

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E  
HONOLULU, HAWAII 96817  
ON THURSDAY, FEBRUARY 21, 2013  
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, February 21, 2013 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 Roger Godfrey  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Wilfredo Tungol

Deputy Attorney General, John Wong  
Deputy Attorney General, Jennifer Sugita

**DIRECTORS**

**EXCUSED:**

Director George Yokoyama  
Director Desiree Kihano

**STAFF PRESENT:**

Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Clarence Allen, Acting Chief Financial Management Advisor  
Kiriko Oishi, Compliance Officer  
Rick Sogawa, Procurement Officer  
Becky Choi, State Housing Development Administrator  
Stephanie Fo, Section 8 Subsidy Program Branch Chief  
Joanna Renken, Public Housing Supervisor  
Rochelle Akamine, Resident Services Program Specialist  
Diane Johns, Property Management Specialist  
Benjamin Park, Planner  
Ashley Dennis, Housing Compliance and Evaluation Specialist  
Taryn Chikamori, Secretary to the Board

**OTHERS:**

Rose Ayala-Switzer, Kaahumanu Homes Resident  
Gloria Castro, Mayor Wright Homes Resident  
Lynn Colleado, Puahala Homes Resident  
Augafa Ene, Mayor Wright Homes Resident  
Ray Hilongo, Palolo Valley Homes Resident  
Shane Kauai, Peacemakers  
Fetu Kolio, Private Resident  
Erika Liashenko, Hawaii Government Employees Association  
Jill Saito, Kaahumanu Homes Resident  
Matt Taufetee, Peacemakers

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Director Espero moved,**

**To approve the Regular Meeting Minutes of January 17, 2013.**

The minutes were unanimously approved.

**Public Testimony**

Ms. Desiree Kihano, Palolo Valley Homes (PVH) Resident, stated that the Hawaii Public Housing Authority (HPHA) should inform tenants the hazards of asbestos, the same way they are warning tenants about the hazards of smoking. Ms. Kihano stated she is concerned that half of the largest parking lot at PVH has trenches and the other half is being used to store gravel. Tenants are parking in other tenants stalls because of the lack of parking. The HPHA did not coordinate the parking situation correctly.

Gloria Castro, Mayor Wright Homes (MWH) Resident, stated that the HPHA should not be concerned with what vehicle the tenants are driving. She also stated she feels that she is living like a prisoner at MWH.

Mr. Fetu Kolio, private resident, stated that he feels that tenants should be given a fair grievance process and given an opportunity to present evidence.

Augafa Ene, Mayor Wright Homes Resident, expressed appreciation for the improvements at MWH and stated he feels safe at MWH. He was concerned that security told him that the manager authorized the towing of his car, which is not true. He thinks it is wrong for the security to use the manager's name for the things they do. He feels that some of the Samoan security officers treats tenant the unfairly.

Chairperson Gierlach stated the Board of Directors received an email from Desiree Kihano regarding criminal activity at Piilani Homes on Maui.

**Designee Tungol arrived at 9:10 a.m.**

**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.**

Executive Director Ouansafi reported that the HPHA is trying to implement two things: 1) late and return check fees; and 2) adding a preference for working families. This policy was adopted by the Board previously, but was never implemented because of software issues. The software has since been installed.

Designee Tungol asked if the proposed policy is adopted whether there would be an issue of discrimination against single people. Deputy Attorney General Sugita responded that there is not a concern because this policy complies with the U.S. Department of Housing and Urban Development's (HUD) public occupancy guide book. Executive Assistant Arashiro also stated that it is not an issue because the proposed rule states "at least one adult member."

Director Shimizu asked if the preferences will be given priority as written in the order of the policy. Executive Director Ouansafi responded it will not be by priority order. Each preference will be given a set percentage of units that are available at the time.

Director Shimizu asked who will be deciding on the percentage breakdown. Executive Director responded he will discuss it with his branch chiefs and come up with the percentage.

Director Yoshioka asked how often the percentages will be reviewed. Executive Director responded every quarter unless an extraordinary event happens, then the list will be reviewed immediately.

Director Shimizu asked on page 15, number 3 why the HPHA is removing: "transitional shelters, supportive housing program, and unsheltered homeless programs" as a preference. Executive Director Ouansafi responded this is prevent abuse of the system and there are three main benefits of registering in a homeless shelter: 1) the shelter verifies that they are really homeless; 2) the homeless are informed of their rights; and 3) the homeless enroll in training programs to help them succeed in public housing.

Director Shimizu asked what an unsheltered program is. Executive Director Ouansafi responded an unsheltered program is a program that provides supportive services, but not shelter.

