

Meeting of the
HAWAI`I COUNTY HOUSING AGENCY
Hilo, Hawai`i
October 17, 2017

Agency Members Present

Aaron Chung
Maile Medeiros David
Karen Eoff
Eileen O'Hara, Ph.D.
Dru Mamo Kanuha
Susan "Sue" L. K. Lee Loy
Valerie T. Poindexter
Jen Ruggles

Absent and Excused

Herbert M. "Tim" Richards III, DVM
(absent)

Staff Members Present

Neil S. Gytoku
Duane Hosaka
Sharon Hirota
Amy Bautista

Guest Speaker

Corporation Counsel

Joe Kamelamela

Members of the Public

Deputy Corporation Counsel

Amy Self (via video)

Mrs. Eoff (9:10 a.m.): Good morning everybody and welcome to the Hawai'i County Housing Agency meeting. Today is October 17th, its 9:10 and were at the Kona Council chambers. I'd like to call this meeting to order.

Housing agency members present here today, to my right we have Councilmembers Aaron Chung, Jennifer Ruggles, Maile David, Council Chair Valerie Poindexter, and to my left we have Councilmembers Sue Lee Loy and Eileen O'Hara, Councilmember Tim Richards, um, is absent today, he is um, off island.

I don't see any statements from the public here in Kona, I'm not sure, I'll check with the outer sites, does anyone have testifiers?

(Inaudible)

Mrs. Eoff: Oh, okay (inaudible). Okay, thank you. I'll move on to, um, the approval of the minutes. On the...does everybody have their Housing Agency folder first of all? Okay. So on there,

there are minutes of April 4th, 2017 and if I could have a motion to approve those minutes, please?

Mrs. David: so moved.

Mrs. Poindexter: (Inaudible)

Mrs. Eoff: moved by Mrs. David and second by Mrs. Poindexter. Is there any discussion on the minutes? Seeing none then all in favor say aye...

All (present) said aye.

Mrs. Eoff: any opposed? Okay, that's eight ayes.

Moving on to new business. Um, the first items is item A. that the Housing...that the Hawai'i County Housing Agency approve the attached Public Housing Agency Plan of the Office of Housing and Community Development. May I have a motion to approve?

(Inaudible)

Mr. Kanuha: second

Mrs. Eoff: moved by Mrs. David and second by Mr. Kanuha. Okay, I'd like to open this up to discussion and we have, um, Administrator and Deputy, I believe, or Assistant...no, just Sharon, okay...well um you can go ahead and introduce yourselves and then um give us a brief overview of this item please. Ahhhh, the microphone.

Mr. Gyotoku: My name is Neil Gyotoku I'm the Housing Administrator.

Mrs. Hirota: Good morning, my name is Sharon Hirota I'm the Division Manager for the Existing Housing Division.

Mrs. Eoff: Okay, Division Manager. Thank you. Um, would you mind giving us a brief overview of this item that you, um, have provide today?

Mr. Gyotoku: Coming before the Housing Agency to, first of all amend our annual, ah, plan with the Housing and Urban Development, ah, were required to, um, revise the plan to incorporate a 50, basically 50 project based vouchers and it requires the plan be amended with HUD to incorporate those 50 vouchers and there's also a 5 year plan that we also have that,

ah, is part of this, ah, overall, ah, action plan with HUD that...what the Housing Agency, our office does in the public. And this deals mostly with, ah, Sharon's, ah, program, the, ah, housing voucher program.

Mrs. Eoff: Okay um, Councilmembers do you have questions or Sharon would you like to further elaborate on that?

Mrs. Hirota: Um, so as the Housing Admin...in...in...Administrator indicated were her to seek approval, um, to um, accept the amendments to our annual PHA plan. Ah, in addition to the project based vouchers ah, we also, ah amended the plan to incorporate and notify a HUD of changes to our administrative rules. Ah, earlier this year ah we changed our rules um, to adopt...to adapt more to what the needs of the community are. Specifically, ah, changing the rules and the waiting list...um...because of um...our Mohouli project Phase II ah we wanted to make sure that those who had applied for those units were eligible ah for the vouchers um as we prepared to get them ready for housing in the next couple of weeks.

Mrs. Eoff: Thank you. Councilmembers do you have questions? Comments? Okay, seeing None. Oh, do you have a question? Okay. I'll go ahead and ask for a vote then...all in favor of approving the Public Housing Agency Plan as amended with Housing Agency item A. please say aye.

All (present) said aye.

Mrs. Eoff: Any opposed? That's 8 ayes. The 2nd item, item B. That the Hawai'i County Housing Agency approve the termination of the existing Kula'imano Elderly Housing Project contract and enter into a new contract. May I have a motion?

Mrs. Poindexter: So moved.

Mrs. David: Second.

Mrs. Eoff: Moved by Mrs. Poindexter. Second by Mrs. David. Mr. Gytaku (sic) please.

Mr. Gytoku: The reason we come before the Housing Agents for this item is that over the past 3 years the Kula'imano elderly housing project ah has been suffering some financial losses. We've not been able to get enough revenue, rental revenue, to meet our expenditures. So we went to HUD to request for a rental increase, we did a survey and we ah requested that the rent be

increased from 3...\$441 a month to \$600 a month. Ah, HUD came back and ah said that they did their own survey and that they increased the rent to \$700. We did meet ah with the tenants to appraise them, as required, to ah...ah to inform them and explain the rental increase um over in February ah we went to see them and meet with them, and we've been meeting with individually with the tenants as far as ah, there are some that are paying the full market rent and we sat down and tried to explain them, basically because of ah rental income for the tenant is based on their income, whatever monthly income they have, and ah, those ah 4 tenants were not able to qualify, I think two of them...two of them based on the new rent did qualify for some ah rental assistance, two of them...two other families; however, were not able to qualify for any rental assistance, so if they decide to stay they would be paying the full \$700 a month rent. And we would have to terminate this ah...ah...contract with HUD to execute the new one to...imp...im...implement the new rental income of \$700 a month.

Mrs. Eoff: Okay, thank you and Councilmembers just I have a note that lets us be aware that Amy Self is in Hilo and um there's other Housing staff in there. Ah, I know Mrs. Poindexter has a question but did you want to finish before I go to her? Or ask...

Mrs. Hirota: No...I...She can ask the question.

Mrs. Eoff: Okay, okay, Mrs. Poindexter...

Mrs. Poindexter: Hi, yeah, when you take into consideration because I've been meeting with the residents for many years now and um I have all the notes of what...you know has been trans...transpiring and I know we changed the management and were talking about the income. One of the couples, \$441 was the...was the rent...rent that they paid out, right? that was the full rent? And now its gunna jump up to \$700 and they have no subsidy. They make \$2,400 a month but, both of them, their medical expenses...when we talk about the elderly were talking about people who have a lot of medical expenses many times, yeah? and so happen this couple has a lot of medical expenses...out-of-pocket expenses that maybe annually is a little over maybe 10,000 or higher, um, and they don't qualify so now their...their you know...are they going to be homeless or you know if they cannot meet those, that huge rent increase, cause we know that when rent increases...medical expenses increases as well yeah? on an annual basis, um, oxygen, diabetic medications, whatever there on, so how...what kind of case management are...what are we looking at to help to those individuals instead of them becoming

homeless...what are we doing to case manage to see if there's other resources to make sure that they don't lose housing?

Mrs. Hirota: So I don't want to go specific, ah, into individuals but as a general rule the family pays 30% of their income towards rent and utilities. So the, um, tenant that you described their actually at 441 a month, um, there were 5 tenants or families that were paying full rent based on their income. So 30% of their income was at 441 or more, so they were responsible for paying the full rent. Um, as the Housing Administrator indicated, we did...this process started in October of last year, so as required by HUD we went out in February, informed them, both verbally as well as in writing. Ah, my staff has been meeting with these families individually, especially those who were going to be impacted, so out of the 49 residents, 44 of them will continue to pay their fair share of the rent, 30%, ah, and the federal government will give us the difference in subsidy. In regards to those who make more on a monthly basis, so in this case we say if you make at least \$2400...you...\$2400/30% you will pay close to the full rent \$700. Of the 5 families, when we re-evaluated their income, so we asked them, come forward because now's an opportunity for us to re-evaluate your income and determine whether or not, at 700 you would be eligible. 3 of the 5 families will receive subsidy. That means their income, the 30% of their income is less than 700, so the federal government will pay a portion. There are 2 families who, um, have...so, there are 2 families who when we were having conversation with them, indicated that they did not want to share their income and their medical expense information with our household...with my staff...and they signed a document indicating that they make more than 2400 a month; therefore, they are responsible for paying 700. In light of these new conversations you have been having, my staff has made contact to say, are you...do you want to know declare to us your income and your expenses and we can do a re-evaluation and determine if you will receive subsidy? Medical...I...I totally...yes...the federal government do take into consideration medical out-of-pocket expenses, any expenses related to child care, and any expenses related to a disability. Those expenses are then deducted from their adjusted monthly income and ta...is actually deducted before we calculate what 30% is...so we will work and contact um...we will work directly with your office and make contact with the family and hopefully we can finish this process in the next couple of weeks so they are...if they are eligible for subsidy, they will get it effective November 1st.

Mrs. Poindexter: Okay, that's great because, um ah, they weren't given any forms they said but then I got the letter that in August...early August that they were writing to you guys saying, hey my income hasn't exceeding this amount...and blah blah blah, so I have all the documentation and all, and then I...I wanna to continue to work...I haven't worked with this administration, but I have worked with the past administration and we've had you know quarterly meetings at Kula'imano and we've had a running list of...of, um, incidences, complaints, concerns, you know, a lotta drug activity that was going on and they were in fear and lighting, we took care of a lot of that but I don't know where were at, at this point with some of the other complaints so I would um...I thank you for offering to make a meeting and then let's start up again with the quarterly meetings so that we can um get back on track with them and make them feel comfortable.

