NOTICE OF MEETING
BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, December 16, 2021
9:00 a.m.

AGENDA

THIS MEETING WILL BE HELD ONLY VIA ZOOM (INTERACTIVE AUDIO VISUAL
CONFERENCE TECHNOLOGY) OR TELECONFERENCE CALL (AUDIO-ONLY
COMMUNICATION) AND INCLUDES BOARD MEMBERS, STAFF, DEPUTY
ATTORNEYS GENERAL, AND THE PUBLIC.

The Governor’s Emergency Proclamation dated November 29, 2021, 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 at the
same location. In consideration of the current COVID-19 situation, the HPHA’s offices
are closed to the public.

Viewing/Participating in the Meeting:

The public may participate in the Board meeting as it happens via Zoom (a free video
conferencing service to hold virtual meetings online) by clicking on this link:
https://zoom.us/j/93757018175?pwd=M1VReXZSNEF0Z1l2ZC9vNGNZNW1Dd19.
When prompted, enter the Meeting ID: 937 5701 8175 and the Password: 4C61MX.

Alternatively, the public may also participate via telephone by calling: 1-669-900-6833.
When prompted, callers should enter the Meeting ID: 937 5701 8175 and the Password:
460954. We request that meeting participants change the display on their device to
show their first and last name to expedite rollcall. Please keep in mind that many
devices will display your cellphone number if not changed.

If the HPHA loses internet or Zoom connection during the meeting where audiovisual
communication cannot be maintained with all participating Board members and quorum
is lost, the meeting will automatically be recessed for 30 minutes to restore audiovisual
communication. If the attempt to restore audiovisual communication is unsuccessful, all
Board members, staff, the public may continue to participate in the Board meeting via
teleconference call by calling 1-862-799-9759, whereby audio-only communication will
be established for all participants and the meeting will continue. When prompted,
callers outside of the United States should enter the Access Code: 8232649.
Providing/Submitting Testimony – Written, Oral, Audiovisual:

The Board will consider written testimony on any item relevant to this agenda. Individuals should submit written testimony no later than 12:00 noon on Monday, December 13, 2021 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 Board will also consider public testimony given at the meeting 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.

Individuals may submit oral testimony during the meeting by sending an email request to jennifer.k.menor@hawaii.gov no later than Monday, December 13, 2021, or by using the “Raise Hand” feature in Zoom, or by simply announcing/identifying themselves and the item they want to testify about during the public testimony portion of the meeting. Individuals may also provide audiovisual oral testimony by using the “Raise Hand” feature in Zoom, clicking the “Unmute” icon to talk, and clicking the “Start Video” icon to turn camera on.

Executive Session:

When the Board of Directors enters executive session, all non-Board members will be moved to the virtual waiting room by the HPHA. Individuals are welcome to wait in the virtual waiting room and will be readmitted to the meeting at the end of the executive session.

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, November 18, 2021
IV. DISCUSSION AND/OR DECISION MAKING

A. To (1) Approve the Hawaii Public Housing Authority’s (HPHA) Draft Public Housing Agency (PHA) Annual Plan for the Fiscal Year 2022-2023, and (2) Authorize the Executive Director to Hold Public Hearings on the Draft Annual Plan

The proposed “PHA Annual Plan for Fiscal Year 2022-2023” may be viewed on the internet on or about December 10, 2021 on the HPHA’s website at: http://www.hpha.hawaii.gov/housingplans/index.htm and copies of the draft plan are available at the following locations:

