

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E,
HONOLULU, HAWAII 96817
ON THURSDAY, SEPTEMBER 20, 2012
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Board Meeting at 1002 North School Street, on Thursday, September 20, 2012 at 9:00 a.m.

The meeting was called to order by Chairperson Gierlach and upon the call to order, those present were as follows:

DIRECTORS

PRESENT:

Director David Gierlach, Chairperson
Director Matilda Yoshioka, Vice-Chair
Director Jason Espero, Secretary
Director Desiree Kihano
Director Trevor Tokishi
Designee Wilfredo Tungol
Director George Yokoyama

Deputy Attorney General, Jennifer Sugita

DIRECTORS

EXCUSED:

Director Roger Godfrey
Director Debbie Shimizu

STAFF PRESENT: Hakim Ouansafi, Executive Director

Barbara Arashiro, Executive Assistant
Clarence Allen, Acting Chief Financial Management Advisor
Nicholas Birck, Chief Planner
Rick Sogawa, Contracts and Procurement Officer
Kiriko Oishi, Compliance Officer
Becky Choi, State Housing Development Administrator
Stephanie Fo, Acting Section 8 Subsidy Branch Chief
Joanna Renken, Acting Public Housing Supervisor
Daniel Cardona, Property Management Specialist
Gail Lee, Asset Management Project (AMP) 35 Manager
Taryn Chikamori, Secretary to the Board

OTHERS:

Pius Casiano, Puahala Homes Resident
Gloria Castro, Mayor Wright Homes Resident
Augafa Ene, Mayor Wright Homes Resident
Fetu Kolio, Mayor Wright Homes Resident
Paulo Leuta, Mayor Wright Homes Resident

Maile Sakamoto, Coalition for Tobacco Free Hawaii
Andrew Samuel, Public Housing Applicant
Sisan Suda, Micronesians United
Matthew Taufetee, Peacemakers
Jill Tamashiro, Department of Health

Proceedings:

Chairperson Gierlach declared a quorum present.

The business of the Board proceeded with approval of the Regular Meeting Minutes of August 16, 2012.

Director Espero moved to approve the minutes,

Director Yoshioka requested the following clarifications:

- Page 5, second to the last paragraph, should “Correctional Industries” be changed to “Correctional Facilities”? Ms. Barbara Arashiro, Executive Assistant responded that Correctional Industries is the name of the work line.
- Page 8, third paragraph Director Yoshioka asked what the additional \$200,000 to the auditor is for. Executive Director Ouansafi responded that the \$200,000 is for findings that need to be corrected.

The minutes were unanimously approved as amended.

Chairperson Gierlach deferred the approval of the July 19, 2012 and August 16, 2012 Executive Session-Minutes until the Executive Session to be held later in the meeting.

Public Testimony

Mr. Pius Casiano, Puahala Homes Resident, stated there are people illegally residing at Puahala Homes. He stated these people have threatened to kill him and his family. He reported that on September 10, 2012 these people chased his children as they walked home from school. He stated that he has asked the Hawaii Public Housing Authority (HPHA) to enforce the rules but nothing is being done. He stated that the HPHA is enabling the drug dealer. He requested a meeting with the Board of Directors to discuss his issues. He commented that the drug dealer and mangers do not like him because he stands up to them. He also asked for paint and clothes dryers for his family.

Chairperson Gierlach invited the testifiers from the last August meeting to stay for the Executive Director’s report to hear the responses to last month’s issues.

Mr. Pius Casiano provided interpretation for Mr. Andrew Samuel, a public housing applicant. Mr. Samuel stated that he has been on the waiting list for six years and was told he had to be a homeless person to obtain housing. He also reported that the homeless outreach provider would not verify his homelessness unless they actually observed him living in his car. While trying to get the homeless provider to verify his homeless status, Mr. Samuel's car was towed. He also stated that he does not agree with the managers at HPHA.

Mr. Fetu Kolio, Mayor Wright Homes Resident, stated that information regarding evictions should be considered confidential and not televised on the news. He also stated that the Grievance Board and Hearings Board should have a neutral party, not HPHA staff. He requested that the Executive Director work on retaliation and corruption in the agency.

