HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF
BOARD OF DIRECTORS SPECIAL MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
Thursday, May 12, 2022
9:00 a.m.

AGENDA

THIS MEETING WILL BE HELD VIA ZOOM (INTERACTIVE AUDIO VISUAL
CONFERENCE TECHNOLOGY) OR TELECONFERENCE CALL (AUDIO-ONLY
COMMUNICATION) AND AT 1002 NORTH SCHOOL STREET, BUILDING A
BOARDROOM, HONOLULU, HI 96817

Viewing/Participating in the Meeting:

Zoom: 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/82503205679?pwd=bllsTWROSS9ZYmlLbmlza3J4TlFSUT09.
When prompted, enter the Meeting ID: 825 0320 5679 and the Password: BXU2cJ.

Alternatively, the public may also participate via telephone by calling: 1-669-900-6833.
When prompted, callers should enter the Meeting ID: 825 0320 5679 and the Password:
118603. We request that meeting participants change the display on their device to
show their first and last name to expedite rolloff. 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. Audio-Only 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.

Physical Meeting Location:

The public may also attend the meeting at 1002 North School Street, Building A
Boardroom, Honolulu, HI 96817, which will be connected via Zoom to the remote
meeting. At this time, no Board members are scheduled to be physically present at this
location.
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, May 9, 2022, which will be distributed to Board members. The public 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, May 9, 2022, 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: If or when the Board of Directors enter 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, April 21, 2022

IV. DISCUSSION AND/OR DECISION MAKING

A. To Approve School Street RHF Partners, Phase One, LP’s Letter to the Hawaii Housing Finance and Development Corporation (HHFDC)
Requesting an Extension of the August 31, 2022 Construction Commencement Deadline in Act 88 (SLH 2021) for the School Street Redevelopment Phase 1A and Extension of Closing Date for HHFDC’s $40,000,000 Rental Housing Revolving Fund (RHRF) Loan for Phase 1A of the Hawaii Public Housing Authority’s School Street Affordable Senior Housing Redevelopment Project located at 1002 North School Street, Honolulu, Oahu, TMK No. (1) 1-6-009-003

(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.)

B. To Delegate Authority to the Executive Director of the Hawaii Public Housing Authority to Negotiate and Execute Design and Construction Contract Settlement Agreements and Require the Executive Director to Provide a Report on Any Settlement Agreement Executed Under This Delegation

(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 matter.)

C. Update on Legislative Bills and Report on Testimony by the Executive Director for the 2022 Legislative Session

V. REPORTS

A. Finance Task Force Report on HPHA’s Operating Budget for Fiscal Year 2022 - 2023

B. Executive Director’s Report: Monthly reports are included in the Board packet.
   - Financial Report for the Month of March 2022
   - Report on Contracts Executed During April 2022 and Planned Solicitations for May 2022. No formal report is planned.
   - 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 March 2022
• 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 May 9, 2022, the HPHA will try to obtain the auxiliary aid/service or accommodation, but cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats such as large print or electronic copy.
The Board of Directors of the Hawaii Public Housing Authority held a Board Special Meeting at 1002 North School Street, on Thursday, May 12, 2022. The Board meeting was conducted by video conference (Zoom).

The public was able to participate in the meeting via Zoom or telephone by calling in. The meeting was also open to the public for in person participation at 1002 N. School Street, Building A, Honolulu, HI 96817. No Board members were scheduled to be physically present at this location. It was announced that if the HPHA lost internet or Zoom connection during the meeting, the meeting would be recessed and reconvened pursuant to instructions in the posted agenda.

At approximately 9:04 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 Christyl Nagao)
(Director Todd Taniguchi)

Deputy Attorney General Jennifer Sugita
Deputy Attorney General Klemen Urbanc

**EXCUSED:**
(Director Sabrina Nasir)
(Director Leilani Pulmano)

**STAFF PRESENT:**
(Via Zoom)
(Hakim Ouansafi, Executive Director)
(Barbara Arashiro, Executive Assistant)
(Kevin Auger, Redevelopment Officer)
(Bennett Liu, Chief Financial Officer)
(Rick Sogawa, Contracts and Procurement Officer)
(Benjamin Park, Chief Planner)
(Shirley Befitel, Human Resources Supervisor)
(Sharon Espejo, Assistant Chief Financial Officer)
(Gary Nakatsu, Acting Systems Administrator)
Public Testimony

Individuals were allowed to submit written testimony no later than 12:00 noon on Monday, May 9, 2022, 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 P.O. 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

Designee Campos moved,

To Approve the Regular Meeting Minutes of April 21, 2022

The minutes were approved as presented.