<table>
<thead>
<tr>
<th>Hawaii Public Housing Authority</th>
<th>HPHA Section 8 Office</th>
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<tbody>
<tr>
<td>1002 North School Street, Bldg. E</td>
<td>1002 North School Street, Bldg. H</td>
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<tr>
<td>Honolulu, Hawaii 96817</td>
<td>Honolulu, Hawaii 96817</td>
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<thead>
<tr>
<th>Puuwai Momi (AMP 30)</th>
<th>Kalihi Valley Homes (AMP 31)</th>
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<tbody>
<tr>
<td>99-132 Kohomua Street</td>
<td>2250 Kalena Drive</td>
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<tr>
<td>Aiea, Hawaii 96701</td>
<td>Honolulu, Hawaii 96819</td>
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<tr>
<th>Mayor Wright Homes (AMP 32, 33)</th>
<th>Kalakaua Homes (AMP 34)</th>
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<tr>
<td>521 N. Kukui Street</td>
<td>1545 Kalakaua Ave.</td>
</tr>
<tr>
<td>Honolulu, Hawaii 96817</td>
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<tr>
<th>Kalanihuiua (AMP 35)</th>
<th>Lanakila Homes (AMP 37)</th>
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<tbody>
<tr>
<td>1220 Aala Street</td>
<td>600 Wailoa Street</td>
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<td>Honolulu, Hawaii 96817</td>
<td>Hilo, Hawaii 96720</td>
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<tr>
<th>Kapaa (AMP 38)</th>
<th>Kahekili Terrace (AMP 39)</th>
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<tr>
<td>4726 Malu Road</td>
<td>2015 Holowai Place</td>
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<tr>
<td>Kapaa, Hawaii 96746</td>
<td>Wailuku, Hawaii 96793</td>
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<tr>
<th>Kuhio Homes (AMP 40)</th>
<th>Ka Hale Kahaluu (AMP 43)</th>
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<tr>
<td>1410 Ahonui Street</td>
<td>78-6725 Makolea Street</td>
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<tr>
<td>Honolulu, Hawaii 96819</td>
<td>Kailua-Kona, Hawaii 96740</td>
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<th>Waimaha-Sunflower (AMP 44)</th>
<th>Koolau Village (AMP 45)</th>
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<tr>
<td>85-186 McArthur Street</td>
<td>45-1027 Kamau Place</td>
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<tr>
<td>Waianae, Hawaii 96792</td>
<td>Kaneohe, Hawaii 96744</td>
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<th>Noelani II (AMP 46)</th>
<th>Kauhale Nani (AMP 49)</th>
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<tr>
<td>65-1191 Opelo Road</td>
<td>310 North Cane Street</td>
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<tr>
<td>Kamuela, Hawaii 96743</td>
<td>Wahiawa, Hawaii 96786</td>
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<tr>
<th>Palolo Valley Homes (AMP 50)</th>
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<tr>
<td>2129 Ahe Street</td>
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<tr>
<td>Honolulu, Hawaii 96819</td>
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B. To Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year from July 1, 2020 to June 30, 2021 and to Authorize the Executive Director to Submit the Audited Financial Statements to the Office of the Governor, the Hawaii State Legislature, the U.S. Department of Housing and Urban Development, and Other Entities as may be Required

C. To (1) Adopt Amendments to the Hawaii Public Housing Authority’s Rules of Practice and Procedure as follows:

(1) Changing the Agency Name from the Housing and Community Development Corporation to the Hawaii Public Housing Authority;
(2) Replacing references to Chapter 201G, HRS with Chapter 356D, HRS;
(3) Amending the Definitions in Section 17-2000-2 to Add “Authority”;
(4) Section 17-2000-3 [Business hours and location]: Changing the address of the authority to 1002 N. School Street;
(5) Section 17-2000-6 [Agenda]: Amending to add inclusions for agenda language;
(6) Section 17-2000-9 [Quorum and number of votes necessary for action]: Amending the number of directors necessary for quorum and the number of affirmative votes necessary to determine any action to six;
(7) Section 17-2000-10 [Submittal and filing of documents]: Adding drawing and spreadsheets to the list of documents that may be larger than 8-1/2” x 11”;
(8) Section 17-2000-13 [Retention of documents]: Clarifying that documents shall be retained for the period of time provided by law;
(9) Section 17-2000-14 [Access to authority records]: Clarifying that copies of government records shall be made available provided by law;
(10) Section 17-2000-17 [Inclusion on Agenda]: Deleting section in its entirety;
(11) Section 17-2000-22 [Appearances before the board]: Amending to allow appearances before the board by video conference; and
(12) Section 17-2000-48 [Burden of proof; evidence]: Clarifying that the degree of proof shall be preponderance of the evidence; and

(2) Authorize the Executive Director to Take Required Actions to Submit the Amendment and Compilation of These Rules to the Governor of the State of Hawaii for Approval
The proposed draft of Chapter 17-2000, Hawaii Administrative Rules may be viewed on the internet on or about December 10, 2021 on the Lieutenant Governor’s website at: https://ltgov.hawaii.gov/the-office/administrative-rules/ and at the HPHA’s website on http://www.hpha.hawaii.gov/referenceinformation/admin_rule.htm

D. To (1) Ratify the Attached Memorandum of Agreement Between the Office of Planning (“OP”), State of Hawai’i, now known as Office of Planning and Sustainable Development (“OPSD”), State of Hawai’i and the Hawaii Public Housing Authority (“HPHA”) Relating to the Award of Transit Oriented Development Capital Improvement Project (“TOD CIP”) Planning Grant awarded to HPHA by OPSD to be Utilized for the Preparation of Preliminary Master Development Plans for:

   Lanakila Homes, Holomalia Street, Hilo, HI 96720 (Tax Map Key 2-4-028:007)

and Authorize the Executive Director to Undertake all Actions Necessary to Implement the Attached Memorandum of Agreement;

(2) Approve the Attached Draft Memoranda of Agreement (“MOAs”) Between OPSD and HPHA Relating to the TOD CIP Planning Grants awarded to HPHA by OPSD to be Utilized for the Preparation of Preliminary Master Development Plans for:

(i) Kahekili Terrace, Holowai Place, Wailuku, HI 96793 (Tax Map Key 3-4-017:146) and

(ii) Pu’uawai Momi Housing, Kohomua Street, Aiea, HI 96701 (Tax Map Key TMK: (1) 9-9-003:056, 064)

and Authorize the Executive Director to Make Non-Substantive Revisions to the Attached Draft MOAs as May be Required, Execute the Attached Draft MOAs and Undertake all Actions Necessary to Implement the Executed MOAs; and