Mr. Gyotoku: I would like to add that when I first started for the office of housing in 19...I don't...I wanna say 70s um...I actually was ah first hand in building Kula'imano so it has a real deep impact to me and when I took office in December I made a promise that I would improve this project and we've already done, and I...I'm sorry I didn't get to you, but we already started with the Community Block Grant to put monies into the ah improving things like...ah ah, improving the mailboxes, landscaping, putting a fence around the project, ah, those kinda things we looking at improving the um, ah, community center so that it can be a hurricane shelter for the residents. I've been looking at those things and developing projects like that and we'll continue to do so, and not so, only for Kula'imano, but for all of the project like on the Kona side, we've been working a lot with Ulu Wini project here up and Hinalani, um, but we will come before the Council...Housing Agency and come up with a plan to see what...tell you folks what ah our visions are and what we doing like that in the near future like that and ah, I...I'm willing to, as far as meet with you folks anyone, one-on-one to discuss the projects in your area...

Mrs. Poindexter: yeah...

Mr. Gyotoku:and get your input as far as what you think might be needed in the future like that, yeah.

Mrs. Poindexter: So thank you for that because, um, you know I've...I'm willing to help as well you know, right now I no more contingency funds anymore, it's all spoken for but I've...I've done in the past you know where we've had to put back the light and things so the lighted area, so I'm willing to...to help as well on

the Kula'imano project, so I'd love to...the continued, ah, relationship with Housing.

Mr. Gyotoku:...yeah...yeah...and the unfortunate part about Kula'imano is that all of the units has to be at \$700 we cannot stagger the rent, you know, um, it's a HUD requirement that's on the contract that we have with HUD like that, yeah...

Mrs. Poindexter: ...right...so I have one question...cause I know they use to have a security guard, because, you know, there across the other, um, apartments...and then they have a bus shelter there that where people loiter, I know we cut the trees, um, because a lot of drug activity was happening in that area, are...with the money increasing, are we looking at maybe either security cameras or security back at the facility?

Mr. Gyotoku: Well that is part of the plan, as far as establishing the fencing, and ah looking at ah possibly getting security. Ah...the fencing was more for the wild pigs that were coming into the property and destroying the...the gardens that the...the tenants were making, so ah, and...and to stop the...the traffic, drop trafficking that was going on over there, like that, in the pro...through the project, like that, yeah, um so that's part of the plan and were going to be looking at an overall project budget to see if we can improve security. Ahhhh, security ah does cost a lot of money, um sometimes even cameras doesn't help, I mean you can capture the crime on the tape but it doesn't really mean you can, you know, prosecute it, like that, yeah, ah. Getting a single security person there um, I'm not sure if it justifies the expense um, over there, like that yeah.

Mrs. Poindexter: and...and, I understand that a certain percentage is ah, of ah not necessarily the elderly, but who are disabled, that qualify to be there as well...

Mr. Gyotoku: right.

Mrs. Poindexter: ...but most of them are the elderly and, you know, this...this is the last phase of their life...

Mr. Gyotoku: yeah.

Mrs. Poindexter: ...so you want to make it the safest and the happiest and not let them live in fear in the last phase of their life, you know. You want it to be as enjoyable as

possible, so I thank you for all that you do and you're continuing to work on this project, I appreciate it.

Mr. Gyotoku: and...and with our new managing agent ah, we are trying to establish more direct communications with the residents to make sure that we are aware of any kind of problems that come up and address that as soon as possible and it's been kind of our team in the last couple of months to make sure we...we hit the, you know, the problem before it becomes a major problem, like that yeah.

Mrs. Poindexter: Okay. Thank you I yield at this time.

Mrs. Eoff: Thank you, any other comments Councilmembers or questions? Eileen or Mrs. O'Hara.

Dr. O'Hara: Thank you and I just have um a question for clarification. Um, you had suggested this rent be increased to 600 yet a HUD responded that it needed to go up to 700 which is more than and 50% increase in...in the rent, ah hard for tenants to absorb, obviously, ah can you explain why that...why they came back with a higher one? And in your explanation, you said the federal government does take into account medical expenses, and childcare expenses...does it take into account the expense of food? Cause our food costs are considerably more high then um mainland and ah that has an impact...I'm glad you built the fence to keep the pigs out because obviously people are trying to grow their own food but um I have concerns about that.

Mr. Gyotoku: When we requested a rent increase we did our survey, we hired a consultant to do a rental survey and came up with the \$600 and that's what we proposed to the tenants and when we submitted it to HUD, HUD turned around and did their own rental survey and come back with the \$700 a month rent.

Dr. O'Hara: So why the difference thou?

Mr. Gyotoku: Ah, basically, I guess they had different data that they used on the rental comparables. Because in Hilo I guess they use Hilo comparables the rents are above 900 to about 980 a month, you know for elderly housing units...and...and...

Dr. O'Hara: Well...is...is there any way to discuss that with HUD, I mean, in terms of their...their, um, their protocols for doing that, um, assessment?

Mr. Gyotoku: I did try to say that we had proposed the \$600 to the tenants at HUD; and HUD responded back that we still have to keep that \$700. Um, I guess you know...I...I...we could have appealed it but you know right now time is of the essence because the project basically is not financially stable. We are losing, ah, \$30,000 annually, average the last 3 years.

Dr. O'Hara: But at 600 a unit, you would have closed that gap, I understand?

Mr. Gyotoku: Yes.

Dr. O'Hara: Yeah, so. I...I am concerned that we didn't ah make more effort to keep it more affordable.

Mr. Gyotoku: And...I...we thought, based on the ah consultants rental survey, that \$600, you know ah, was ah the one that he had recommended and that's what we submitted to HUD with the data.

Dr. O'Hara: is there some kind of a deadline for doing an appeal that we are already past or is that still a possibility?

Mr. Gyotoku: Um, we would have to go re-do everything over again and come back before the Housing Agency, um, you know, that would take a lot of time, um, but it's not impossible.

Dr. O'Hara: Okay, thank you.

Mrs. Eoff: Councilmembers comments? Mrs. David.

Mrs. David: Just one question...aloha Mr. Gyotoku and thank you for your presentation. I just have one question. You mentioned the, um, funding for repairs on, um, the housing projects, is that island wide? the funding for repairs...to do repairs? or is that only for Kula'imano?

Mr. Gyotoku: No, ah, this is part of our CDBG project, ah, I also looking at ah repairing...I mean, doing projects as Ulu Wini. Um, also at Ouli Ekahi, this is on Kawaihae road...we have to repair the roofs, like that ah. Those are basically CIP projects but I do have some Community Block Grant projects ah scheduled for Kula'imano mostly.

Mrs. David: I see, I see. Is the'ah housing in, um, Pāhala, is that under your...jurisdiction?

Mr. Gyotoku: That's a weird one (laugh) we own the land so we're like the landlords but its leased to ah...I think was Big Island Housing Foundation, oh...Bob Tanaka Realty...but, um, there's a project involving the cesspools that they had to convert it ah to um...to a sewer treatment plant but, ah, we got a waiver of variance to put in septic tanks, ah, the bid, ah, went out I think was last week, so we hope to have the project in by ah about June of next year, yeah. There gunna install 2 septic tanks and leach fill at the project and that will resolve the...the sewer problem at the project, but we don't...we own the land but it's leased out to Bob Tanaka, yeah.

Mrs. David: I see, I see. I see...and the facility is not under our jurisdiction then? As far as repairs?

Mr. Gyotoku: ah, basically it's under Tanaka's...Bob Tanaka's jurisdiction and the Department of Housing and Urban Development does provide rental assistance...public housing rental assistance to them.

Mrs. David: for that. I see. Okay, thank you very much.

Mrs. Eoff: Okay, thank you. Um, comments Councilmembers? Before, oh um, Mrs. Poindexter.

Mrs. Poindexter: Okay, um, piggy backing on Councilmember O'Hara about the survey that we did, we definitely should have um appealed it because you know as well as I do, Kula'imano is in a rural area. So to use the comparables in Hilo is totally unacceptable and that's what we get from people making the decisions for us that are not on this island and, um, I mean, that's clear as day, you know, so I...I'm hoping, you know I don't know how I'm going to vote on this now because, you know, should I vote no on this and you guys go back...and let those people...and you guys figure out all what gotta be done...and then um even with the high rents for others...cause I don't think it's fair, right now, just from what...what was stated its totally not appropriate.

Mr. Gyotoku: I would like to note that, ah, Kula'imano elderly housing, there is not many comparables, accept across the street which is a multi-family housing project, Kauhale Olu, it's not a senior housing...so there's not very many comparables, except in the Hilo area where...

Mrs. Poindexter: Okay did you use Honoka'a...what is comparable to Hono...what is Honoka'a right now? That is even a little higher because you have a full town with grocery stores...they don't have

to go out of their community, yeah...with Kula'imano, you have nothing...

Mr. Gyotoku: Yeah.

Mrs. Poindexter: ...you know, it's...it's totally out in the middle of nowhere...

Mr. Gyotoku: Yeah.

Mrs. Poindexter: ...so...I think the appropriate amount was maybe the 600, the 700 was like jumping so high and for them to use comp...telling you no cause we gotta do a comparable in Hilo is...is like saying Honoka'a well we don't have anything close let use the comparables in Kona...which we know is... not okay but...