(End of Section)
**Discussion and Decision Making**

Director De Mello moved,

To Approve School Street RHF Partners, Phase One, LP’s Letter to the Hawaii Housing Finance and Development Corporation (HHFDC) Requesting an Extension of the August 31, 2022 Construction Commencement Deadline in Act 88 (SLH 2021) for the School Street Redevelopment Phase 1A and Extension of Closing Date for HHFDC’s $40,000,000 Rental Housing Revolving Fund (RHRF) Loan for Phase 1A of the Hawaii Public Housing Authority’s School Street Affordable Senior Housing Redevelopment Project located at 1002 North School Street, Honolulu, Oahu, TMK No. (1) 1-6-009-003

Executive Director Ouansafi welcomed Director Nagao to the HPHA Board of Directors and thanked the Board for their willingness to participate in the Special meeting to meet the deadline for the said letter to HHFDC requesting an extension.

Executive Director Ouansafi reported that the Request for Qualifications (RFQ) selection committee selected Retirement Housing Foundation (RHF) by action of the HPHA’s Board on June 18, 2015.

RHF and HPHA entered into a Predevelopment Agreement dated in May 2016, and was amended to First Amendment to Predevelopment Agreement in December 27, 2018.

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 crises across the State of Hawaii.

A Final Environmental Impact Statement (FEIS) reflecting a proposed master plan to provide 800 units of low-income senior residential housing (which will be affordable for life), new administrative offices for HPHA and ancillary commercial space was completed in April 2018. Following the Board’s approval of the FEIS at its April 19, 2018 meeting, the HPHA submitted the FEIS to the OEQC and the Governor on April 26, 2018. The FEIS was published in the May 8, 2018 edition of the OEQC’s The Environmental Notice Per HAR 11-200-23 (c).

Pursuant to Act 88, Sessions Law of Hawaii 2021, the state legislature approved $40,000,000 in general obligation funds to be deposited into the HHFDC’s RHRF for fiscal year 2021 for Phase 1A of the HPHA’s School Street Affordable Senior Housing Redevelopment Project. These funds are contingent upon project construction commencement of no later than August 30, 2022, unless an extension is approved by the HHFDC, the State of Hawaii Office of Budget and Finance and the Governor.

On July 9, 2021, School Street RHF Partners, Phase One, LP, (Applicant) submitted a consolidated application, as amended, on behalf of the HPHA School Street HPHA’s
School Street Affordable Senior Housing Redevelopment Project for:

1. Tax-exempt issuance of up to $71,500,000 from HHFDC’s Hula Mae Multi-family Bond Program
2. $5,257,493 in annual Federal LIHTC over a 10-year period and $5,257,493 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC)
3. A RHRF loan of $40,000,000

On October 14, 2021, The HHFDC Board approved the Applicant’s consolidated application including a Rental Housing Revolving Fund Project Award of $40,000,000 for Phase 1 of the HPHA School Street Affordable Senior Housing Redevelopment.

In May 2022, School Street RHF Partners, Phase One, LP submitted to the HPHA a proposed letter to the HHFDC seeking an extension of the construction commencement deadline for the Phase 1A of the Hawaii Public Housing Authority’s School Street Affordable Senior Housing Redevelopment Project for various reasons and proposing that the construction commencement date be extended.

The proposed letter from RHF to HHFDC requesting the extension was provided to the Board for their review and consideration.

The RHF team was present at the meeting to answer questions from the Board.

Bob Fard, RHF’s Senior Director of Acquisitions, briefly introduced himself and thanked the Board for their efforts and support.

Director Katsuda asked for clarification on the new proposed extension date and was also curious if RHF only realized recently that an extension was needed. He sought more information on how this extension may affect the funding sources, and with interest rates increasing, if RHF will continue to have sufficient funds.

Mr. Fard stated that RHF is requesting to extend the construction commencement deadline to August 2023 and that they have been working on the extension request for several weeks. RHF realized that the process can be challenging and wanted to provide the Board with clearer estimated dates without having to ask for additional extensions in the future. Mr. Fard added that although interest rates are increasing and other things are out of their control, he felt confident that they can maintain the funding sources to develop the School Street project assuming that the extension is approved. With a $140 million project, RHF has approximately a $3-4 million gap that they’re seeking to fill. Mr. Fard stated that there hasn’t been a significant change, so they should have adequate funds.