(3) Authorize the Executive Director to Undertake All Actions Necessary to Accept the Delegation of OPSD TOD CIP funds and Implement Current and any Future TOD CIP Planning Grants Awarded to HPHA by OPSD

(The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and/or 92-5(a)(4) to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities related to this agenda item.)
V. REPORTS

A. Executive Director’s Report: Monthly reports are included in the Board packet. No formal report is planned.

- Financial Report for the Month of October 2021
- Report on Contracts Executed During November 2021 and Planned Solicitations for December 2021
- Update on Redevelopment Projects: Affordable Senior Housing at School Street and Kuhio Park Terrace/Kuhio Homes
- Redevelopment Tracker
- Public Housing Occupancy/Vacancy Report; Federal Public Housing; for the Month of November 2021
- 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.

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

If you need an auxiliary aid/service (e.g., large print, taped materials, sign language interpreter, etc.) or other accommodation due to a disability, please contact Ms. Jennifer Menor by telephone at (808) 832-4694 or by email at jennifer.k.menor@hawaii.gov by close of business three days prior to the meeting date. If a request is received after December 13, 2021, the HPHA will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled.

Upon request, this notice is available in alternate formats such as large print or Braille, or electronic copy.
The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, December 16, 2021. Pursuant to the Governor’s Emergency Proclamation dated November 29, 2021, suspending 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.

The public was able to participate in the meeting via video conference (Zoom) or telephone by calling in. It was announced that if the HPHA lost internet or Zoom connection during the meeting, the meeting would be reconvened pursuant to instructions in the posted agenda.

At approximately 9:05 a.m., Chairperson Hall called the meeting to order, held a roll call and declared a quorum present. Those present were as follows:

**PRESENT:**

*Director Robert Hall, Chairperson*

*Director Roy Katsuda, Secretary*

*Designee Joseph Campos II*

*Director George De Mello*

*Director Susan Kunz*

*Director Betty Lou Larson*

*Director Leilani Pulmano*

*Director Kymberly Sparlin*

*Deputy Attorney General Klemen Urbanc*

**EXCUSED:**

*Director Pono Shim, Vice-Chairperson*

*Director Todd Taniguchi*

**STAFF PRESENT:**

*Hakim Ouansafi, Executive Director*

*Barbara Arashiro, Executive Assistant*

*Kevin Auger, Redevelopment Officer*

*Bennett Liu, Acting Chief Financial Officer*

*Rick Sogawa, Contracts and Procurement Officer*

*Jeremy White, Section 8 Subsidy Programs Branch Chief*

*Sarah Beamer, Section 8 Subsidy Programs*
Becky Choi, State Housing Development Administrator
Benjamin Park, Chief Planner
Stephanie Fo, Acting Property Management and Maintenance Services Branch Chief
Mary Jane Hall-Ramiro, Supervising Public Housing Manager
Dylan Gen Fujitani, Hearings Officer
Shirley Befitel, Human Resources Supervisor
Ryan Akamine, Chief Compliance Officer
Sharon Espejo, Assistant Chief Financial Officer
Gary Nakatsu, Acting Systems Administrator
Jennifer Menor, Secretary to the Board

OTHERS PRESENT (via Zoom/teleconference):
Peter Hanashiro, KMH LLP
Christy Iriguchi, KMH LLP
Scott Jepsen, EJP
Katie Pierce, U.S. Department of Housing and Urban Development
Jesse Wu, U.S. Department of Housing and Urban Development

Public Testimony

In consideration of the current COVID-19 pandemic, 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 Monday, December 13, 2021 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 or teleconference by using the “Raise Hand” feature in Zoom, or by simply announcing/identifying themselves and the item they want to testify about during the public testimony portion of the meeting. Individuals were also allowed to provide audiovisual oral testimony by using the “Raise Hand” feature in Zoom, clicking the “Unmute” icon to talk, and clicking the “Start Video” icon to turn the camera on.

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 submitted or given.
Approval of Minutes

Director Larson moved,

To Approve the Regular Meeting Minutes of November 18, 2021

Director Sparlin abstained from the vote as she wasn’t present at the meeting.

The minutes were approved as presented with one abstention.

Discussion and Decision Making

Director De Mello moved,

To (1) Approve the Hawaii Public Housing Authority’s (HPHA) Draft Public Housing Agency (PHA) Annual Plan for the Fiscal Year 2022-2023, and (2) Authorize the Executive Director to Hold Public Hearings on the Draft Annual Plan

Chairperson Hall stated that the proposed PHA Annual Plan for Fiscal Year 2022-2023 could be viewed on the HPHA’s website and copies of the draft plan are also available at the locations listed on the agenda.

Executive Director Ouansafi reported that all public housing agencies administering federal Public Housing and Section 8 tenant-based Housing Choice Voucher (HCV) assistance programs must submit their plans to the U.S. Department of Housing and Urban Development (HUD) to be eligible to receive administrative, operating, Capital Fund Program, and Section 8 HCV assistance monies.

