 Vacant Hawaii Public Housing Authority (HPHA) Dwelling Units From Kahauiki Village Development and Authorize the Executive Director to Execute a Memorandum of Understanding between HPHA and Kahauiki Village Development Memorializing This Gift and Undertake Actions Necessary to Accept This Gift

Executive Director Ouansafi reported that he had several conversations with Mr. Duane Kurisu at Kahauiki Village (KV), which resulted in KV Development's desire to work with and assist HPHA, hiring contractors to renovate up to 200 vacant public housing units.

Executive Director Ouansafi acknowledged and thanked Deputy Attorney General Sugita and Deputy Attorney General Klemen for their expeditious review of the Memorandum of Understanding (MOU).

Executive Director Ouansafi confirmed that any gift offered to HPHA is subject to Board approval. Last month, HPHA was able to move in 81 families and staff are working towards moving in an additional 85 families in June.

KV will hire contractor(s) to complete two units daily totaling approximately \$9M. This agreement is not a private partnership, but a gift acceptance from a non-profit organization and all funding will only be handled by KV.

Deputy Attorney General Urbanc confirmed that the agreement is ready for HPHA to move forward.

Deputy Attorney General Sugita acknowledged Deputy Attorney General Urbanc's efforts and hard work with the MOU.

Designee Hartsfield asked if KV Development is the same development team that worked on a homeless project at Sand Island and asked where the properties will be located.

Executive Director Ouansafi confirmed that KV Development also worked on the Sand Island project.

Executive Director Ouansafi and Chairperson Hall reported that KV's contractor(s) will be renovating vacant units at various locations, not just one location.

Executive Director Ouansafi clarified that the agreement consists of renovations of vacant units at multiple properties on Oahu. Due to the threats of COVID-19, HPHA welcomes assistance and is grateful for this gift.

Director Larson expressed her excitement and thanked HPHA, Deputy Attorney General Urbanc and Deputy Attorney General Sugita for their efforts and hard work.

Chairperson Hall asked if there are any concerns from UPW regarding the privatization of work.

Executive Director Ouansafi assured the Board that there are no issues. In November 2019, HPHA executed an agreement with UPW allowing HPHA to contract outside.

Deputy Attorney General Urbanc confirmed that was his understanding also.

Chairperson Hall stated that the Department of Commerce and Consumer Affairs (DCCA) website identified KV Development's purpose as "to develop and construct housing for homeless and low-income members of the community, and thereafter, to

manage or caused to manage the housing project.” Chairperson Hall asked for confirmation that their mission statement is compatible with the HPHA’s project. He asked if the plan was for any public housing inventory to be given out or transferred once the renovations are completed.

Executive Director Ouansafi explained that the MOU is specific. KV is responsible for hiring contractor(s) and providing payment to the contractor(s). Executive Director Ouansafi confirmed that there will be no transfer of units or management of those units to KV Development.

Deputy Attorney General Urbanc reported that the agreement only allows KV to renovate the units designated by HPHA at no cost to HPHA.

Chairperson Hall stated the need to get KV to assist with units on the neighbor islands.

Executive Director Ouansafi stated that discussions on how to address the neighbor island vacant units have already started.

Chairperson Hall asked whether the MOU limited the project to the repair of 200 units or the \$9M threshold.

Executive Director Ouansafi explained that the estimated cost per unit is approximately \$45,000, which is how they arrived to the estimated \$9M total amount for 200 units. Confirmation was received from KV that they had already raised the \$9M.

Chairperson Hall expressed appreciation to the HPHA staff and the Deputy Attorney Generals.

The motion was unanimously approved.

(End of Section)

Director Shim moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 1:32 p.m.

MINUTES CERTIFICATION:

Minutes Prepared by:


Jennifer K. Menor
Secretary to the Board

JUN 25 2020

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on June 18, 2020 [] As Presented [] As Amended


George De Mello
Board Secretary

Jun 26, 2020

Date