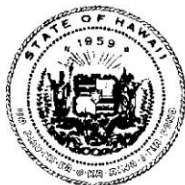


NEIL ABERCROMBIE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**HOUSE COMMITTEE ON HOUSING**

February 10, 2014 9:00 A.M.  
Room 329, Hawaii State Capitol

In consideration of

**House Bill 2501**  
**Relating to Public Housing**

Honorable Chair Hashem and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding House Bill (H.B.) 2501, relating to public housing.

The Hawaii Public Housing Authority (HPHA) supports the intent of the measure, which would require the HPHA to designate a resident manager at each federal public housing complex and state low-income public housing project. However, we must respectfully oppose the enactment of this measure as it is currently written.

If the intent of the bill is to have HPHA hire a resident manager at each property, the estimated annual compensation per manager at our 85 housing complexes would total \$6.5 million per year. This excludes costs associated with training time, funds for other associated costs, the staff that we will have to hire to oversee them, and other technical issues that this will be raised. Having said that, if these funds are available, then the Legislature needs to decide if these funds are better spent this way, or better spent providing additional housing for the people that are on the street.

Under the U.S. Department of Housing and Urban Development (HUD) Asset Management Project (AMP) system, each AMP must afford this extra expense and they are currently without the funds to support this. Thus, the HPHA will be put in a situation to decide what positions need to be cut to free up funds, and this will negatively affect our occupancy, the rating of the agency, and our scoring when attempting to apply for grants. Even if the HPHA had the funds, the agency will no doubt run into challenges

with HUD for placing unqualified people into housing and taking away 85 units from needy families because they are now housing resident managers.

Since the HPHA is unable to raise the rent in the federal program due to HUD rules, the agency will be forced to compensate these hires through the State low-income public housing program. The increase needed will be over \$600 per family and will without a doubt displace hundreds of families who will not be able to pay the rent and become unnecessarily evicted. If the HPHA were to hire people at minimum wage and without benefits, the increase in rent for the 864 State units will be over \$150 per unit.

However, if the intent of the bill is to have resident management at our federal low-income housing properties, the HPHA encourages this and it is already allowed under the Code of Federal Regulations (CFR). **24 CFR §964.15 U.S. Department of Housing and Urban Development (HUD) policy on resident management** states:

*It is HUD'S policy to encourage resident management. HUD encourages Housing Authorities (HAs), resident councils and resident management corporations to explore the various functions involved in management to identify appropriate opportunities for contracting with a resident management corporation. Potential benefits of resident-managed entities include improved quality of life, experiencing the dignity of meaningful work, enabling residents to choose where they want to live, and meaningful participation in the management of the housing development.*

With that being said, **24 CFR §964.120 Resident management corporation requirements** states:

*A resident management corporation must consist of residents residing in public housing and have each of the following characteristics in order to receive official recognition by the HA and HUD:*

- (a) It shall be a non-profit organization that is validly incorporated under the laws of the State in which it is located;*
- (b) It may be established by more than one resident council, so long as each such council:
  - (1) Approves the establishment of the corporation; and*
  - (2) Has representation on the Board of Directors of the corporation;**
- (c) It shall have an elected Board of Directors, and elections must be held at least once every three (3) years;*
- (d) Its by-laws shall require the Board of Directors to include resident representatives of each resident council involved in establishing the corporation; include qualifications to run for office, frequency of elections, procedures for recall, and term limits if desired.*
- (e) Its voting members shall be heads of households (any age) and other residents at least 18 years of age and whose name appears on the lease of a unit in the public housing represented by the resident management corporation;*
- (f) Where a resident council already exists for development, the resident management corporation shall be approved by the resident council board and a majority of the residents. If there is no resident council, a*

*majority of the residents of the public housing development it will represent must approve the establishment of such a corporation for the purposes of managing the project; and*  
(g) *It may serve as both the resident management corporation and the resident council, so long as the corporation meets the requirements of this part for a resident council.*

Due to the procedures that are already established under the CFRs, this measure is not needed. Even though HUD has cut HPHA funding, the HPHA will assist in the formation of resident associations, and work with any recognized resident management corporation.

Instead of the proposed 85 resident managers, there are other positions that the HPHA are in need of establishing. The HPHA's Financial Management Office oversees all budgeting and accounting needs of the HPHA. Due to the complexities of managing state and federal funds across both general and proprietary funding sources, the Hawaii Public Housing Authority's Fiscal Management Office needs to hire experienced certified public accountants (CPA) at competitive salaries.

Currently, the HPHA spends approximately \$364,000 a year in consultant fees to assist the HPHA with accounting matters, and the costs will be going up in the future. These four CPA positions will be 100% federally funded, will save the agency and taxpayers hundreds of thousands of dollars in the long run, and will be exempt from civil service.

Therefore, the HPHA respectfully requests to amend the measure to establish four exempt certified public accountant positions within the Hawaii Public Housing Authority to assist the authority to carry out its mission:

SECTION 1. [Chapter 356D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§356D- Resident managers.** The authority shall designate an onsite resident manager at each public housing complex and state low-income public housing project. The authority shall determine the criteria for selecting resident managers at each public housing complex and state low-income public housing project. Resident managers designated pursuant to this section shall not be considered employees of the State." ]

There are established four certified public accountant positions within the Hawaii Public Housing Authority HMS 229 program ID to assist the authority in documenting its financial information.

The positions shall be appointed by the Executive Director without regard to chapter 76.

SECTION 2. This Act shall take effect upon approval.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position regarding H.B. 2501. We respectfully request the Committee to consider the agency's proposed amendments, and thank you very much for your dedicated support.



# Community Alliance for Mental Health

February, 10, 2014

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To: House Committee on Housing  
Re: HB2501

Aloha Chair Hashem and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we **strongly support** the passage of HB 2501.

We feel that the passage of HB 2501 will not only help bring harmony to the state's housing projects, we feel that it will help lower the state's Medicaid expenditures. If this program develops as envisioned it will help bring stability and medical compliance to our behavioral health population.

There is also a place for geriatric social workers that is desperately needed. Far too many of our elderly spend the vast portion of their days simply sitting in front of the television waiting to die and geriatric social workers can help re-instill life in our elders.

Scott Wall  
VP/Legislative Advocate  
Community Alliance for Mental Health

[  
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**woodson1-Brina**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 07, 2014 3:14 AM  
**To:** HSGtestimony  
**Cc:** icalkins@hawaii.rr.com  
**Subject:** Submitted testimony for HB2501 on Feb 10, 2014 09:00AM  
**Attachments:** .~lock.DEMOCRATIC PARTY LINE.odt#

**HB2501**

Submitted on: 2/7/2014

Testimony for HSG on Feb 10, 2014 09:00AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
IRA CALKINS	Individual	Support	No

Comments: IRA CALKINS INNER-GOVERNMENTAL RESEARCH 730 Captain Cook Ave Unit 426 Honolulu, Hawaii 96813-2161 808-4696434 808-3498667 FAX 5454707 Washington D.C. 202-697-9782 It does not matter what the people think, the Democratic Party has already decided for us on all bills before the State of Hawaii Legislature . The chairman's in all committee meetings has a script to follow that the Speaker of the House, and the Speaker of the Senate has given the Committee Chairs to follow, to instruct the committee how to vote on a any given bill in all committees of the State of Hawaii Legislature. It is determined ahead of time by the Democratic Party how a committee will vote on any given bill in the State of Hawaii Legislature, there is no democracy in this state, no will of the people. It appears the Legislators are being black mailed in to voting the Democratic party line or the Democratic Party will not support them in there next election. Ira Calkins

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