The PHA Plan is a comprehensive guide to PHA policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the 5-Year Plan, which each PHA submits to HUD once every 5th PHA fiscal year, and the Annual Plan, which is submitted to HUD every year by non-qualified agencies. Qualified agencies have a combined unit total of 550 or less public housing units and section 8 vouchers. The HPHA is considered a large housing authority by HUD’s criteria.

The PHA Annual Plan does not govern or apply to the State public housing programs or any other State assisted programs that are administered and managed by the HPHA.

The HPHA must electronically submit the PHA Annual Plan and required attachments in the HUD-specified format no later than 75 days prior to the start of the fiscal year (or April 17, 2022), for review and subsequent approval by the local Honolulu HUD Office.
The PHA Annual Plan has several new goals and objectives, as well as proposed changes to HPHA policies, including:

**Rent Determination Policies (pg. 14 of the PHA Annual Plan)**

1. **Proposed Revision:** Adopt a policy to hold HCV families in affected payment standard tiers harmless for the difference in gross rent if there is a drop in the tier’s payment standard resulting in the gross rent exceeding the payment standard.

   Effective 2018, HUD implemented different fair market rents for each zip code. This resulted in the creation of payment standard tiers that would adjust yearly based upon the assessed housing market. If a payment standard were to decrease below a participant’s gross rent, the participant would be responsible for covering the difference up to the gross rent amount unless they chose to move. This rule change would prevent the participant from having to cover the difference in rent, allowing the family to continue to pay only 30% of their income to housing, as the Agency would cover the difference.

**Operations and Management (pg. 14 – 16 of the PHA Annual Plan)**

2. **Proposed Revision:** Expand the use of the Hawaii State Landlord Incentive Program to incentivize landlords to participate in the housing choice voucher program, subject to the availability of funds. The incentives that the HPHA will seek to implement are:

   a) Reimbursement for costs to repair tenant-caused damages to the dwelling unit when repair costs exceed the tenant’s security deposit, up to $3,000.
   b) Vacancy Loss Payments.
   c) Front-end Vacancy Loss Payments.
   d) Other Landlord Incentives – Signing Bonuses.

   The HPHA’s Landlord Incentive Program was created under Act 215, Session Laws of Hawaii 2019. Specifically, the program was created to incentivize potential landlords to participate in the Section 8 program.

3. **Proposed Revision:** Adopt Administrative Rules allowing for the use of biennial reexaminations across all Housing Choice Voucher related programs, including Emergency Housing Vouchers.

   Currently, reexaminations are performed every year on an annual basis. However, with the recent expansion of the Section 8 program, resources are scarce and there is not enough staff to consistently perform these reexaminations, not to mention the need to perform timely interim reexaminations as well.
4. **Proposed Revision**: Establish a policy to transition Foster Youth to Independence (FYI) Voucher participants to Housing Choice Vouchers once the participant has reached their maximum allowed time in the FYI program.

The statutory 36-month time limit on a Foster Youth to Independence (FYI) program is firm and cannot be waived. However, the HPHA intends to create a policy to create a preference to transition FYI participants to a regular Housing Choice Voucher before the HPHA terminates the youth’s voucher once the 36-month statutory time limit on assistance has expired.

The inclusion of proposed policy changes in the PHA Annual Plan are not requirements. If the HPHA is unable or chooses to delay implementation of a proposed policy change, HPHA must report that in the following year.

Revisions and updates to the current housing situation in Hawaii included in the PHA Annual Plan are based on the results of the 2019 Census and the 2019 Hawaii Housing Planning Study. The study shows that the greatest share of the needed units is concentrated at the lowest HUD income levels. Most of the needed units are also concentrated in the rental market rather than the ownership market.

For the PHA Annual Plan, meetings started with the Resident Advisory Board (RAB) members on a monthly basis starting in August 2021. RAB members and the HPHA staff discussed progress over the past year and additions and changes to the plans. The RAB will provide preliminary comments and recommendations, and the HPHA will respond to those comments prior to submission of the final PHA Annual Plan. The HPHA is not required to incorporate the recommendations of the RAB but considers all comments prior to final adoption.

In order to meet the April 17, 2022 deadline for submitting the final plan to HUD, the following schedule has been established:

<table>
<thead>
<tr>
<th>Action</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>Input from RAB (Monthly Meetings)</td>
<td>August 2021 – March 2022</td>
</tr>
<tr>
<td>Board – “For Action” (set Public Hearing)</td>
<td>December 16, 2021</td>
</tr>
<tr>
<td>Publish Hearing Notice (45 Day Notice)</td>
<td>December 20, 2021</td>
</tr>
<tr>
<td>Public Hearing</td>
<td>February 3, 2022</td>
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<tr>
<td>Meet with RAB for Final Comments</td>
<td>February 8, 2022</td>
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<tr>
<td>Finalize Plan</td>
<td>February 8 – March 17, 2022</td>
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<tr>
<td>Board – “For Action” (To Approve Plan)</td>
<td>March 17, 2022</td>
</tr>
<tr>
<td>Transmit Approved PHA Plan to HUD</td>
<td>March 21, 2022</td>
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<tr>
<td>HUD Final Deadline</td>
<td>April 17, 2022</td>
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Information regarding the draft PHA Plan and the public hearings will be sent to all RAB members, Resident Associations and Asset Management Project (AMP) property offices, and can also be found on HPHA’s website.
To notify the public of the hearing, notices will be published in the Honolulu Star-Advertiser, The Garden Island (Kauai), The Maui News, West Hawaii Today (Kailua-Kona), and the Hawaii Tribune Herald (Hilo) upon Board approval.