Director Shimizu stated she feels that the unsheltered should not be excluded because they are receiving services. Executive Director Ouansafi responded that the HPHA is asking that they register in a sheltered program.

Director Espero stated that from his experience, some unsheltered homeless do not want to live in a shelter because they do not want to follow the rules; although, this does not mean that they cannot comply with the HPHA rules. It is just their personal choice. Executive Director responded that the HPHA is not requiring them to participate or graduate from the transitional shelter, just register.

Director Tokishi stated that if the purpose is to verify that someone is homeless, it should not matter if they sheltered or unsheltered as long as a case manager can verify that they are homeless.

Deputy Attorney General Sugita pointed out that the Board already approved this language in September 2012 and the only language being changed in this "For Action" is in bold.

Director Shimizu asked if the Board is not allowed to make any other amendments. Deputy Attorney General Sugita responded that the Board can make other amendments. Executive Assistant Arashiro stated that the Board can make changes, but to keep in mind that the Board already approved the Public Housing Annual (PHA) Plan and if changes are made the HPHA would need to hold a public hearing.

Chairperson Gierlach suggested that the Board leave the language as is and give it a chance, then revisit the issue in September.

Director Shimizu asked Director Espero if a person can register, but not stay in the shelter. Director Espero responded no, the shelter has attendance rules and other rules that need to be followed.

Director Shimizu what if a Housing First staff testified at the public hearing would that jeopardize the submittal of the PHA plan to HUD. Executive Director Ouansafi reported that the HPHA needs to review every comment submitted at the public hearing and look at the merits of each comment.

The motion was carried by the vote of: Ayes:

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

Abstained:

Director Shimizu

**Chairperson Gierlach called for a recess at 9:46 a.m. and reconvened at 9:55 a.m.**

**Chairperson Gierlach left the Board meeting at 9:46 a.m.**

**Executive Director's Report:**

Executive Director Ouansafi reported that the HPHA will be conducting a pilot program by restructuring Section 8 to have four departments instead of three departments. The restructuring is for two reasons: 1) adding a quality control department; and 2) having staff specialize in one task. The reason for the specialization is if someone is out sick or retires there is always coverage. The HPHA has met with staff and they were very receptive. The HPHA also informed the union and the union had some questions which are being responded to. The idea came from the interagency agreement with Akron Metropolitan. Akron is consistently rated 99 or 100. They are also the agency that congress and others look to for advice.

Executive Director Ouansafi also reported that the HPHA will be conducting a pilot program which will separate Property Management and Maintenance into two departments. This is being done because most property managers lack the knowledge of construction or maintenance. The maintenance staff will consist of five teams of eight on each team. Each team will consist of each trade. There will one team solely responsible for Real Estate Assessment Center (REAC) inspections.

Executive Ouansafi also reported that the Contracts and Procurement Office (CPO) is looking into centralizing the purchases of equipment, appliances, and parts. This is being done because the Asset Management Projects (AMP) have obsolete inventory. The HPHA will come to the Board to write off about \$800,000 worth of obsolete inventory, many items from 20 years ago.

Executive Director Ouansafi reported that the Section 8 Branch has stopped issuing vouchers in preparation for the Sequestration. The HPHA budgeted 92 percent. Based on the funds in the restricted and unrestricted accounts the HPHA may run a 1 percent deficient, but should have funds to cover the vouchers until February 2014.

Executive Director Ouansafi reported that the HPHA will be working with HUD on the Rental Assistance Demonstration (RAD) program. The funds from the RAD program can be leveraged. The HPHA has a consult looking at the numbers once the HPHA receives the final numbers and the numbers makes sense it will be brought to the Board for approval. There are three advantages to the RAD program for example: the HPHA does not think the subsidy will increase anytime soon and it would protect the HPHA from a decrease in funds.

Director Shimizu asked if grants were already awarded for the RAD program. Executive Director Ouansafi reported yes, but the HPHA did not submit in an application because there were numerous questions still unanswered from HUD. Congress approved 60,000 units for the RAD program, but less than 10,000 units were applied for. The HPHA knows the RAD program will work with the 9 percent tax credits and are evaluating whether the program will work with the 4 percent tax credits.

Director Shimizu asked when is the application deadline. Executive Director responded that there is no deadline. Grants are being awarded on a “first come, first served” basis.

Director Shimizu asked when the HPHA’s projected target date. Executive Director responded in approximately three months.