Sisan Suda, Micronesians United, stated that the HPHA has 5,000 units and there are 10,000-12,000 people homeless. He feels that the Board is not legally responsible for the waitlist, so they don't care to build more houses. He asked if the Board plans on building more public housing.

For Action:

Director Tokishi moved,

To Adopt Amendments to and Compilation of Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, Subject to Review and Approval by the Department of the Attorney General.

Executive Director Ouansafi reported that the proposed amendments are necessary for housekeeping, to comply with changed regulations, and to provide clarifications on existing rules. Executive Director Ouansafi discussed the following items:

- a. Definition of the term "criminal activity" as used in the federal public housing program;
- b. Addition of rules which will allow the HPHA to charge for excess utilities where there is only one master meter for the property;
- c. Streamlining of the waitlist by allowing an applicant to choose only one property or area;
- d. Checking the rental history of an applicant to determine suitability and identify whether an applicant has outstanding issues in other States;
- e. Definition of the term "homeless" as used in the federal public housing program;
- f. Changing the waitlist from geographical area to specific developments;
- g. Giving the placement of families on the waitlist priority over internal transfers;
- h. Reducing the negotiating repayment plan time frame from 180 days to 90 days;
- i. Addition of rules to allow for termination of a rental agreement for violation of the non-smoking requirement;
- j. Changing the minimum rent from \$0 to \$50; and
- k. Addition of a security deposit for tenants who smoke in public housing.

Executive Director Ouansafi reported that the proposed rules are still under review by the Department of the Attorney General. The HPHA also needs to hold public hearings before the rules are adopted.

Chairperson Gierlach stated that he is concerned about the reduction in time for repayment plans due to the State's economic climate and because rent recalculations are not always completed on a timely basis. Executive Director Ouansafi responded that the 90 days starts when the rent calculation is completed and applies to tenants who willfully fail to report an increase in income.

Executive Director Ouansafi further clarified that the proposed policy will apply to tenants who do not respond to the late notices or other methods of communication regarding late rent. If the tenant communicates with the HPHA a repayment plan is worked out. Chairperson Gierlach asked that language be included to clarify the rule.

Designee Tungol stated that he believes the change is being made because there are tenants who are ignoring their responsibility and it takes time to evict a tenant if they ignore notices.

Director Yokoyama asked Executive Director Ouansafi to explain why the \$150 smoking deposit is non-refundable. Executive Director Ouansafi responded that the HPHA is working towards implementing smoke free properties.

Director Yoshioka asked why the smoking deposit is \$150 when the pet policy is only \$50. Executive Director Ouansafi stated because it costs the agency more to clean a smoking unit than a pet unit.

Director Kihano asked whether a tenant who does not smoke in their unit would still be charged the deposit. Executive Director Ouansafi responded that only tenants who smoke in their unit would be charged the deposit fee.

Director Kihano asked for clarification regarding tenants who are non-smokers, but allow their guests to smoke in their unit. Executive Director Ouansafi explained that the policy may need to account for exceptions and that moving towards being a non-smoking agency is better for HPHA. He stated that the language can be changed to allow for a refundable deposit if there is no damage to the unit.

Director Kihano asked if the HPHA has statistics on how many public housing fires were caused by smoking. Executive Director Ouansafi reported he does not believe there was ever a study completed for public housing.

Director Yoshioka asked for an explanation of the \$50 monthly charge. She stated that the pet policy includes a \$50 non-refundable deposit and \$5 monthly charge, but the proposed smoking policy would require a \$150 non-refundable deposit and \$50 monthly charge. Executive Director Ouansafi stated that the \$50 monthly charge can be reduced.

Director Tungol stated there are companies who can install a system to minimize the smoking odors.

Chairperson Gierlach stated the deposit should be refundable because it may encourage tenants to keep the unit clean. A non-refundable may serve as a disincentive to tenants maintaining their units.

Chairperson Gierlach asked if there is a deadline for adopting the proposed rule changes. Executive Director Ouansafi requested that the Board approve the motion under the condition that staff will make the changes.