Director De Mello referred to page 48 of the Board packet (page 26 of the PHA Annual Plan) and pointed out the construction cost listed for the Lanakila Homes was written oddly.

Executive Director Ouansafi stated that HPHA will make the correction on the PHA Annual Plan to reflect the appropriate cost.

Director Larson referred to page 18 of the Board packet and sought more information on the difference between the front-end vacancy loss payments and the vacancy loss payments. She also recognized the benefits with the proposed revision regarding the Foster Youth to Independence (FYI) program and commended HPHA on their efforts.

Executive Director Ouansafi explained that the front-end vacancy loss would be to pay the landlord up to one month of the contract rent as reimbursement for the time the unit is spent when the previous tenant wasn’t a Section 8 participants, while vacancy loss would be to pay the landlord for the time spent in between vacancies between participants of Section 8.

Chairperson Hall acknowledged that HPHA intends to procure a consultant for asset repositioning. If the study proves beneficial, he stated that he expects HPHA to make amendments to the PHA Annual Plan as needed.

The motion was unanimously approved.

Director Sparlin moved,

To Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year from July 1, 2020 to June 30, 2021 and to Authorize the Executive Director to Submit the Audited Financial Statements to the Office of the Governor, the Hawaii State Legislature, the U.S. Department of Housing and Urban Development, and Other Entities as may be Required

Executive Director Ouansafi reported that the Hawaii Public Housing Authority (HPHA) is required to prepare annual financial statements for each fiscal year in compliance with general accepted accounting principles (GAAP).

An independent auditor contracted by the Office of the Auditor performs audit procedures on the financial statements in order to express an opinion on whether the financial statements present fairly the financial positions of the funds the HPHA administers.
Executive Director Ouansafi introduced and welcomed Mr. Peter Hanashiro and Ms. Christy Iriguchi with KMH LLP, the independent audit firm who were hired by the State Auditor to conduct the HPHA’s financial and compliance audit.

Mr. Hanashiro briefly introduced himself and Ms. Iriguchi. He thanked Executive Assistant Arashiro, Acting Chief Financial Officer Bennett Liu and the HPHA staff for their assistance throughout the audit process. Mr. Hanashiro explained that HPHA is a component unit of the State of Hawaii, so it’ll be included in the State’s annual comprehensive financial report. While there are two components to the auditor’s work (financial audit and single audit), KMH LLP presented on the financial audit during the meeting. Mr. Hanashiro reported that KMH LLP is still working on the single (compliance) audit due on March 31, 2022.

The auditor’s responsibility was to conduct an audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. These standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Ms. Iriguchi discussed HPHA’s financial background and recognized the effort it takes Acting Chief Financial Officer Bennett Liu and his staff to get the financial statements completed and accurately each year. She reported that there are four governmental funds and four major proprietary funds. Governmental funds are reported on a modified accrual basis, which is similar to a cash basis with a few items modified for accrual, while proprietary funds are reported on a full accrual basis of accounting, similar to a private sector. Ms. Iriguchi acknowledged and discussed how, unlike other departments, the financial activities for HPHA are more complex. While other State agencies have simpler financial statements because they are predominately governmental funded, HPHA has predominately proprietary funds due to collecting rent requiring more work and organization. Ms. Iriguchi added that HPHA also maintains their own general ledger and is under HUD which adds a layer of additional regulations to account for on a daily basis.

Ms. Iriguchi reported that HPHA’s financial statements, in all material respects, were presented fairly and in accordance with accounting principles generally accepted in accounting standards and issued a “clean opinion” or “unqualified opinion” where the financial statements were free from material misstatement.

The auditors are also required to report on the internal controls over financial reporting, which will be included in the single audit that will be issued in March 2022. Ms. Iriguchi explained the three levels of reporting: material weakness, significant deficiency and management comments. For the fiscal year ending in June 30, 2021, HPHA had no internal control findings over the financial reporting noted. Ms. Iriguchi reemphasized the complexities of HPHA’s financial activities and commended Acting Chief Financial Officer Bennett Liu and his team for having accurate financial reporting. She thanked
them for their hard work and assistance throughout another year of the pandemic which required extra efforts added to HPHA’s workload on top of their daily requirements.