Mr. Gyotoku: Well...I...I...correct me Sharon if I'm wrong, but um, I think what we did...HUD did not allow us to submit our own data...that we hire a consultant to do the...the survey and we used that survey from the consultant for this rental increase of 600.

Mrs. Poindexter: Great, so it's the consultant making that decision so why would HUD buck that? And why wouldn't we appeal it since it was their recommendation that we use a consultant?...

Mr. Gyotoku: Right.

Mrs. Poindexter: ...Right? And the consultant is like an appraiser? I tell the appraiser to come to my house, appraise my house, and then I go to the bank and the bank says...no...I not taking this apprais...appraisal...it should be higher...

Mr. Gyotoku: I agree.

Mrs. Hirota: Can I just clarify? So part of the process is the county needed to hire an appraiser...real property appraiser, to determine what was fair rent, um, and so he...he did the rent. HUD, um, the contractor for HUD, hired somebody who flew...and they flew them here to the island to do their appraisal, looked at the comparables here on the island and then there was one more appraiser who did and looked at both of the appraisals and made the determination that the 700 is what HUD would approve, so I...I know the concern going from 441 to 700 is...is a huge jump, but its...but we need to...so we talked to all of our tenants, so all but 2 of the tenants are not impacted by this rent increase.

Mrs. Poindexter: but...but that doesn't matter...its 700...it's the amount that were talking about...

Mrs. Hirota: No...no...so...right...so the majority of the rent increase is coming from the federal government.

Mrs. Poindexter: Right, and whose...and...and...from subsidies, but it's all us...all of us as taxpayers, are paying that.

Mrs. Hirota: Correct.

Mrs. Poindexter: So somebody...the subsidy sounds nice, but that subsidy comes from taxpayers. So we still, I mean you know and you look at Kula'imano honestly, the place is not in good shape at all, we know that...we know that...if you look at it and when it was built and the shape it's in...they've been complaining for years about that and the safety and what they need to go through, but...so, I don't know how I'm gunna vote on this now so I'm gunna yield at this time.

Mrs. Eoff: Mrs. O'Hara.

Dr. O'Hara: Ah, thank you. I...I guess I didn't get a direct response on my question about whether the federal government takes into account the cost of food in a families budget, in terms of making this determination if there eligible for subsidy?

Mrs. Hirota: So under the program rules there are 3...only 3 allowances that HUD says we can take into consideration, and that would be the 3 that I mentioned, um, allowances for out-of-pocket medical expenses, disability expenses, and/or childcare expenses. Um, for individuals who meet the eligibility requirements we do referrals to SNAP if they need assistance with food.

Dr. O'Hara: Okay...um, thank you and oh, what did we pay the consultant to do the survey work and come up with that assessment? Um, what was the contract and does that...the scope of that contract include negotiation with HUD or is that left solely on the shoulders of your agency?

Mrs. Hirota: Ahhh, the contract to do the appraisal was around \$5,000 and it was just purely to do, ah, the appraisal.

Dr. O'Hara: And the third appraiser...the appraisal that you referred to?...

Mrs. Hirota: The other 2 was paid by HUD.

Dr. O'Hara: Yeah, but that third appraiser was also off island, that came in to make the decision between the two?

Mrs. Hirota: Um, yeah, so one was...one was based out of California, he traveled to Hawai'i to do the appraisal. The other one, I believe was based out of Washington DC.

Dr. O'Hara: Okay, so those are the two dominate, um, appraisals then?

Mrs. Hirota: Yeah, the third just evaluated the 2 that was submitted.

Dr. O'Hara: Yeah, okay. Yeah, I'm...I'm not real pleased that we haven't tried to, um, appeal this because it...it just seems like a very large jump and if 600 closes the gap, why are we going 700, I...I hate to see a waste of funds, I know it's not off of our budget but its taxpayer money. Thank you.

Mr. Gyotoku: I wanted to add that when we first built the project the first rent in 1979 was \$300 a month and over the 38 years it went up to only \$441 but even that it wasn't enough to off sent the expenses as the project got older, expenses increases, yeah. Ah, we have to look at replacing all of the appliance very soon, ah, because those are very old, lot of them. Ah, we have to do some...looking at the a roofing, you know, whether we need to replace the roofing...I did...we did 10 years ago but it's in an area that...where it's exposed to a lot of salt water, like that, yeah so. That's the kind of stuff were looking at as far as trying to improve the project, like that.

Mrs. Eoff: Mrs. Lee Loy.

Mrs. Lee Loy: Thank you. What I heard you say earlier was when you folks came up with your appraisal, 600 would keep the project stable. And now, with the HUD appraisable...appraisal it's kinda being mandated to 700, so were looking at an additional \$100. Where is that money going? How are we going to be improving the project with this, what appears to be, somewhat of a cushion, because you had estimated that the project would be stable with \$600? Were looking at I think it's a 10 year...is that accurate? 10 years...were is all of this money going? What are we going to do to improve it? I wanna know what were gonna get. If

were gonna give...this is what the tenants are going to be expected to pay...what are they gonna get in return?

Mr. Gyotoku: Were gonna be developing a preventive maintenance program and basically what that does is to look into replacement of all the appliances, like the range, refrigerators, water heaters. Ah, trying to improve the water heaters and maybe looking at, ah, installing solar water heaters so that it will reduce the cost of the electricity to the tenants. Um, we also looking at, ah, um, ah improve the roof, replace the roof. We doing a lot of landscaping, like um, ah, not only installing the fencing but improving the drainage of the project, you know. Ah, we've had ah, some problems with the, well I would say a lot of problems with the wild pigs, so that was the main emphasis of that but there was a lot of trees growing in from the a gulches, overhanging the parking lot and the...the houses and a we were kinda afraid that...we wanted to clear those tree so that, um, it...it doesn't present a danger to the tenants. Um, also, there is a, um, we want to improve the management. The managing agent, ah, making sure that they do run all of the project services, like collecting the rent, which they don't now, the tenants have to come to Hilo, to my office and pay the rent...we want to change that to make it more easy for them to pay the rent and collect it from the, ah, managing agent. They pay, all those project, but there will be a comprehensive preventive maintenance program to improve the project, ah, there was some thought at one time, in the past several months that we sell the project in order to...I don't want to do that...I wanna make sure we try to improve it and keep it. Ah, it's been our...kind of our, um, Mayor Kim's...ah...ah...directive to me is try to keep what we have and improve it instead of selling it and, you know, letting it go to a higher bidder. Because if somebody bought it, they probably improve it, and later on increase the rent. That's has been...pretty much the pro...you know...the process...but we will be coming before you with a preventive maintenance program and that's why I hired Mr. Duane Hosaka here my Deputy. Ah, he's has some experience with a...with parks in preventive maintenance, taking care of buildings and were going to be working to develop this.

Mrs. Lee Loy: Is there any plan in addition to the pret...preventative maintenance to increase the number of units on that site? And expand capacity in that area because we see, you know, it already being utilized. You know Mr. Gyotoku, I'm really having a lot of heartburn with this one. It's a huge ja...jump for...for a group of people that struggle already. I...I really need something substantive at this point to say

yes...cause, well let me ask this question...what if we say no, what happens?

Mr. Gyotoku: We would have just go back and look at ways to cut...cut the expenses...reduce the expenses. Ah, one possibility would be eliminating the managing agent and running out of my office and that would not be a...would be very difficult, yeah. Ah, but it's not impossible. We would have to look at those kind of things, ah, trying not to, ah, repair...I mean repair appliance instead of replacing it, yeah. Ah, those kind of things we would have to do.

Mrs. Lee Loy: And I'm sorry the first part of that question was ah...I lost my track of thought, um, increasing the number of units on that site, is there..

Mr. Gyotoku: Um, the project...the site is very small...I mean tight, I don't think there's any room. There have been talk about, ah, across the river...at a different ah parcel maybe building some more ah units up there. But the focus has been in the past administration is Mohouli ah housing project. We already have 2 projects, Mohouli I and II there's plan for III, IV and V there's elderly housing, yeah ah...but not for Kula'imano as far as right not, there's nothing definite.

Mrs. Lee Loy: I'm sorry. How many more units are we getting at Mohouli III, IV and V?

Mr. Gyotoku: Ninety-two.

Mrs. Lee Loy: I yield (inaudible)

Mrs. Eoff: Okay. Thank you. Mrs. Poindexter.

Mrs. Poindexter: yeah, okay, so, um, you answered that question for Councilmember Lee Loy about what would happen if this doesn't go through. So, but you didn't say that you would go back to HUD and ask ah for it to be, ah, our survey accepted and the amount be at 600, is that a possibility?

Mr. Gyotoku: Oh, that would be definitely...a possibility

Mrs. Poindexter: okay, definitely...a possibility if..

Mrs. Poindexter: that we would have to go back, because I mean we can only hold the water back for so long, um...yeah..

Mrs. Poindexter: Right...but...but...at least we can try?

Mr. Gyotoku: Yeah, oh, yeah...that's no question.

Mrs. Poindexter: Then when we talk about roof repairs and all of that, does it...couldn't CDBG funding grant pay for those repairs?

Mr. Gyotoku: We look...I'm looking at that right now.

Mrs. Poindexter: Okay, so then if we take that off the table now, when we talk about that extra cushion, you don't have to use it for any CIP? Because we could go to CDBG to get the money to do repairs, correct?

Mr. Gyotoku: We could do...well, we could do like a replacement of roof and landscaping, ah, mean...those kinda things...drainage..

Mrs. Poindexter: Right, so that...those funds can be used thru...through a grant, okay, so..

Mr. Gyotoku: But not a doing, ah, inside the project like the replacement, like that..