Director Tokishi asked whether the smoking deposit should be higher since it will be refundable. Director Kihano stated that she has seen tenant caused damages that exceed any smoke damage. Executive Director Ouansafi stated that once the agency becomes a non-smoking agency, then the amount can be revisited.

Director Yoshioka asked if the Resident Association Board (RAB) had consulted and if they provided comment on the proposed rule changes. Nicholas Bick, Chief Planner stated the HPHA is working with the RAB and that the RAB did not recommend many changes to the proposed rules.

change
Bick to
Birck

Chairperson Gierlach asked whether the motion needed to be amended based on the changes discussed. Deputy Attorney General Jennifer Sugita clarified that the motion can remain the same as long as staff understands that the changes need to be made.

Deputy Attorney General Sugita asked the Board to clarify their requests to amend the proposed rule to state that the 90 days does not start until the income is readjusted and to include that the rule should address when there is no response or communication from the tenant. Chairperson Gierlach confirmed the changes.

Director Kihano asked for final clarification whether under the proposed rule tenants will have only 90 days to clear their outstanding balance instead of 180 days. Executive Director Ouansafi confirmed that the intent of the proposed change to the rule is to address situations where a tenant willfully fails to communicate with the HPHA on their change in income, not those who are working on a repayment plan.

Director Kihano stated that after the first rental agreement violation is issued the HPHA can pursue eviction for non-payment of rent. Executive Director Ouansafi confirmed Director Kihano's understanding, but stated that the HPHA prefers to work with the tenant to avoid eviction.

Director Yoshioka asked why the date of July 19 is being used in the proposed rules. Mr. Birck clarified that the date would be revised to August 16, 2012 (the day of the Board meeting).

The motion was carried by the vote of: Ayes:

Chairperson Gierlach
Director Espero
Director Tokishi
Designee Tungol
Director Yokoyama

Director Yoshioka

Nay:

Director Kihano

For Action:

Director Yoshioka moved,

To Adopt Amendments to and Compilation of Chapter 17-2020 "Eviction - Practice and Procedure", Hawaii Administrative Rules and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, Subject to Review and Approval by the Department of the Attorney General.

Mr. Birck reported that the administrative rules on evictions have not been amended for many years. The proposed changes include the following:

- a. Housekeeping revisions to change "Housing and Community Development Corporation (HCDCH)" to the "Hawaii Public Housing Authority (HPHA)";
- b. Clarification of certain terms and the definition of a criminal act; and
- c. Updates to existing rules to comply with Act 160, SLH 2012, which modifies the composition of the eviction board and to allow the use of video conferencing technology.

Mr. Birck further explained that the statute on evictions previously required three eviction board members and one board in each County.

Director Tokishi asked whether the HPHA can have a Board with only one person. Executive Director Ouansafi clarified that with the enactment of Act 160, SLH 2012 there can be a one person Board, as long as the Board member is a resident.

Director Yoshioka asked whether the RAB was informed of the proposed changes. Mr. Birck confirmed that the changes have been discussed with the RAB.

The motion was carried by the vote of: Ayes:

Chairperson Gierlach
Director Espero
Director Tokishi
Designee Tungol
Director Yokoyama
Director Yoshioka

Nay:

Director Kihano

For Action:

Director Espero moved,

To Approve the Hawaii Public Housing Authority's Proposed Legislation for Inclusion in the Executive Administration's Legislative Package.

Executive Director Ouansafi asked to go into Executive Session to discuss the action item with the Deputy Attorney General.

Chairperson Gierlach deferred the motion until later in the meeting.

For Action:

Director Espero moved,

To Authorize the Executive Director to Request Waterline Easements from the City and County of Honolulu within Ahe Street for the Palolo Valley Homes Modernization Project.

Executive Director Ouansafi reported that as a part of the major modernization at Palolo Valley Homes the HPHA needs to request an easement to be able to complete the renovations.

The motion was unanimously carried.

For Action:

Chairperson Gierlach deferred the motion to approve the written justification for waiver to the Annual Contributions Contract as required by the Hawaii Public Housing Authority's (HPHA) Standards of Conduct; and to authorize the Executive Assistant to submit the Hawaii Public Housing Authority's request for waiver to the Annual Contributions Contract to the U.S. Department of Housing and Urban Development to Executive Session.