Director Larson, a former HHFDC Director, recalled that there’s a two-year construction deadline for tax credit projects. She asked how this extension will affect the current tax credits and if RHF will need to reapply. Director Larson understood that the certificate
of occupancy must be completed within two years. She expressed wanting more clarification on what happens to the loan with the extension and potential need to reapply for the tax credits.

Mr. Fard stated that, although it is a possibility, he doesn’t anticipate needing to reapply. He understood that once funds are awarded and received, a construction deadline is established. Since funds haven’t been received yet, there’s no start date yet to the construction deadline.

Jon Pang, from Case Lombardi & Pettit and representing RHF, briefly introduced himself. Although he wasn’t originally involved in the tax credits, he confirmed that the deadline depends on the year the tax credits were awarded. Mr. Pang explained that he couldn’t answer Director Larson’s inquiry at the meeting and will need to research further to see when the tax credits were awarded. He stated that RHF will work with HHFDC to ensure that the current tax credits will remain valid and that new tax credits won’t need to be awarded; however, RHF will reapply if they find out they need to. Unsure about the impact to the tax credits, Mr. Pang stated that RHF’s current focus is to extend the $40,000,000 loan closing date and expects a discussion on the tax credits at the HHFDC Board meeting. Mr. Pang doesn’t anticipate losing the loan and discussed how the extension will keep the loan active. One of their requests is to extend the closing date of the loan. Since it’s part of the structure, for the bond financing and tax credits, RHF will work with HHFDC to match them up. Because this project will be under HHFDC’s program, Mr. Pang felt the project will get priority in awarding of bond cap and tax credits. RHF will then work with HHFDC to make sure they match up. Mr. Pang stated that the extension doesn’t jeopardize the loan; RHF is making sure the loan is preserved first. When RHF applied for the loan initially, they centered the bonds and tax credit approval around the closing of the loan, which is what RHF plans to do again if they need to reapply.

Director Kunz asked if the extension would allow enough time to reapply for tax credits and LIHTC.

Mr. Pang stated that the bonds are ongoing and can be applied for at any time. He explained that unlike the 9% tax credits, the 4% tax credits aren’t competitive tax credits, which will be an ongoing application. RHF will be looking at the bond cap and tax credit allocations available. Mr. Pang discussed that since the $40,000,000 is a HHFDC actual rental housing revolving loan and under one of their programs and under their statutes, the bonds will be “first tier” priority.

Director Taniguchi asked what the risk management plan is moving forward. He perceived the delay and one-year extension being a time risk amongst other risks. Director Taniguchi understood the difficulties that COVID-19 caused (i.e., permitting) and sought how RHF plans to avoid future delays and issues.

Mr. Fard stated that while there is minimal development risk, he does recognize the financial risk. Although rates and cost of supplies are increasing, construction cost risks
are minimal as RHF was able to currently secure pricing with its contractors and consultants. Mr. Fard acknowledged challenges, but RHF and HPHA have been and will continue to work closely together to move forward expeditiously as possible. Considering the timeline, it’s difficult to mitigate financial risk as they are unable to lock in any funds at the moment. Mr. Fard remains hopeful, and while they’ve faced challenges, RHF is managing as best as possible.

Executive Director Ouansafi added that HPHA selected RHF with the hope and the expectation that they will deliver. RHF has completed multiple projects in the mainland and statewide. Although the School Street project has had its challenges, RHF is hiring a project manager to stay on site, and HPHA continues to provide support and guidance. Executive Director Ouansafi discussed that RHF has assured HPHA that they are committed and are confident to move the project forward.

Director Larson stated that staffing is one of the key components for moving the project expeditiously. She was pleased to hear that RHF is committed to hiring key staff and asked if RHF has a timeline on when staffing will be available and when they’d know if they need to reapply for tax credits.

Chairperson Hall redirected the discussion back to the matter at hand.

Mr. Fard discussed that he will have to consult with their attorneys for more details on reapplying. He reassured HPHA and its Board that RHF is committed to this project and will be happy to take whatever steps are required to move the project forward. Mr. Fard clarified that RHF is looking to hire a construction manager (rather than a project manager) when they have a definite timeline for construction and groundbreaking. Since they are still in the processing stage with planning, permitting and design, a construction manager isn’t needed yet.