Executive Director Ouansafi reported that the HPHA hired a consultant to help the HPHA apply for A Choice Neighborhood Implementation Grant. If the HPHA is awarded the grant, the HPHA could receive \$20 to \$35 million to improve housing and neighborhoods.

Executive Director Ouansafi reported that between the House and Senate, all of the bills the HPHA supported are moving forward. The one bill that the HPHA objected to was taken off the table by the introducer. He reported that Representative Cabanilla introduced the bill which would count tenant vehicles as assets, not the HPHA. The HPHA requested to be able to determine the threshold value of the vehicle. The HPHA is also supporting the bill regarding ineligibility of tenants owning a home and living in public housing.

Executive Director Ouansafi reported that the HPHA received complaints regarding the non-smoking policy, but received more positive responses. The HPHA is leaving it up to each community to decide if and where they want a designated smoking area.

Executive Director Ouansafi reported the HPHA has about \$6 million worth of renovations. There will always be complaints, but if it is serious the issue is taken care of within 24 hours. The HPHA’s consultant and engineers attended the Palolo Neighborhood Board meeting and addressed the rumors of asbestos at PVH.

Director Godfrey asked if HUD is complaining about the HPHA’s occupancy rate. Executive Director Ouansafi reported that the HPHA met with HUD and explained the reasons why occupancy hasn’t gone up and HUD understood. The HUD is pleased that the HPHA reduced its vacancy rate by 17 percent more than last year.

Director Tokishi asked about the single audit findings. Executive Director Ouansafi reported that the HPHA received the audit and found some inconsistencies with the findings. The auditors are making the corrections and once the HPHA receives it, the HPHA will schedule a meeting with the Finance Task Force.

Executive Director Ouansafi reported that the single audit findings are better than last year. There are three findings and staff already started implementing a fix for one of the finding before the audit was completed.

Director Godfrey asked why the cash flow went from positive last year to negative this year at the same time. Executive Assistant Arashiro reported that it looks negative now, but by the end of the year the cash flow will be positive because the HPHA is waiting for the Capitol Improvement Project (CIP) funds for associated administrative costs to be paid to the HPHA.

Director Godfrey asked how much funds is the HPHA is expecting. Executive Director Ouansafi reported \$3.6 million and \$2.4 million for a total of about \$6 million.

Director Shimizu asked if the HPHA requested the funds in a lump sum. Executive Director Ouansafi responded that the HPHA has requested 20 allotments by priority. B & F approved some, but they have not been releasing the funds in priority order. Executive Director Ouansafi stated he has contracts on his desk signed and ready to proceed, but the HPHA is waiting for B & F to release the funds.

Director Tokishi stated that this does not explain why the amounts are different from the same time last year. Executive Director Ouansafi responded that the HPHA has increased repair costs, the HPHA did not have the special teams last year, and the CIP funds were lower and released earlier last year.

Director Godfrey asked if the HPHA will be doing a restatement of the budget. Executive Director Ouansafi responded that a restatement was completed, but was not planning to submit it since staff has already started working on next year's budget which will be brought to the Board soon.

Director Yoshioka asked if capital funds have lapse because the obligation deadline has passed. Executive Assistant Arashiro clarified the funds are not 100 percent obligated, it is only 92 percent obligated but the HPHA is required to only obligate 90 percent by the deadline. The remaining funds are held for contingencies like change orders or other adjustments. There is an expenditure deadline later. Executive Director Ouansafi added that no funds will lapse.

Director Yoshioka asked how the pilot programs will affect the neighbor islands. Executive Director Ouansafi reported that the pilot program is only for Oahu at this time and the HPHA may add it to the neighbor islands where feasible.

Executive Director Ouansafi reported that Ameresco has agreed to do utility assessments at two projects at no cost to the HPHA. Once the HPHA receives the report showing a savings then the HPHA may have more discussions with Ameresco.

### **For Discussion/For Information**

Vice Chairperson Yoshioka stated that the Board will defer 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) until next month.

Vice Chairperson Yoshioka stated the Board will move on to

**For Discussion: Pending Legislative Measures for the Fiscal Biennium (FY2013-2014) Impacting the Hawaii Public Housing Authority.**

Executive Director Ouansafi reported that all the bills are at different stages. The only bill that did not pass was the exemption of security by the sheriffs because the HPHA asked that bill be withdrawn.

With no further business for the Board to conduct, the meeting adjourned at 11:05 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

Taryn T. Chikamori  
Taryn T. Chikamori  
Secretary to the Board

MAR 21 2013  
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on March 21, 2013: [ ] As Presented [ ] As Amended

Jason Espero  
Jason Espero  
Director/Board Secretary

MAR 21 2013  
Date