Mr. Hanashiro added that KMH LLP will also be issuing the SAS 114 Communication Letter, which will be presented in March 2022 along with the single audit report. He highlighted that the letter will state that there were no new accounting standards that were significant to HPHA and that there were no significant or unusual transactions outside of the auditor’s understanding. There were a few proposed audit adjustments, which were approximately $170,000 that impact the statement activities; however, this didn’t warrant an internal control finding. Due to the volume of transactions that HPHA processes (14 AMP funds and various major funds), these proposed audit adjustments are considered minor. Mr. Hanashiro understood that there were a lot of audit adjustments in the past and applauded HPHA on cleaning up the accounting over the years. He reported that there were no material disagreements with management and no significant difficulties dealing with management during the audit. Performing an audit, especially remotely due to the pandemic has its challenges. Mr. Hanashiro acknowledged and thanked the HPHA staff for their efforts and cooperation.

Executive Director Ouansafi thanked Mr. Hanashiro, Ms. Iriguchi and their staff for their continued professionalism and hard work.

Chairperson Hall commended Acting Chief Financial Officer Bennett Liu and his staff for their efforts.

The motion was unanimously approved.

Director De Mello moved,

To (1) Adopt Amendments to the Hawaii Public Housing Authority’s Rules of Practice and Procedure as follows:

1. Changing the Agency Name from the Housing and Community Development Corporation to the Hawaii Public Housing Authority;
2. Replacing references to Chapter 201G, HRS with Chapter 356D, HRS;
3. Amending the Definitions in Section 17-2000-2 to Add “Authority”;
4. Section 17-2000-3 [Business hours and location]: Changing the address of the authority to 1002 N. School Street;
5. Section 17-2000-6 [Agenda]: Amending to add inclusions for agenda language;
6. Section 17-2000-9 [Quorum and number of votes necessary for action]: Amending the number of directors necessary for quorum and the number of affirmative votes necessary to determine any action to six;
(7) Section 17-2000-10 [Submittal and filing of documents]: Adding drawing and spreadsheets to the list of documents that may be larger than 8-1/2” x 11”;
(8) Section 17-2000-13 [Retention of documents]: Clarifying that documents shall be retained for the period of time provided by law;
(9) Section 17-2000-14 [Access to authority records]: Clarifying that copies of government records shall be made available provided by law;
(10) Section 17-2000-17 [Inclusion on Agenda]: Deleting section in its entirety;
(11) Section 17-2000-22 [Appearances before the board]: Amending to allow appearances before the board by video conference; and
(12) Section 17-2000-48 [Burden of proof; evidence]: Clarifying that the degree of proof shall be preponderance of the evidence; and

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

Executive Director Ouansafi reported that the changes include “house-cleaning” items. Due to limited staffing, these changes took longer than usual to address.

Director Pulmano asked why quorum was being proposed to change from five to six. She was curious if it could be changed to stating a majority in the event that the number of Board members change in the future.

Executive Director Ouansafi reported that for a Board of 11 members, six is the required quorum.

Deputy Attorney General Klemen Urbanc confirmed that the Board is required to comply with the statutes and cannot be changed.

The motion was unanimously approved.

Director Katsuda moved,

To (1) Ratify the Attached Memorandum of Agreement Between the Office of Planning (“OP”), State of Hawai’i, now known as Office of Planning and Sustainable Development (“OPSD”), State of Hawai’i and the Hawaii Public Housing Authority (“HPHA”) Relating to the Award of Transit Oriented Development Capital Improvement Project (“TOD CIP”) Planning Grant awarded to HPHA by OPSD to be Utilized for the Preparation of Preliminary Master Development Plans for:
and Authorize the Executive Director to Undertake all Actions Necessary to Implement the Attached Memorandum of Agreement;

(2) Approve the Attached Draft Memoranda of Agreement (“MOAs”) Between OPSD and HPHA Relating to the TOD CIP Planning Grants awarded to HPHA by OPSD to be Utilized for the Preparation of Preliminary Master Development Plans for:

(i) Kahekili Terrace, Holowai Place, Wailuku, HI 96793 (Tax Map Key 3-4-017:146) and
(ii) Pu‘uwai Momi Housing, Kohomua Street, Aiea, HI 96701 (Tax Map Key TMK: (1) 9-9-003:056, 064)

and Authorize the Executive Director to Make Non-Substantive Revisions to the Attached Draft MOAs as May be Required, Execute the Attached Draft MOAs and Undertake all Actions Necessary to Implement the Executed MOAs; and

(3) Authorize the Executive Director to Undertake All Actions Necessary to Accept the Delegation of OPSD TOD CIP funds and Implement Current and any Future TOD CIP Planning Grants Awarded to HPHA by OPSD

Executive Director Ouansafi reported that Act 130, Session Laws of Hawai‘i (“SLH”) 2016, was enacted to:

(1) maximize the benefits of redevelopment of State lands in areas served by public transportation statewide, including the revitalization of neighborhoods, increased affordable housing inventory, improvement in worker access to jobs, and reduction in fuel consumption; and

(2) establish the Hawai‘i Interagency Council for Transit-Oriented Development ("TOD Council") to advise the State in achieving this objective.