Mrs. Poindexter: Yeah, and inside the project. So once you get the 600 up...right, up to 600 then we can start looking at, um, you know, even if, ah, I would have some contingency funds to buy stoves. Um, you know, or whatever it is, you know, so there's other way of building those resources. Okay, so, and then when we said cutting trees we have our own at the County, our tree maintenance crew, correct? So we could use them.

Mr. Gyotoku: we've...We've used them and the problem is that they have other more important projects so they did some and they had to go pull up and go do another project, li dat.

Mrs. Poindexter: So maybe we need to...cause I know during the budget time they were saying that our projects in our island...the trees are growin'...we need more, ah, people in the maintenance crews for the trees, I think we had only like 4 or 5, you know...we need to beef that up in the County maybe to help with all of our projects throughout the island, not only this project..

Mr. Gyotoku: Right...

Mrs. Poindexter: But all of the facilities that gunna need it. So I think there's other ways at looking at how we...we do it

instead of having to raise them 700 and...and do it all with that money because there all this other money out there to do all...a lot of the things that you spoke of. So, you know, I'm...I'm leaning towards not...not accepting this and, um, ah, and...and I think we can work something better when we...we talk about increasing the units, um, how many...what is the percentage of seniors...elderly people living in the facility? No, no, the percentage of elderly versus...because there's a certain percentage that we have to leave open...say if I'm 21 years old and I'm out on the street and I claim a disability and I'm homeless right now and I wanna come, I apply and I can get into housing there, correct? Is that a possibility?

Mrs. Hirota: No.

Mrs. Poindexter: So if I'm disabled I cannot get into housing?

Mrs. Hirota: So if, um, so our priority is...or preference is for those 62 years of age or older...

Mrs. Poindexter: Okay.

Mrs. Hirota: If there are units available and there is nobody on our waiting list then we go back to the waiting list for those who are under the age of 62. Yeah.

Mrs. Poindexter: Okay. So you don't have to have a percentage that is open to...I thought there was a requirement...is there no...there is no requirement?

Mrs. Hirota: No. so...ther...there are five units that are designed or ADA accessible. So if your elderly and disabled, then you would go to those units...

Mrs. Poindexter: You get that.

Mrs. Hirota: So our preference is to fill all of the units with those of 62...at least the head of household, is 62 years of age or older. So there are some individuals whose spouse or significant other was 62 and have now passed and they may be currently...they continue to live there but they are under the age of 62, so we cannot tell them to move out because of their (inaudible)...

Mrs. Poindexter: So the question is what is the percentage of the 62 and over that we have in that facility?

Mrs. Hirota: So right now there are 49 units occupied, one by a resident manager, 2 of those units are occupied by individuals whose head of household is under the age of 62.

Mrs. Poindexter: Okay, so only 2 units right now?

Mrs. Hirota: 2 families...correct, yeah.

Mrs. Poindexter: Okay.

Mrs. Hirota: But that, yeah...

Mrs. Poindexter: Okay. I needed to get that portion clear cause I know that if it does go to a private, ah you know like how a lot of these private, um, senior housing is, um, just completely senior housing, they...they're not required to meet some kind of obligation. Is that correct? Yeah. So, um, and I've seen some managed umm, you know with subsidies as...as well so its...its not impossible. So we as a County gotta look at could somebody else manage this if we...were unable to? Or have...I don't know if we've looked at the cost difference and all and I know we want to hang on to it because it has sentimental value but, you know, at one point we gotta look at what is best for our aging population. So that's...I leave it at that. Thank you I'll yield.

Mrs. Eoff: ah, did you have another...oh, Mr. Chung.

Mr. Chung: Thank you Neil and Sharon. You know I'm tryin' understand this thing, ah, you know I'm just looking at what was submitted to us. The residents at Kula'imano will continued to pay no more than 30% of their adjusted monthly income towards the calculated rent, so theres really not gunna be much difference, right in the amount that there gunna be paying? Or am I mm...missing something? I mean maybe the rent is going up...so what's going happen is the subsidy is gunna be going up and we going have more coming in so that we can do necessary improvements, so this federal monies coming in, right? I know its all tax monies. But the net effect on the residents is either negligible or nothing..

Mr. Gyotoku: Zero.

Mr. Chung: Zero, right.

Mr. Gyotoku: It's only the subsidies that will be increased. The tenant portion of rent will not change.

Mr. Chung: I just...

Mrs. Hirota: So, just to correct you, just...the...the...the...difference is negligible, zero, but there gonna be a slight increase because social security just announced a 2% increase so...

Mr. Chung: Right, but its not gunna be this huge increase, right? because they are still gunna be capped at their 30% of their adjusted monthly income but at the same time were going to be generating about a \$150,000 more which will enable us to do more things for the facility, right? I vote in favor of this thing.

Mrs. Eoff: Any other? Um, I...I wanted to add something or ask something too. Um, so I was reading through and, um, you know, I'm not really sure...I...I understand, um, it's a large increase but I'm pretty sure what Mr. Chung just cleared up was that for that for the people receiving subsidies they won't feel any increase, the increase comes from the federal government? Okay. And also the thing that kinda balances it out for me is that it says in something I read here that um there hasn't been a rent increase for 30 years. Is that correct?

Mrs. Hirota: So as Mr. Gytoku indicated the rent started at around \$300 a month almost 38 years ago and we've been living with these federal mandated 1% increase here, when allowed, 2% here, but, ah, over time the...the building has obviously aged, um, and to do these 1% increase, you get a dollar here one year, you get another \$2...um, we haven't been able to keep up, ah, and have to really manage the repairs that we do on a daily basis, ah, and so this just...this doesn't put money into the Counties...ah, to our office budget to use elsewhere, it will be invested directly back into the project to do the much needed repairs. I hope I answered your question?

Mrs. Eoff: Um, yeah, pretty much, I'm um...I'm just kinda struggling cause I hear my fellow Councilmembers but I also don't see that it really impacts any of the residents except for maybe 2 and of those 2 you said they were going to possibly provide their income, um, documentation so that they could maybe qualify...

Mrs. Hirota: well we will go back to the 2...we've talked to them once, ahhhh, we will definitely go back based on concerns brought forth to Mrs. Poindexter's office and sit down with the family and if their willing to share their income and their

expenses with us we will re-calculate and see what the impact to the family is.

Mrs. Eoff: Um, is there any, I know um, you did have a timeframe that you needed to have a decision making but, um, what if we were to postpone this so that we can see if you are able to work something out with the tenants that are struggling with the increase?

Mrs. Hirota: The contract is scheduled to go into effect as of November 1st, um, so we have from today thru October 31st to do our job to determine, um, if the family is eligible for subsidy based on what they presented to Mrs. Poindexter.

Mrs. Eoff: So, um, we wouldn't have time for another meeting but, um, if we were ta...if were to adopt this then yeah I would be important to get there situation straightened out before...

Mrs. Hirota:...right

Mrs. Eoff: ...end of the month. Okay. Um, Mrs. Lee Loy.

Mrs. Lee Loy: Hi, thank you Chair. Mr. Chung...I get it...the subsidies. What concerns me is we have a number of opportunities, like Mrs. Poindexter said to use other sources to help to begin to improve this project. And what also concerns me is maybe were looking at developing a maintenance plan...were looking to possibly replace, these are very open ended descriptive words. And I'm gunna say right now I'm gunna vote no. And I'm gunna vote no because you guys can work harder and look at other opportunities. Appeal. Those things are still all on the table. And if we do get more subsidies, great! But that shouldn't stop us from looking at other way to improve this facility. Let's get outside the box. Let's use community resources. Let's leverage this facility against other facilities. This is our kupuna...these are people who deserve it. And that's why I'm gunna be voting no. Not because I'm voting against the sub...subsidies, cause I want to know that the Housing department is turning over every single rock...looking at every single other opportunity, to provide services for this program. That's where I stand, it's not...it's not about this acceptance, it's about urging the administration to work hard and be resourceful...cause going come a time where we just goin' run out of money and we gotta cut expenses, we can't keep raising taxes, this is about a bigger picture for me and we'll start here knowing that this administration and this particular department has a real opportunity. So that's where I'm gunna stand, you

know, I'll leave it to the rest of my colleagues for how ever they feel but I'm using this to make a point that we have other options. So thank you.

Mrs. Eoff: Ah, Mrs. O'Hara did you have something to add?
(inaudible) Okay. Mrs. Poindexter.

Mrs. Poindexter: Okay, so, um, and...and back to working with those people but they...I have a letter that they said they came on August 17th so I don't know if, ahhh, since then nobo...no decision has made from August then...because were saying now we gotta go back to those people...yet and check if their willing to give us that information but I have a letter that was sent...a copy of the letter that was sent to ah Office of Housing, um, in...on August 17th it says, so anyway, my point is...this is so last minute too...you know this came to us a rush that we have to an...agendize this...what happened? Why...why was the rush, I mean when was the...the appraisals were rushed? Or what happened that this came to us in such a rush that we couldn't have a good discussion and try to appeal and I mean, what happened with the rush?

Mr. Gyotoku: I think it was just basically that we had gone through the process of notifying the tenants, discussion with the tenants, um, we had talked to HUD to request the rent increase. They...they told us we had to do our own, ah, hire or own consultant and we followed their...their rules and now there saying that it came back, we had to re-do another...

Mrs. Poindexter: So when that happened, Neil, couldn't you have called a meeting, a Housing Agency meeting, to let us know what was going on so we could chime in on appealing, or...

Mr. Gyotoku: Well everything was sort like, maybe uncertain, as far as what it was, ah, wasn't established the rent, we were just proposing this to HUD, um, and...

Mrs. Poindexter: so when did HUD come back with the decision that said no, were not accepting 600, we want 700?