Executive Director Ouansafi added that RHF should know soon from HHFDC if they’re needing to reapply for the tax credit when timelines will be clearer. He reported that HPHA also discussed with RHF the expiration of the 201H that was granted which include approximately $10M worth of credit. Executive Director Ouansafi stated that conversations with RHF included hiring of a project manager soon. Hearing from Mr. Fard about hiring a construction manager, HPHA will seek further clarification on the potential staffing.

Chairperson Hall acknowledged that the 2022 Legislative session put a lot of funds and focus on the delivery of affordable housing. While he recognized that challenges have and will continue to arise, he encouraged HPHA and RHF to do what’s needed to provide the needed affordable housing.

**The motion was unanimously approved.**
Director Katsuda moved,

To Delegate Authority to the Executive Director of the Hawaii Public Housing Authority to Negotiate and Execute Design and Construction Contract Settlement Agreements and Require the Executive Director to Provide a Report on Any Settlement Agreement Executed Under This Delegation

Executive Director Ouansafi reported that he already has delegated authority to execute design and construction contracts and associated supplemental contracts and change orders without limit.

The delegation of authority to the Executive Director to negotiate and execute settlement agreements both in favor of or against the Hawaii Public Housing Authority would extend to design and construction contract settlement agreements only. The management and implementation of design and construction contracts are an integral part of day-to-day operations of the HPHA and the Construction Management Branch.

The design and construction disputes are of the nature of day-to-day operations.

Invariably there will be errors and/or omissions to consultant designs as well as construction errors that will require negotiation to settle within the contract terms.

On rare occasions, contract negotiations and disputes break down with no meeting of the minds and legal remedies are sought to assist with settling disputes.

Most design or construction disputes are HPHA claims against the consultant or contractor.

Occasionally, disputes by the contractor may arise against HPHA.

It has been rare that a dispute is settled in favor of the contractor, as most are in favor of the HPHA.

Authority of the Executive Director to negotiate and execute design and construction settlement agreements will result in expeditious resolution of such disputes which is in the interest of all involved.

Director Larson and Chairperson Hall sought more information on an estimated cost range of such disputes.

Executive Director Ouansafi reported that the settlement cost depends on the situation, which can range from approximately $5,000-$6,000 to less than $100,000.
Director Katsuda asked for more clarification. He was confused as the Executive Director already has delegated authority.

Chairperson Hall explained that although the Executive Director already has delegated authority (to execute design and construction contracts and associated supplemental contracts and change orders without limit), the motion is meant to provide more transparency to the Board.

Director Taniguchi asked if this is a permanent delegation and if anyone considered including a limit on the time and dollar amount. He expressed his concern with extreme cost settlements, where a cap would be beneficial.

Deputy Attorney General Urbanc clarified that there’s currently formal delegation where the Executive Director can execute contracts of any value without additional Board approval. The Board, if they choose to, can set a cap for future settlements of contracts.

Chairperson Hall stated that he understood that these settlements currently don’t occur often. The focus of this motion is to make the Board more aware. If settlements begin to happen more frequently, the Board can discuss how to move forward and/or set policies.

The motion was unanimously approved.

For Information:

Update on Legislative Bills and Report on Testimony by the Executive Director for the 2022 Legislative Session

Executive Director Ouansafi was pleased to report the following bills were passed during the 2022 Legislative Session that pertain to the HPHA:

- SB 206, SD2, HD1, CD1: Beginning May 1, 2023, prohibits discrimination, including in advertisements for rental property, in rental transactions based on participation in a Section 8 Housing Choice Voucher program or any permanent supportive housing program.

- SB 2251, SD1, HD2, CD1: Allows the Hawaii Public Housing Authority to develop mixed-income and mixed-financed housing projects. Prohibits the development or construction of housing projects on ceded land that is vacant.

- SB2479, HD1, CD1: Requires each public housing project and state low-income housing project, that is built or reconstructed after 1/1/2023, to include all broadband infrastructure necessary for tenants to have access to broadband service.
• SB 2588, SD1, HD1: Appropriates $5,000,000 in General Funds to the Hawaii Public Housing Authority for the rehabilitation, remodeling, renovation, and repair of housing units.