Reports:

Executive Director's Report:

Executive Director Ouansafi provided the Board with responses to public testimony provided in July 2012.

- Executive Director Ouansafi reported that the HPHA investigates every complaint it receives. In many situations, the HPHA is unable to report back to the complainant because of confidentiality issues.

Executive Director Ouansafi reported that the Section 8 relationship is between the tenant and landlord not the tenant and HPHA. During public testimony in June, a private citizen

filed a complaint about a section 8 tenant. During the investigation of the matter, the landlord was interviewed and indicated they do not have any issues with the section 8 tenant. Executive Director Ouansafi also reported that this case has been investigated more than once by the staff. Executive Director Ouansafi also reported that under current rent calculation regulations a vehicle is not counted as part of gross income for a section 8 tenant.

Chairperson Gierlach stated that the testifier also reported that there were non-tenants living in the section 8 subsidized unit and complained of excess noise. Executive Director Ouansafi reported that those allegations were investigated and were unsubstantiated. He confirmed that when there is a violation of the rental agreement or the housing assistance payment contract, the HPHA has the ability to revoke the section 8 voucher.

- Executive Director Ouansafi reported that the HPHA cannot enforce a temporary restraining order (TRO). The HPHA works with security and the law enforcement agencies when a tenant makes it known that they have a TRO. Executive Director Ouansafi indicated that even in those circumstances, tenants are encouraged to contact the police department directly when the TRO has been violated.

Director Kihano asked what the HPHA does if two people have a TRO against each other and live on the same property. Executive Director Ouansafi reported that it is referred to the police department to enforce the TRO.

- Chairperson Gierlach asked what the status of the Puahala Tenant Association elections. Executive Director Ouansafi reported that the staff has been working with the current president on conducting elections for new officers.
- Chairperson Gierlach asked what is the timeframe on recalculating rent when an income change is reported. Executive Director Ouansafi reported that the recalculation should be done immediately, but the HPHA is behind and working to catch up. The recalculation should be done within 90 days.
- Chairperson Gierlach asked whether there are non-tenants involved in the Mayor Wright Homes (MWH) citizens patrol and if so, is it appropriate. Executive Director Ouansafi reported the HPHA's role is not to dictate operations of the Tenant Association; the association initiated the patrol and has invited others to participate in the patrol.

Chairperson Gierlach requested follow up and continued discussion on the following issues:

1. Investigation Mr. Casiano's concern about intimidation by another tenant;
2. Mr. Samuel's complaint that he is still on the waiting list;
3. Whether there's a neutral party on the Eviction Board; and
4. Mr. Suda's comments regarding the need for more public housing.

Executive Director Ouansafi reported that HUD's Real Estate Assessment Center (REAC) completed property inspections. He reported that six properties failed inspections but the HPHA

is appealing some of the scores. Executive Director Ouansafi also reported that eight properties scored above 80 percent and two scored 60 percent or above. Out of the six that failed the HPHA hopes to have three more passing after the appeal process.

Executive Director Ouansafi reported that some of the points were deducted because of tenant caused deficiencies. As an example, if a tenant has removed the cover of their fan the REAC inspector will deduct points from HPHA's score.

Chairperson Gierlach asked if the HPHA knows in advance what units are going to be inspected. Executive Director Ouansafi responded that the HPHA does not know what units are going to be inspected.

Executive Director Ouansafi reported the HPHA staff went through every unit before the inspections.

Designee Tungol stated it seems unfair for the HPHA to be held responsible for the actions of the tenants. Executive Director Ouansafi reported that the HPHA can appeal those point deductions, but the HUD policy states that a public housing agency will not get the points back for tenant caused deficiencies.

Executive Director Ouansafi reported that the asset management projects (AMP) occupancy rates are: 1) seven with 95 percent or higher; 2) three with 90 percent or higher; 3) three with 85 percent or higher; and 4) three with 81 percent or higher.