Mr. Gyotoku: ah, that was July 18th.

Mrs. Poindexter: okay, so why wouldn't you call a meeting then? To let us know that that was happening?

Mr. Gyotoku: were trying to, um, do 2 things this was for the first part of the plan, I mean the, annual plan with the section

8, and, you know ah, we should have just come maybe just for that specifically...

Mrs. Poindexter: yeah...cause that would have...that would have given us a lot of opportunity and for you to appeal it and look at all the...how we could help in this...right now it's so last minute and um, I...I...can I...I cannot in my...my good I...I for me, I cannot go with this and approve this, cause I don't think...I think we can do a little better, even if it will take a little time, I think we can make up for that time, um, I just want it to be fair, cause even if we talk about the rents not going change for some people, going get higher subsidies...I have one, yeah, that doesn't change for a...a single guy paying a 143, he's gunna pay 143 yet the subsidy now is gunna become from 298 to 557 but that money is coming from taxpayers...

Mr. Gyotoku: right.

Mrs. Poindexter: Bottom line...

Mr. Gyotoku: right.

Mrs. Poindexter: ...you know, so I...I just...I'm...I'm not ready for this yet I haven't had the time to do more research and how...to see how we can do it better so I...I cannot support this at this time...

Mr. Gyotoku: and...and we've been...I've been looking for different ways to try to cover some of the costs like, ah, CIP, CDBG um, you know but, there's been other bigger projects, I hate to say, more important projects, for example Ulu Wini, ah, where you know, where again HUD is mandating that we do these corrections, we have no recourse...

Mrs. Poindexter: right.

Mr. Gyotoku: ...we cannot appeal it, ah, we have to do it. My understanding, when they sent this down, I did, ah, tell Sharon, that ah, to let them know that we didn't agree with the \$700, we had told the, ah, tenants that we were gunna go \$600 based on what the consultant had shown...

Mrs. Poindexter: Right...so...so, I know that we get busy and stuff so maybe that's when administration can decide to hire consultants, and use the...the ability of the contracting so that we don't fall into these types of situations but I'll yield at this time. Thank you.

Mrs. Eoff: Ah, any other questions Councilmembers? (inaudible)
Mrs. David.

Mrs. David: Thank you Chair. Um, Mr. Gyotoku, it seems like there's some concerns only because, um...not only because...this has to do with elderly housing and...and the impact of this rent increase, um, on this one class of...of people, and um, if this did not go through or if we take the time to do an appeal or find out from HUD whether, um, if you go to HUD and say the Council, I'm sorry, is not in agreement with what your estimation of the rate increase should be...would there be any penalties...I know you said the appeal, um, opportunity...is that passed? or is it still an option, because given the...given the sentiments of the Council, um, regarding this, I'm just wondering whether there...there is some negotiation room? And, or are you...are you up against a deadline that might make this a non-issue, and what will happen if this becomes a non-issue without an appeal? Everything stays the same?

Mr. Gyotoku: I don't think there's any penalty if we don't get the rent increase, um, what would happen though is that my office will have to start being innovative again to try to see how we can manage and run this project and be financial responsible. Um, the County, so far it hasn't put any money into the project. It's been run basically on the revenues we generate, yeah.

Mrs. David: From the rent, yes.

Mr. Gyotoku: But there's either cutting expenses and trying to appeal the rental increase, um, which is, I think very difficult, um, in order for us to do that...to run the project ourselves, like that, but it's not impossible..

Mrs. David: Would that...would that actually, um, that wouldn't stop us...from...from your department from getting grants...um, continue to be getting grants from HUD to actually...

Mr. Gyotoku: Oh those are different...

Mrs. David:...to actually do the things...

Mr. Gyotoku: ...as far as it wouldn't affect...

Mrs. David:...those are different...okay. Okay. But that won't be...that won't have...this won't have any effect on us being able

to...to go and...and seek out additional revenues if we don't go this route?

Mr. Gyotoku: It won't effect, we will still continue to look at different options, to try to improve the project. Um, one of my CDBG projects for Kula'imano is already, we are right now in the planning, so we almost ready to ah, go out and start looking into developing improvements to the project.

Mrs. David: Okay. Well I appreciate your explanation of that because I think, um, for...for me it just seems like, um, if were talking about our seniors that this is a really big...big increase and, ah, so I'll yield and thank you.

Mrs. Eoff: Okay Mrs. O'Hara.

Dr. O'Hara: Ah thank you, um, I...I realize that it has no direct impact on the residents at this time, because we have the subsidies, may have a little bit of impact as you say because social security increased by 2% recently, but um, making decisions based on government subsidies, which can change...we have a very, um, flexible administration at this point in time...and, um, HUD rules could and may change and I'm a little nervous about moving forward with, um, this, not only is the increase, um, I don't think necessary, as you've already documented through your own assessment, ah, what I'm not hearing is as sense of um willingness to work on said appeal. I think we could be successful in our appeal, if we, um, formulated it correctly and, um, pursued it, ah, with a positive attitude. I think that would be a good thing for us to do in the future but it's not for the Council to direct your operations, we can only, um, make that recommendation. So, at this point in time, I'm not sure that I'll be supporting this either because I would like to see us try a little harder to, ah, contain the costs, um, and also to look to other, um, funding mechanisms to cover some of the costs that we...we need to, um, bear to invest in the facility and...and make sure that it's, um, sustained in a high quality manner. Thank you.

Mrs. Eoff: Any other comments? Mr. Chung.

Mr. Chung: Yeah, and on a slightly lighter note, ah, I'm really glad the Waltjen's came in 'cause they added body heat to this place...I don't know about you guys but I was freezing in here. But...ah...you know, I...I certainly respect the opinions of those who are, you know, indicating that their going to be voting against this because there all good thinkers but really, I look at it

very simply...there hasn't been a rent increase for many, many years. And, this rent increase is merely a way of getting more funds into the program to improve it. And, you know, if there are a lot of complaints about the facility, I think this is the...the time to do it. I know there's been talk about, we have to try better...and we have to, you know, we have to seek other sources...but when you do that...you know CDBG and other sources...that means you're taking from someplace else and putting it in there...it's just a resource allocation. This one is an influx of money that we going be having and, you know, perhaps Neil and Sharon what you could do is try to at least develop a...a development plan for that...yeah, I mean we talked about maintenance...but maybe a more ambitious plan to, to ah, improve that facility, you know. Sue talked about in...increasing the amount of units, you know could do that with capital improvement ah project funds, of course, not just with this 150,000 a year, ah but maybe um articulate to this body what you intend to do with that \$150,000...and make it really palatable so that the people in that facility can...can see that yeah this is a good idea, I mean we're not really paying too much more and we're gunna get, you know, all of this in return. Ah, so I mean...I'm...I have no hesitation actually in voting for this but I'm just wondering based on what I hear from my collogues, is there...do we have time to maybe just ah defer this for a little while or is it today, it all or nothing?

Mr. Gyotoku: I not...I cannot answer that but um, I mean, we do have time, we can do it but um I wanted to point out that whatever rent increases monies comes to the project, stays with the project. We will be using it to improve the project. We cannot take those monies and put it into another housing project. We have to keep it there and improve it. So it's not like were gunna be taking the money and doing something else...

Mr. Chung: right, and therein lies the beauty of this...this whole arrangement...

Mr. Gyotoku: ...right, and we...we are developing a plan, a definite, ah, plan of how we're gunna improve this project. Um, like I said, I built the project, so I have some interest in that, ah, I wanna make it better, wanna keep it as a County owned project, I wanna make it one of the better projects will the Kupuna is proud to live there, ah make it easier for them, ah try to reduce the cost of their housing, which is the whole point of affordable housing, um, whether we can improve...I mean, increase the number of units, ah, we...not...have not looked at because right now I'm trying to just save the project. Basically

the fifty units, um, you know, keeping it on...affordable so that our tenants can have affordable housing, like that so you know...but we can...there is time, but like I said then we would have to take a serious look at our expenditures, um, trying to reduce, like I said maybe eliminating the managing agent, but that then again effects the services to the tenants, they won't have the accessibility to a managing agent on site. We do have a site manager there, which improves communication about repairs that they need to do, like that, yeah. They provide those kind of services, like um...you know...ah repairing of the minor things in the units, the, ah managing agent does that. It helps a lot to have somebody on site, ah, but we have to look at...do we have to eliminate that because that's a major cost, yeah.

Mr. Chung: Well as I said..

Mr. Gyotoku: You know, you take one and you...it effects the other..

Mr. Chung: Maybe I'll go against the numbers. Ah, but, yeah, as I said I'm gonna be...you know, voting for this and I...I really think, no offense to those who have indicated that they going be voting against it, but I don't think there's any other responsible way of handling this thing quite frankly. Um, but I may be on the losing end and um that's why I...I brought up that question as to whether, you know, it might be...ahhhh something, you know, to consider the deferral. I don't know how this thing is gonna shape...shake up because, you know, there are several Councilmembers who, who didn't indicate how they going to vote. I'm thinking that that this would be a wasted opportunity on our part. My opinion. Okay, thank you.

Mrs. Eoff: Mrs. Lee Loy.