The purpose of Act 130, SLH 2016, is to promote effective and efficient TOD planning and coordination among State agencies and counties statewide. Act 130, SLH 2016 also charges OPSD with coordinating and facilitating the maximum redevelopment potential for State lands around transportation nodes and in promoting smart growth.

To achieve the long-term maximum development potential of these lands and State TOD objectives, State agencies should consider broader State TOD and smart growth objectives in site and facility planning and design in areas served by public transportation.
HPHA prepared and submitted competitive proposals to OPSD for TOD CIP funds for the following properties:

1. Lanakila Homes, Holomalia Street, Hilo, HI 96720 (Tax Map Key 2-4-028:007)
2. Kahekili Terrace, Holowai Place, Wailuku, HI 96793 (Tax Map Key 3-4-017:146) and
3. Pu‘uwai Momi Housing, Kohomua Street, Aiea, HI 96701 (Tax Map Key TMK: (1) 9-9-003:056, 064)

The OPSD evaluation team evaluated HPHA’s proposals and determined that the proposed projects would advance State and County objectives for TOD, contribute to key revitalization and redevelopment efforts, and increase housing stock in their respective communities. Based on this assessment, OPSD has awarded these projects the following TOD CIP Grants:

1. The Lanakila project has been awarded $550,000 in State TOD CIP Planning funds in Fiscal Year 2021 appropriated by the State Legislature in 2020.

2. The Pu‘uwai Momi Project has been awarded $400,000 in State TOD CIP Planning funds in Fiscal Year 2022, which were appropriated by the State Legislature in 2021. The funding will be utilized to develop a preliminary Master Plan to guide the redevelopment of the project that has been approved by the TOD Council for inclusion in the State Strategic Plan for Transit-Oriented Development.

3. The HPHA’s Kahekili Terrace project has been awarded $225,000 in State TOD CIP Planning funds in Fiscal Year 2022, which were appropriated by the State Legislature in 2021. At Kahekili, the HPHA will prepare a preliminary master development plan for the 3.9-acre parcel which is currently occupied by ten two- and three-story buildings providing approximately 60 units. The property is located within the Wailuku Redevelopment Area and the preliminary master plan will identify redevelopment opportunities that would result in additional affordable housing units onsite, streetscape and multi-modal transportation improvements to enhance connectivity with the Wailuku Redevelopment Area and Wailuku Market Street corridor. The Project area includes an area with contaminated soils, which will also be studied.

Under the MOAs with OPSD, the HPHA will procure and contract for consulting services for preliminary master planning. The conceptual Scope of Work for these projects would include the following elements:

- Preliminary master development plans and design alternatives for future housing, appropriate housing mix, and mixed-use facilities as appropriate;

- Preliminary multi-modal mobility plans to improve street patterns and streetscapes for the project area in accordance with the County’s transit and transportation plans that
incorporate Complete Streets design principles and multi-modal transportation elements, including but not limited to lane reconfiguration, sidewalk improvements, connection/continuation of sidewalk, and sidewalk extension;

- Use of a community-based design approach and engagement of existing residents and surrounding community; and

- Based on availability of funds, additional work will need to be conducted including civil engineering assessments of the availability and capacity of existing infrastructure.

Director De Mello thanked HPHA for their efforts. Living on the unpaved street at Lanakila Homes, he stated that he looks forward to having a complete community with paved roads where buses can pass through.

Director Kunz thanked Executive Director Ouansafi and his team for their hard work. She recognized that the Hawaii County is behind with the affordable housing needs and expressed appreciation for HPHA’s support.

Director Larson acknowledged that all three islands have a drastic need for affordable housing. While communities are always wanting lower, less dense properties, Director Larson expressed that this is an opportune time to maximize density.

Director Kunz expressed interest in maximizing the density of Lanakila Homes.

Executive Director Ouansafi confirmed HPHA’s goal of aiming to build more. He felt that the studies will identify the capacities available and is open to working with all the counties to maximize the number of affordable housing possible.

Chairperson Hall discussed his hopes in the agency developing meaningful housing with an end goal of being completed sooner.

Executive Director Ouansafi confirmed that although there is an elaborate process to follow, HPHA aims in moving development forward as expeditiously as possible.

The motion was unanimously approved.

**Executive Director’s Report**

Executive Director Ouansafi reported that during the month of November:

- Kama`oku – the State’s first master-planned Kauhale for homelessness held its grand opening on November 16, 2021 in Kalaeloa and are currently accepting applications. Director Larson forwarded an article that summarizes the project, which was provided to the Board.
• HPHA continues to monitor the pandemic counts and provide support to its tenants. Several COVID-19 booster shot clinics have been scheduled.