• HB 1600, HD1, SD2, CD1: Adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements. All of HPHA’s Supplemental Budget requests were granted, with an additional appropriation for the HPHA’s Mayor Wright Homes redevelopment project:
  o $500,000 in addition to the base budget for the Rent Supplement Program;
  o $10,000,000 for Capital Improvement Projects;
  o $10,000,000 lump sum to develop 300 mixed-income units and 300 leasehold units at Mayor Wright Homes;
  o 6 federally funded positions for the Section 8 Branch;
  o Convert 15 FTE to revolving funds;
  o Convert 1 FTE from Temp to Perm to revolving funds;
  o Convert 2 FTE from Temp to Perm; and
  o Increase the federal fund ceiling for HPHA by HMS 222, Section 8 Branch

• HB 1752, HD2, HD3: Establishes the Housing Choice Voucher Landlord Incentive Program with an appropriation of $1,500,000 with 2 Housing Quality Standards Inspector II positions. Requires the HPHA to adopt rules without regard to chapter 91, HRS, to establish specified incentives for landlords who participate in the tenant-based assistance Housing Choice Voucher program under Section 8. Requires HPHA to adopt or amend rules no later than 7/1/2023 to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request.

• HB 1827, HD1, SD1: Establishes a statewide working group on affordable housing and zoning issues, raise public awareness of ongoing state and county efforts to reduce barriers to affordable housing development, and propose legislation. Requires an annual report to the legislature. Appropriates funds to support the statewide working group, including one full-time equivalent position to HHFDC.

Director Kunz was happy to see that the Legislature provided staffing and funding support for the Landlord Incentive Program.

Director Larson recalled that she heard that while the Legislature is hopeful, they aren’t confident that HPHA can repair the problems that the landlords were expressing, which she felt is the reason the bill only targeted larger landlords (doesn’t include landlords with 4 units or less). Recognizing the importance of the Section 8 program, she asked how HPHA can manage/obtain staff so the program can be more efficient and successful (i.e., in completed inspections and sending out rent checks). Director Larson sought more details on the $500,000 budget for the Rent Supplement Program. She also stated support in providing broadband at housing properties but expressed a need for education on devices and more elderly services. Director Larson explained how outreach and education are significant.
Executive Director Ouansafi was pleased that the bill passed and expressed the unfairness of discriminating tenants based on the source of funds. He reported that HPHA has spoken with landlords and found that the negative perception of Section 8 tenants and the requirement of receiving a 1099 tax form were some of the reasons landlords had no interest in participating in the Section 8 program. Executive Director Ouansafi reassured the Board that inspections are completed within 15 days. Based on information from staff, inspections took longer when HPHA was serving over 800 families at a time. Executive Director Ouansafi added that although staffing remains to be an issue and is an ongoing recruitment process, HPHA continues to issue Section 8 vouchers. He reported that the $500,000 will be an addition to the base budget for the Rent Supplement Program. Executive Director Ouansafi stated that besides the DOT project, the Secretary of HUD has informed housing authorities that they’re committed to increasing funding for infrastructure for broadband, as well as providing devices to the less fortunate. HPHA is also looking at the speed of broadband. Executive Director Ouansafi added that although the main focus is housing, HPHA had teamed up with Hawaii Literacy and have already provided training on devices during the pandemic.

Chairperson Hall thanked Chief Planner Park for his efforts with the Legislative Session.

(Director Katsuda left the meeting at approximately 10:10 a.m.)

**Executive Director’s Report**

Executive Director Ouansafi reported that during the month of April:

**Kuhio Park Terrace/Kuhio Low-Rises and Homes**

- As the anticipated delivery of the environmental review work product is well ahead of schedule, the project’s 201H application for entitlement, zoning and waivers is now anticipated to be filed by the end of June, almost one year ahead of schedule.

- An updated master plan reflecting up to 625 housing units, approximately 150 more than required under the Restated and Amended Master Development Agreement with The Michael’s Organization (TMO), has been finalized for share out with the community.

- Community engagement to share the revised the Master plan has begun with smaller focus groups of residents and other stakeholders.

- As previously reported, sewer capacity has been confirmed for 625 housing units. However, water availability is now a critical concern due to the Red Hills Fuel Storage Facility.

- An Engineering Report addressing all project utilities is currently being finalized. The report indicates that all major utilities and related infrastructure including water,
sewer, drainage, electric service, roads, and street lighting will require replacement. Preliminary cost estimates for this work total approximately $26 million or approximately $40,000 per unit.

Mayor Wright Homes

The Developer Request for Qualifications (RFQ) is being finalized.