Mrs. Lee Loy: Thank you. Um, I would support a deferral at this time rather than voting no because my...my continued heartburn is the administration sits before us and shares...were thinking about developing a plan...were looking towards...what would be ideal is if those goals and objectives was attached to this and then even some rough numbers as far as a repair and maintenance plan, you know, to improve 20 units will costs us \$300,000 with the subsidy were looking at paying for that over 2 ½ to 3 years but that's not what we have before us. What we have before us is rent going up, were getting some subsidies, and then conversation about what might happen. And I think it's prudent, not only to the program, but for future planning, that we do have goals and objectives to strive for and if we have to change

it and we realize changing out refrigerators costs a lot of money but saves on electricity costs there's a return on investment for that, so were actually saving money by investing in another pieces of energy efficiency equipment. That is what is giving me heartburn on this one...it's about were gonna raise the rent and we leave it up to some arbitrary decisions...that we don't get to see, when I think it's prudent that the...for transparency purposes, we going know that they going get a new roof within the next 2-5 years...and that's all I'm asking for. And that's why I would be voting no but if anybody wants to look at an option to defer where you guys could attach some more tangible goals and objectives to this communication, I could support that at that time because...but what Mr. Chung is saying, we going see one influx of money, my concern is...we don't have anything other than descriptive, developing words of what might happen with it. That's where is stand so thank you.

Mrs. Eoff: Okay, Mrs. Poindexter.

Mrs. Poindexter: Okay, so I'm looking at the timeline, so July 18th we got all the word about...it was gonna be increased and HUD overruled the \$600 per month, so I'm gonna support a deferral to because like you had stated we still have time to go back to ask for an appeal. So, are you able to ask...um...you had already asked them to delay the implementation um...on July 18th it says you preceded to request a delay in implementation to November 1st. So can you, ah, delay the implementation to January 1st? would that be appropriate? Can we defer this, ah not till January, but what I'm saying is if you could start talking with HUD about delaying this...but I don't see anything changing where you gotta remove services from already what had been cut from that project? That project has been cut in so many ways with services already, so just because we're going to defer this doesn't mean you gonna go cut some more. I think we still can manage for several more months, till we get this figured out on the appeal and see how we can...what...what we can come back with. I mean your thoughts on what I just said?

Mr. Gyotoku: Um, even if we appeal or we ah...it's denied today we would have to start the process all over again and go through the process of requesting the rent increase with HUD and I guess submitting additional data...

Mrs. Poindexter: and th...and then maybe at that time like what Councilmember Lee Loy said, you'll have all the, ah, from now till then you gotta realistically look at what are the true and expenses of the facility to maintain. For, I mean...you have

projected, ah...a projected budget out for five years, say, what it cost...what it would look like...I mean, we don't have that, right now, right? before us, we have nothing...so that would also give you some time to get us some, ah, documentation on the finances.

Mr. Gyotoku: I not sure if you received this chart.

Mrs. Poindexter: Okay, so I did get...I got this yesterday...

Mr. Gyotoku: Yeah...I mean it's not specifically showing the individual...

Mrs. Poindexter: Yeah...yeah

Mr. Gyotoku: ...expenditures but...

Mrs. Poindexter: What...what I'm saying to is I had to request for this yesterday cause it wasn't given to...

Mr. Gyotoku: ...Yeah...and

Mrs. Poindexter: ...to me so, again I'm trying to absorb all these things...

Mr. Gyotoku: right...

Mrs. Poindexter:...from yesterday afternoon, just receiving this...

Mr. Gyotoku: Right...and...and...that's my fault. I accept responsibility, ah, we should have, you know, submitted to you folks more...

Mrs. Poindexter: ...yeah...so even if it's deferred to till next Council...ah...the next ah...

Mr. Gyotoku: Housing Agency meeting.

Mrs. Poindexter: ...Housing Agency meeting, I mean that's not...that's not a big amount of time, the gap in between, right? So that would give us time to go and research...

Mr. Gyotoku: Well, like I said we I think we would have to start over again, the process with HUD to request a rent increase and document, I mean...

Mrs. Poindexter: I mean, but if you come back say in 2 weeks, were gonna be in Hilo, and you say eh I...I reached out to HUD, they said no going be kinda impossible whatever...you can give us one feedback cause at that time we can make a decision then...you know whether to...700 or no 700. You know what I mean...I'd feel more comfortable in making a decision 2 weeks from now then I do making the decision today...if I'm forced to make a decision today unfortunately it will be no. Because I don't have the correct...or all of the information I think I need and from the information that I do have, I don't feel it's fair for our aging population so, um, ah...that's where I stand so, um, yeah, I'll yield at this time but I...I was wanting to make a...a motion but go ahead Council...sorry Chair. Go ahead.

Mrs. Eoff: Mrs. O'Hara.

Dr. O'Hara: I too would support a...a deferment of this and specifically you've made some comments about, um, the appeal but what is the process? It...it doesn't sound like you're 100% certain of the process. When we...if we do defer this and we come back to this a month from now, I want clear definition as to the steps of the appeal process from this point forward and what we have to do to initiate that, what the expense would be to the County, etc. as well as what Mrs. Lee Loy asked for, which is the reference to, were developing a plan but we don't have a developed plan. Um, it sounds like you have a lot of ideas on the table, but formulating that into a concrete plan that we can review, um, at our next meeting, ah, would really help move this along, so those are my suggestions if we do decide to defer.

Mrs. Eoff: Um, did you want to respond to that before I go back to Mrs. Poindexter?

Mr. Gyotoku: What we can do is check with our Housing and Urban Development and get an exact timeline as far as the appeal procedure...ah, what we have to do and I can get back to you folks in a short time.

Mrs. Eoff: Okay, because um, our very next meeting will be in Hilo on November 2nd and the following one will back in Kona on November 15th and I guess if, um, if somebody makes a motion to postpone to the call of the Chair we can leave it open to you to...to tell us when you're ready to...

Mr. Gyotoku: I think the procedure as far as the timeline would determine when the next meeting should be held, you know, if its

gunna take, let's say 1 month or 2 months, the meeting...you know...it won't be ready by November...you know...appeal.

Mrs. Eoff: Okay, Mrs. Poindexter.

Mrs. Poindexter: Yeah, um...I was just thinking of doing the motion to postpone to the...till the next, our committee meeting that we could do a Housing Agency meeting on that same day because maybe if you come back and you say hey the appeal time going take too long...it's going be crazy...HUD says it's gunna effect this project in a very negative way...I don't what...what's gunna come forward, you know and that...at that point we can say, okay, then we better vote on it now, or you could come back and say, hey HUD said they'll give us till January 1st...blah, blah, blah...then we can defer this until such time but I don't wanna, um, just do it to the call of the Chair and wait till you go file an appeal. I...we wanna know...I mean, is...does that sound logical? Or what would you recommend?

Mr. Gyotoku: I...I have to go find out from HUD exactly how long it's gunna take and what we have to do and come back to you as far as an explanation of that and you know...

Mrs. Poindexter: Okay, so if I do...to the call of the Chair then you will be in...I mean...to the call of the Housing Agency, ah, what do we call you?

Mrs. Eoff: Chair.

Mrs. Poindexter: Chair? Okay. I'm thinking we gotta stick away from Committee. But, um, then if you could call her then she could just put it on or not put it on or whatever.

Mr. Gyotoku: And you're talking specifically only on the Kula'imano, right? not on our...

Mrs. Poindexter: Yeah, on Kula'imano.

Mr. Gyotoku: Okay.

Mrs. Poindexter: Definitely. Cause that's what's agenized today is Kula'imano. So at this time I'd like to make a motion to postpone to the call of the Chair.

Mrs. David: Second.

Mrs. Eoff: Okay, I had a motion from Mrs. Poindexter and a second from Mrs. David. Mr. Chung.

Mr. Chung: Yeah, I guess relating to the deferral motion, which I will be supporting...um, you know, there's been a lot of talk about this appeal, exactly what are we gonna be appealing? Or whose gonna be...explain this to me...this appeal. In three sentences.

Mr. Gyotoku: My understanding that you folks are not, ah ah, accept...accepting the \$700 a month...and that..

Mr. Chung: Yeah. That's what I thought..

Mr. Gyotoku: and that...you know ah..

Mr. Chung: So were gonna be appealing the increase that's gonna enable us to get a lot of money...ah...I'm speechless..

Mrs. Eoff: Ah, Mr. Chung I think um, the original request was to raise the rent to 600 which would have been an increase but then HUD, um, ret...raised it even higher to 700 so...that's...

Mr. Chung: Yeah, so we wanna get it down to 600?

Mr. Gyotoku: That was my understanding.

Mr. Chung: But the 700 would be a negligible increase, if at all to the rent payers...

Mrs. Eoff: Right.

Mr. Chung: ...so that means we would be getting that much more..

Mrs. Eoff: That's what I don't understand.

Mr. Chung: so were gonna appeal so that we..we get less, right? I don't know about that.

Mrs. Eoff: I think that's...that's what I don't understand too. Okay, um, you had a November 1st deadline to implement this change and our next meeting would be November 1st that we could possibly have. If we were to have a change of heart because you can provide us information between now and then and you had another Housing Agency meeting on November 1st would that work as far as this particular, um, Contract. That needed to be signed by November 1st?

Mr. Gyotoku: At this point I think we need to check with our Corporation Counsel Mrs. Amy Self as far as...

Mrs. Eoff: oh okay, I think she might be listening in. Mrs. Self are you in Hilo?

Mrs. Self: Deputy Corporation Counsel Amy Self.

Mrs. Eoff: Thank you. Did you hear the question?

Mrs. Self: I didn't hear the last question someone was speaking to me so I don't...I didn't hear the very last question.

Mrs. Eoff: Okay, um, I think I can repeat it, um...we...we have a motion on the floor to postpone and several Councilmembers would like different kinds of more information prior to making a decision on this and, um, I know we were...we were asked to, um, ah...approve this today so that on November 1st the rent increases could go into effect based on the current, um, plan. But if we, um, have another meeting on November 1st in Hilo and we put this back on the agenda and we were able to approve it then would we still be within the...the right deadline for this contract?