• With the Opening Day of the 2022 Legislative Session set to begin on January 19, 2022, the HPHA has been meeting with various state legislators and committee staff and updating them on some of the following HPHA priority budget items that were included in the Governor’s Supplemental Budget:
  o $500,000 in additional General Funds for the HPHA’s State Rent Supplement Program.
  o $10,000,000 lump sum Capital Improvement Project funding for public housing development, improvements and renovations, statewide.
  o Create and establish 6 Federal Funded positions for the HPHA’s Section 8 Branch.
  o Convert 15 FTE Federal Funded positions to Revolving Funds.
  o Convert 1 FTE from Temporary to Permanent, from Federal Funded position to Revolving Funds.
  o Convert 2 FTE Revolving Funded positions from Temporary to Permanent.

Kuhio Park Terrace/Kuhio Low-Rises and Homes

• Rental Assistance Demonstration (RAD) Conversion

  The KPT RAD conversion successfully closed on November 30, 2021, which is the State’s first RAD conversion.

• KPT Low-rises and Homes Phase II Redevelopment

  HPHA development staff met with the new Michael’s development team to discuss next steps for accelerating the redevelopment effort. Michael’s will be revising the project budget and schedule for HPHA review.

School Street Elderly Housing Redevelopment

• Retirement Housing Foundation (RHF), the General Contractor and the Design Team have held several value engineering meetings with all participating contractors as they continue to refine the overall project budget.

• RHF provided a project update to the Iwilei Neighborhood Board meeting on November 8, 2021. HPHA continues to engage with the community and keep them informed.
• On November 23, 2021, HPHA submitted a letter seeking zoning review exemption for the anticipated renovations to Building A to accommodate some staff.

• RHF is in the process of preparing financing solicitation for HPHA review.

Puuwai Momi

• A draft Memorandum of Agreement (MOA) authorizing the delegation and transfer of $400,000 in State TOD CIP Planning funds to HPHA for the preliminary master planning for the project has been prepared by Office of Planning and Sustainable Development and HPHA development staff.

Public Housing

• Due to the heavy rains, HPHA experienced some damage to properties, which are being addressed.

• HPHA moved in 40 families and completed approximately 550 annual reexaminations, 221 interim reexaminations and 29 new admissions.

Section 8

• Executive Director Ouansafi thanked the HUD local office for their assistance. He acknowledged the guidance and support of Mr. Jesse Wu and Ms. Katie Pierce. Due to their efforts, HPHA was funded 100% of the shortfall that resulted in providing additional vouchers for approximately 1,000 families. As of today, HPHA is fully funded.

• HPHA expended a total of approximately $3.7M in housing assistance payments (HAP) to private landlords on behalf of 3,233 voucher holders. HPHA issued a total of 13 vouchers for New Admission (including appeals and reasonable accommodations), Project Based, VASH, FYI, Mainstream, EHV and Port-ins.

• 496 VASH families were assisted, and approximately $425,000 was paid in HAP.

• HPHA conducted a total of 224 inspections.

• HPHA received a total of 128 rent comparable requests, where 119 were approved and 9 were denied.

• HPHA continues to work with the CoC, Partners in Care, for the EHVs.
Human Resources

- HPHA is operating the entire agency with approximately 300 FTE with 22 positions on continued recruitment and 47 positions that the agency is unable to fill due to the current hiring freeze.

Executive Director Ouansafi expressed special thanks to his staff, the Board and HUD for their continued hard work and support.

Director Larson asked for an update on the School Street funding bond cap.

Executive Director Ouansafi reported that HPHA is still waiting for information from HHFDC who are waiting on the County. The County has until the end of the year to decide if they want to take advantage of all of the bond cap or not. Executive Director Ouansafi expressed being optimistic and confirmed that he will update the Board as soon as HPHA receives a response.

Director Katsuda felt that with everything considered, HPHA, the Board, HUD has had a good year. He expressed gratitude with being able to work with the agency.

Designee Campos commended HPHA staff on their efforts with mitigating the effects of COVID-19. He thanked HPHA for ensuring its staff and tenants have ample supplies, such as PPE masks. Designee Campos reported an increase in COVID-19 case counts, and 395 were reported statewide today.

Chairperson Hall acknowledged the efforts behind organization of the development tracker that was provided to the Board and recognized how many families were assisted this year. He encouraged HPHA to continue utilizing its tools and resources to aid the public with housing. Chairperson Hall also communicated the significance of HUD’s support.

Executive Director Ouansafi welcomed the Board’s feedback and suggestions on how to improve the development tracker. He added that HPHA was able to assist a total of approximately 2,000 families in 2021.

Executive Director Ouansafi thanked the Board for their continued support and efforts.

Chairperson Hall read a response from Mr. Jesse Wu, HUD Director Honolulu, via Zoom chat that he’d continue to work with HPHA to find more opportunities to help the families.

(End of Section)
Director Katsuda moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 10:18 a.m.

MINUTES CERTIFICATION:

Minutes Prepared by:

Jennifer K. Menor
Secretary to the Board

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on February 17, 2022 [ ✔ ] As Presented [   ] As Amended

Roy Katsuda
Director Roy Katsuda
Board Secretary

Date

Feb 17, 2022