Chairperson Gierlach asked what the agency occupancy rate is. Executive Director Ouansafi reported that the agency is at 93 percent.

Executive Director Ouansafi reported that over the past month, the HPHA hired 18 new staff and six staff left the agency.

Executive Director Ouansafi reported that the Kauai properties have been cleaned. Items that were stored for years have been removed.

Director Yoshioka asked about the status of hiring a manager for the Kauai AMP. Executive Director Ouansafi reported that the HPHA is talking with potential candidates. Kauai also currently has an acting manager and the HPHA is processing an employment application for new staff who will conduct crime prevention activities for Kauai.

Director Yoshioka stated that the rent collection for Kauai has gone up.

Executive Director Ouansafi reported that staff from Oahu was deployed to Kauai to work on general appearance and maintenance issues. The HPHA received overwhelming support and participation from the tenants during the clean-up effort. The HPHA held a meeting to discuss management, work orders, and maintenance issues with the tenants and also had outstanding participation with over 80% of the tenants participating in the meeting.

Executive Director Ouansafi reported that AMP 44 is a privately managed development and the HPHA is following up on the playground issue. The HPHA staff responded immediately to complaints and removed the debris from the playground. Samples of the playground were taken and the unofficial results are negative for hazardous materials.

Executive Director Ouansafi updated his previous response and reported that the HPHA just received in writing that all tests on the playground were negative. There have been reports that the parents of the sick children are smokers. The management company has been asked to report on how this will be prevented in the future.

Director Espero asked whether the HPHA has started placing applicants that are not on the wait list with a preference. Executive Director responded that only applicants with a preference are being placed until the rules are changed.

Executive Director Ouansafi reported that the staff has completed field investigations at Lanakila Homes and a scope of work is being drafted.

Director Yokoyama stated that he has heard reports that doors have been removed from some of the units. Executive Director Ouansafi reported that the doors were boarded up and some of the boards were removed so the HPHA's architects and engineers could conduct field investigations.

Executive Director Ouansafi reported that the staff and the MWH families coordinated a community gathering. Chairperson Gierlach stated he attended the event and there were service providers, free food and testimonials from previous tenants.

Director Espero moved at 10:35 a.m.,

Motion: To go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to:

- 1. Approval of Executive Session Minutes of July 19, 2012 Executive Session minutes and the August 16, 2012 will be deferred;**
- 2. To Approve the Hawaii Public Housing Authority's Proposed Legislation for Inclusion in the Executive Administration's Legislative Package**
- 3. To Approve the Written Justification for Waiver to the Annual Contributions Contract as Required by the Hawaii Public Housing Authority's (HPHA) Standards of Conduct; and to Authorize the Executive Assistant to Submit the Hawaii Public Housing Authority's Request for Waiver to the Annual Contributions Contract to the U.S. Department of Housing and Urban Development**

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:40 a.m.

For Action:

Director Espero moved,

To Approve the Hawaii Public Housing Authority’s Proposed Legislation for Inclusion in the Executive Administration’s Legislative Package.

The motion was carried by the vote of: Ayes: Chairperson Gierlach
Director Espero
Director Kihano
Director Tokishi
Director Yokoyama
Director Yoshioka

Abstained: Designee Tungol

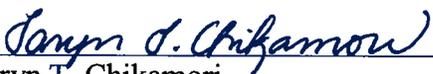
Chairperson Gierlach stated that the motion to approve the written justification for waiver to the Annual Contributions Contract as required by the Hawaii Public Housing Authority's (HPHA) Standards of Conduct; and to authorize the Executive Assistant to submit the Hawaii Public Housing Authority's request for waiver to the Annual Contributions Contract to the U.S. Department of Housing and Urban Development would be deferred until the October 2012 meeting.

Chairperson Gierlach stated that in Executive Session the Board approved the July 19, 2012 Executive Session minutes and was updated on the Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority Denise Wise in Her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)

With no further business for the Board to conduct, the meeting adjourned at 11:42 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Taryn T. Chikamori
Secretary to the Board

OCT 18 2012

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on October 18, 2012: [] As Presented [] As Amended



Jason Espero
Director/Board Secretary

OCT 18 2012

Date