Mrs. Self: Well Housing should know what it's deadline is, if he said November 1st is the deadline, then I don't...we have people here from Housing too...do you guys know? What is your deadline?

Mrs. Hirota: Can I ask question? So Amy...Amy...Amy this is Sharon...

Mrs. Self: Yes. Yes.

Mrs. Hirota: I have a question...the question is that...we would be meeting on November 1st, the contract effective date is November 1st, is it okay for us to route the contract for signature and execution on or after the November 1st...a date after November 1st?

Mrs. Self: Yes but you would have to...is that gonna...I'm not sure how that effects HUD, but I think you could have it, um...have the date of the contract effective...no cause you...you have to have it effective November 1st, right?

Mrs. Hirota: yeah, the contract is effective November 1st 2017 but if we defer and meet on November 1st and if they approve it then we wouldn't start routing the contract till probably te...the next day. So the signatures on the contract would be effective...would be signed after November 1st.

Mrs. Self: Well it wouldn't be effective until everyone had...until the Mayor has executed the contract so...um...I think you'd have to change the effective date that the contract...date that the contract would begin because it can't take effect until it's fully executed.

Mrs. Eoff: Okay. Do you have a comment? Or, no? Okay. I...I'm not sure Mr...um...Chung...did um,

Mr. Chung: yes.

Mrs. Eoff: did you understand that answer?

Mr. Chung: I was using the restroom.

Mrs. Eoff: Oh.

Mr. Chung: But I...I have a comment.

Mrs. Eoff: Go ahead. I guess well um, Mrs. Self explained that, um, we couldn't really execute it by the deadline if we...if we postpone it till November 1st and even if we were to take affirmative action there, but I don't know what then happens, ah, I mean, you collect rent on the 1st right?

Mrs. Hirota: so we collect rent, um, rent is due by the 5th of the month, um, but HUD pays us on the 1st working day of the month.

Mr. Chung: so does that mean, just point of information...

Mrs. Eoff: Mr. Chung.

Mr. Chung: that we don't have time to defer, it's either all or nothing right now, today?

Mrs. Eoff: An...and if we...an if...if that's the case, does that mean you have to start over? as you mentioned earlier.

Mr. Gyotoku: I believe we would have to start over.

Mrs. Eoff: Okay. Mrs. David.

Mrs. David: Thank you. Ah, on the postponement, um, if you say you have to start over, what's the timeline? Approximate, I don't need an exact, but just you know...

Mr. Gyotoku: Well I mean...

Mrs. David: ...you have to apply to HUD...

Mr. Gyotoku: ...there was a lot of delays but we started this process November last year. I mean we could speed it up but it will definitely take at least, I would say 4-5 months.

Mrs. David: 4-5 months. And within that period of time...

Mr. Gyotoku: it depends on how fast HUD will...

Mrs. David: I see.

Mr. Gyotoku: ...respond to our appeal.

Mrs. David: And within that period of time then the, um, the tenants of um the facility would...

Mr. Gyotoku: During that time the rents would remain the same at \$441.

Mrs. David:...until...until the next pr...okay.

Mr. Gyotoku: yeah.

Mrs. David: 4-5 months alright, thank you.

Mrs. Eoff: Any other comments on this postponement? Was that a yes? On the postponement? Were talking about postponing to the call of the Chair and we were just discussing what...what that means. But apparently, ah, my understanding now is that it means that this particular, um, contract would be pretty much null and void, we'd have to start over with a new contract to negotiate a rent increase.

Mrs. Poindexter: Point of order. Ah, I...I don't think that's what we heard...

Mrs. Eoff: no?

Mrs. Poindexter: I...I heard...I think we heard, I think, maybe, I don't know, so it's the I don't know...am I correct, I'm looking at our Corp Counsel there, right? Can I ask Joe Kamelamela a question...he's nodding from there, I wanna accept it because all I was hearing was I don't know, maybe, if maybe ca...can or

whatever, so it's uncertain so he needs to go back and check and come back to us and let us know. I cannot vote on something that's uncertain, so that's my po...point of order because were going kinda off on...I have a motion to postpone to the call of the Chair.

Mrs. Eoff: Um, did you want to hear from Corporation Counsel again or, oh, Mr. Kamelamela.

Mrs. Poindexter: No, because, I...I...I...what we heard is what we heard...if, maybe, I think so, I don't know. So it's still, I don't know. There is no certainty of any of our questions being answered until he speaks with, um, HUD, am I correct Mr. Gyotoku?

Mr. Gyotoku: That's correct.

Mrs. Poindexter: Thank you.

Mrs. Eoff: Okay, thank you.

Mrs. Self: If I may, I thought I was clear but I will definitely this time be clear, you do not have a contract by which you can get paid by HUD unless its fully executed, so that's why I'm hearing them say that November 1st seems to be the deadline because that when they need the contract...contract to take effect but it can't take effect until it's fully executed.

Mrs. Poindexter: So you cannot take effect, like if the Mayor says okay I'm signing on November 2nd to be effective November 1st? Because the...the agreement is November, I...I've signed some things that were gunna be effected...ah effective the month prior but I'm agreeing to that, is that not so?

Mrs. Self: I think when you're dealing with HUD.. um, and you (in audible)

Mrs. Poindexter: You think...okay so th...th...there's where...where my...

Mrs. Self: ...well okay...let...

Mrs. Poindexter: ...I think.

Mrs. Self: ...this is...were not dealing with just the County were dealing with HUD. And you can ask Sharon, Sharon is net...is that not correct? This is...this will determine whether or not the

County will get paid through...ah, get the subsidy paid by HUD, isn't that correct?

Mrs. Hirota: yes, so the subsidy gets paid from the federal government, yes. To us.

Mrs. Poindexter: That's...that's not my question though. My question was, can you sign a document the day after and make it effective November 1st? Will HUD accept that? Does anyone know for sure? Will HUD accept that, yes or no or I don't know. Those are 3 answers. So, Mr. Gyotoku do you know?

Mr. Gyotoku: I would not know.

Mrs. Poindexter: Okay. You would not know and that is...that is my concern. I have a motion to postpone to the call of the Chair.

Mrs. Eoff: okay.

Dr. O'Hara: Ah, ah, I have...

Mrs. Eoff: Mrs. O'Hara.

Dr. O'Hara: I have a question, um, for Mrs. Self, um, we have an existing contract, what were doing is attempting to replace it with a new contract? Um, if we don't do that by November 1st does that void the existing contract, is that what? No. Ah, so we would still get payment but we would be at the lesser rate of...

Mrs. Eoff: 400.

Dr. O'Hara: of the...the smaller amount, am I correct? Okay, so...

Mrs. Self: That's correct.

Dr. O'Hara: okay.

Mrs. Eoff: Okay, any more questions or...on the motion to postpone Mr. Clerk can we take a...a vote please? Um, a voice, a roll call vote, or I can...I can ask I guess.

(inaudible)

Mrs. Eoff: Oh, sorry. Okay, um, I'll just take voice...oh, Mr. Chung.

Mr. Chung: I just wanted to say something, ah, I know I indicated that I was going to be voting in favor of it but based on the uncertainty, and its funny how, you know, one person looks at uncertainty one way and the other one looks at differently but I think I have to vote against the deferral now, cause I think maybe time might be of the essence. Thank you.

Mrs. Eoff: Okay then. Ah, I'm gunna ask ah, for a show of hands then...

Mrs. Lee Loy: Chair.

Mrs. Eoff: All if favor of the postponement...oh, was there more discussion? Sorry.

Mrs. Lee Loy: I...I...I cause I just wanna understand, were deferring and the Housing Department is being tasked with what during this time? Um I heard something about an appeal, I know what I'm asking for which is more concrete information about what the subsidies would be used for, um, I think those were the 2 things that I heard. Is that correct?

Mr. Gyotoku: We can add that information as far as you asking for the documentation to justify the rent increase and we can add it to our appeal I guess when we do the appeal.

Mrs. Lee Loy: I'm not so much interested in the appeal. I'm interested in this additional increase...what is it going to be utilized for...

Mr. Gyotoku: And that's what I was saying. We will increase...put documentation in the rental increase request to justify what the money is gunna be used for at the project.

Mrs. Lee Loy: gunna be used for...okay. Alright, so were getting 2 things from them. Alright, thank you. I yield.

Mrs. Eoff: Okay and ah those 2 things, um, would those be able be completed to provide to us by November 1st?

Mr. Gyotoku: I really don't know. Like I said I have to go back, ask HUD what is the timeline for this ap...ah, appeal.

Mrs. Eoff: we no, beside, like let's say not the appeal but just the background information on how the increase would be used at the...at the project and also um, ah outcome of the um, the...one or two people who weren't able to qualify for the subsidy...I know

asking HUD about an appeal would take longer but we..we had one, um, option, I think in front of us that if we had more information by November 1st we may be more inclined to support the increase.

Mr. Gyotoku: I can provide that information.

Mrs. Eoff: And then there's also the outside chance that, we don't know for sure, but you'd be able to find out if...if um, it would still be valid if it took place on November 1st rather than today, the vote on this. For this particular contract. Could those things be accomplished in 2 weeks?

Mr. Gyotoku: I can provide that information to your office, I mean to the Council, I mean the Housing Agency. Ah, as far as documentation of what the ah rent increase would be used for at the project and what type of projects ah outside expenditures we are looking at to improve the project.

Mrs. Eoff: Okay. And um, I had Mr. Kanuha, no. Mr. Chung.

Mr. Chung: yes, but...this requires Council action or the Housing Agency's action, so even if they provide something by November 1st or prior to...were not gunna have time to act on it, therein lies the problem, I think.