Public Housing

- REAC inspections are ongoing.
- For the period of March 1, 2020 to March 31, 2022, the HPHA requested and received approximately $1.371M from rent relief agencies on behalf of 719 low-income public housing households statewide.
- Prior to March 2020, the total debt owed by residents at all AMPs was approximately $687,000. The table below represents the agency and number of low-income public housing households that were assisted with delinquent rent payment.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Kauai Government Employees</td>
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<td>FCU-Kauai</td>
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<td>Hawaii Community Lending</td>
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<tr>
<td>TOTALS</td>
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</tbody>
</table>

- As of March 31, 2022, there were 448 low-income public housing households that owe two months or more of rent, totaling approximately $946,000. The reasons that tenants have provided for their failure to pay rent are not all COVID related (e.g., forgot to pay, didn’t know to report change in income, other expenses, quit job, etc.).

Section 8

- HPHA expended a total of approximately $4.16M in housing assistance payments (HAP) to private landlords on behalf of 3,515 voucher holders.
- 482 VASH families were assisted and approximately $439,000 was paid in HAP.
- HPHA completed 263 inspections, where 70 failed and landlords were asked to correct the reported deficiencies.
• HPHA made payment of approximately $100,000 to the landlords for the Rent Supplement Program on behalf of 209 families.

• 59 EHV vouchers were issued.

Human Resources

HPHA is currently staffed with 301 FTE and has a total of 83 vacancies.

Chairperson Hall referred to page 47 of the Board packet and was pleased to see that there’s an invitation-for-bids for tenant income recertification services. He felt that this will be beneficial to the Section 8 program. Chairperson Hall recognized that there’s a lot of activity that needs to take place and suggested HPHA to focus on staffing needs and providing support services to the housing properties.

Executive Director Ouansafi agreed that staffing is key and welcomes any recommendations. A common challenge HPHA continues to face is the competitive salary available to applicants at other agencies.

Director Larson added that while there’s a lot of focus from the Board on wanting work and development to get completed, there’s also support for the agency to have staffing adequately compensated with a manageable workload.

Executive Director Ouansafi confirmed that HPHA continues to monitor staff’s workload and will find ways to assist as needed. For example, management spoke with the Branch Chief and unions when they recognized the large case load at the Section 8 office, and spoke with DHRD and the union to hire contractors to help the maintenance staff.

Director Taniguchi recognized and thanked the efforts of HPHA. Seeing the delay in the School Street redevelopment, he encouraged the agency to prioritize, find ways to maintain proper professional-personal balance, and to think of ways to stay consistent and forward moving without taking on too much at one time.

Executive Director Ouansafi expressed his gratitude towards his staff and their hard work, as well as the immense efforts of Deputy Attorney General Sugita and Deputy Attorney General Urbanc.

(Designee Campos left the meeting at approximately 10:32 a.m.)

Finance Task Force Report

Executive Assistant Arashiro reported that the Board Finance Task Force held a meeting to discuss HPHA’s operating budget for Fiscal Year 2022 – 2023. The members of the Finance Task Force consist of Chairperson Hall, Director Pulmano, and
Director De Mello, who met with Executive Director Ouansafi and Chief Financial Officer Liu.

During the Finance Task Force meeting, Executive Director Ouansafi presented the operating budget for Fiscal Year 2023 including a discussion of the budgeting process, the budget assumptions, HPHA’s overall budget and a program and project budget for all of the agency’s programs including the federal public housing program, the state public housing program, the state rent supplement program, the Section 8 housing choice voucher program, project-based contract administration program, the KPT resource center and central office call center (COCC).

Discussion also included how subsidies flow through HPHA for the federal public housing program and the Section 8 program, the state general funded appropriations for the housing projects and for the rent supplement program, the federal capital fund designated for federal public housing, and COCC operating expenses.

A full draft budget will be presented to the Board for their consideration at the next Board meeting.

Director De Mello thanked Chief Financial Officer Liu, his staff, and Executive Director Ouansafi for their efforts. He acknowledged the complexity of HPHA’s budget and was grateful that everything was put into perspective for the Finance Task Force to understand.

Chairperson Hall echoed Director De Mello’s sentiments. The budget was overwhelming, and he was thankful that all questions were clarified thoroughly.

Deputy Attorney General Urbanc asked that the members of the Finance Task Force verify that what Executive Assistant Arashiro presented was to be true.

To ensure compliance with the Sunshine Law, Chairperson Hall and Director De Mello confirmed that what was reported by Executive Assistant Arashiro was accurate.

Executive Director Ouansafi thanked the Board for their guidance and support.

(End of Section)
Director De Mello moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 10:40 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 June 16, 2022 [ √ ] As Presented [ ] As Amended

Roy Katsuda
Director
Board Secretary

Jun 16, 2022