Mrs. Eoff: That was the question.

Mr. Chung: So if we defer awaiting something from them it's not gunna happen.

Mrs. Eoff: But there was a...a chance...I guess because he didn't know the answer for...or nobody knew for sure whether if we were to vote on this November 1st, affirmatively, um, and it was possibly signed by the Mayor either that day or the next day, would it still be effective for this particular contract. And we didn't get a clear no or yes. But there's a chance I guess. That's a...a gamble. Um, so I don't know that's a chance we would be taking on this particular contract.

Mr. Gyotoku: I think Mr. Chung is correct. Ah, it's on the agenda for tomorrow's Council meeting...th...ah, this lease..

Mrs. Eoff: Oh, I'm sorry, so it...

Mr. Gyotoku:...so it had to be deferred too, that, you know, um, that action...

Mrs. Eoff: I forgot there's another...another, um, process...

Mrs. Poindexter: Step. Yeah.

Mrs. Eoff: ...tomorrow.

Mr. Gyotoku: yeah, its referred to the Co..Council for action.

Mrs. Eoff: Which would also have to be postponed until the 2nd.
Okay Mr. Ka...Mr. Chung.

Mr. Chung: Point.

Mrs. Eoff: Go ahead.

Mr. Chung: I just have one last question...

Mrs. Eoff: No it's fine we should be clear.

Mr. Chung: Neil or Sharon, right now where...are other sources being used to make up for the shortfall, um, at Kula'imano? Or are they just self-sufficient and ah whatever they generate, that's what you use as (inaudible)

Mr. Gyotoku: We did over the years have a real small reserve, ah, account for Kula'imano that we've been using...

Mr. Chung: okay.

Mr. Gyotoku: ...and some of the expenditures are being off-set by ah, I guess in my office administration.

Mr. Chung: But not many? Not much?

Mr. Gyotoku: Not much.

Mr. Chung: Okay, so it stands to reason then if we have more money coming in, we have more money to spend for that? So it's not like it coming in from...from Kona, Hilo, Puna or anything like that?

Mr. Gyotoku: No...no. Whatever comes into the project, is what stays with the project. Specifically for the project.

Mr. Chung: You know I really wanna respect, you know, the Councilmember from that district but I...I think this can only

help the facility. I...no offense but I...I just see it as something that can help...

Mrs. Poindexter: And...and I...I've had many many ah meetings with the whole facility as well and I know were off topic from the motion um Chair but I...

Mrs. Eoff: inaudible...that's okay. Yeah.

Mrs. Poindexter:...I wanna, I...I know, I wanna answer that too. I have not had the opportunity to even meet with all of them yet because this came up so last minute, so quick, I had some of them call me and come to my office and one of um who came was one who was gonna get his um you know subsidy yet he had complaints about why is it going...so I mean he had some other questions and complaints as well too so when we talk about, were being rushed into this, even with them I have...you know, I'm rushing to try and meet with as much as I can and I'm...I cannot make an honest decision with the information I have knowing that we failed to put the appeal in which could have just reduced it to 600 which would be...have been great for us, yeah and helpful to others. So when we say it doesn't effect those people, those people have a lot of things to say about this as well, you know. So I...I'm just leaving it at that cause I had to answer, I know were on the motion to postpone. So I apologize for going off on...on that part. Thank you.

Mrs. Eoff: That's okay, we need to understand if we want to vote to postpone or not. That's fine. Mr. Kanuha.

Mr. Kanuha: Thank you. And I...I don't like the timing of this as well. I, you know, to...to have something put before us and um because I was going to be voting in favor of it but there are some issues. I do appreciate the comments that, you know, we need more information, we need to know exactly where the money is gonna...going to go for these improvements. Um, I don't like giving away big chunks of money too without knowing all the little small details of where it's going but the improvements are necessary which is why I feel it's important that this happens but in terms of the timing wise I can completely agree with a lot of my colleagues that um it's, you know, and even working with ah Chair Poindexter and the...and her district, you know, that's her district you know and...and keeping her informed of really what's going on with this facility um obviously ah seems like a mis-step cause I think ah with that ah could have been ah, you know, she probably could have been a proponent ah with you guys but there...there are some issues which I...I...I do

agree um but I...I really also don't want to postpone this and go with the what if of HUD coming back saying, sorry...you know we made the deadline, it needed to be by Novem...by November 1st, you guys passed it and you're gunna start all over again which going take, as you look through this process, a really really long time. So that's my...that my issue, um, as for this postponement goes, I...I...I might be voting against it but um you know I...I still would like to see exactly what, you know, if this thing does get postponed, I still would like to see what every other member is trying to ask for as well so that's what I gotta say.

Mrs. Eoff: Okay, thank you.

Mrs. Poindexter: I...I wanna call...

Mrs. Eoff: Mrs. Poindexter.

Mrs. Poindexter: ...oh...I wanna call up our Corp Counsel. Because it seems to be there's people concerned about the contract and the timing of the contract. Has the County ever retroactively signed a...signed a contract and retroactively had it retroactively effective date?

Mr. Kamelamela: Ah yes but ah again this is a HUD so I'm...I'm not too sure how HUD would do it.

Mrs. Poindexter: Right. So were not too sure...

Mr. Kamelamela: Yeah.

Mrs. Poindexter: ...too how HUD would do it. So, um, you know, ah, should we ah defer this and come back at the end of the day, I don't know what the time is that you could ah call HUD, is there...is somebody from your office making a call now? Or can they make a call now? And we just defer this to the end of the day, put this comm...ah put this Housing Agency meeting to the back of our ah...ah Committees so we could get started and you could come back with some answers on, could we retroactively go back to November 1st even if it gets signed November 15th? Could that be um ah done Mr. Gyotoku?

Mr. Gyotoku: Yes we could do it.

Mrs. Poindexter: Okay, so I will...I will um ah remove my motion from the table to postpone and I wanna ah defer this ah Housing Agency meeting till the end of the day.

Mrs. Eoff: I guess that would be a motion to recess this meeting?

Mrs. Poindexter: Oh, motion to recess this meeting, and thank you. Yes.

Mrs. Eoff: Okay. Do I have a second?

Mr. Kanuha: second.

Mrs. Eoff: Okay. Then ah all in favor of taking ah recess...ah recessing this meeting until the end of our Committee agenda day and see if we can get some more firm answers before we make any more decisions. All in favor say Aye.

All say aye.

Mrs. Eoff: any opposed? Okay. Thank you we have 8 aye's and were in recess.

***** Recess 10:48 a.m. to 2:17 p.m. *****

Mrs. Eoff: Okay, Thank you. Um, I'm going to be calling the Housing Agency out of recess at this time and reconvene this meeting. Um, Mr. Gyotoku would you like to give us some additional information?

Mr. Gyotoku: Hi good morning. Neil Gyotoku, Housing Administrator. We went and called Department of Housing and Urban Development and there is an appeal process...a window but that was for 30 days and it started on July 18th, ah, that is the date we got notified by HUD of the rent increase; however, this appeal process is normally for those that want a higher rent increase. In other words, if were not satisfied with the 700 we could appeal for it. And I was mistaken because I had said that the local appraiser had determined the rent increase of \$600, that was my mistake, it was I that had that \$600 figure because this is the amount of rent that when we went before the tenants in the February meeting, that was the rent that we had proposed and I had ah...there thought we were crazy to try to ask for a lower rent. Um, but that was my mistake. Anyway, the three appraisers, the local one that we hired and the two from HUD they all agreed that the rent increase was \$700 a month and they base it on market rent...in the market...ah units in the market...that are not assisted by any federal or state government. So they took um places like in a Hilo, apartment buildings that are on the market and not assisted by any federal or state program. Ah,

places like Honoka'a elderly and Papaaloa we...we couldn't use it even the ones on Hilo like Mohouli we couldn't use, they didn't use those rents, they just based it on market rent. They also told us that ah since the appeal window ah has process...has passed, we would have to start the whole process over again if we wanted to go...and the danger of that is that there gonna use market based rents so, they may come out to higher rent then the \$700 if the rents in Hilo or those areas have increased, they may increase the rent to 700 so...it wouldn't make too much sense for us to go and appeal but we would have to start the process all over again. Um, I did get some figures...oh, for your information...the units across the street in Pepe'ekeō, a 1 bedroom unit rents for \$1,200 a month and those are unassisted. I did ah go back to our accounting and try to get some figures for ah Mrs. Lee Loy questions ah as far as what we going do for the rent increase. Um, these are things that are not covered...cannot be used by a CIP or CDBG funds and we will be using the rent increase to ah pay for those, basically ah replacement of ah refri...ah appliances, like a refrigerator at \$700 a piece would cost us 35,000. Ah stoves at \$500 a piece would costs about 25,000. Water heaters at \$350 each would cost us about 17,500. We also looking at putting in some security ah not for ah full time but maybe for 3 nights a week at ah were projecting it to cost about \$20,000. Ah however we feel that if we put in the ah...ah chain link fencing around the project, this would severely um, ah, reduce the risk of ah any kind of outside intrusion like that. We also kind of a looking at some big ticket items like the a landscaping contract, which were kinda locked into one contractor and we have to go with whatever they bid, that is roughly about 32,000 a year. And the largest ticket item is our managing agent who have, right now, I have changed to a new, ah, vendor and they doing a real good job as far working with the tenants...addressing their concerns. Um, there ah projected ah, um...contract is gonna be around 100,000 a year but this is gonna change because, I mean, the 100,000 is mainly because we want them to do more in the project, like collect the rent, manage the books, and do all, from A to Z as far as repairs, you know, taking care of the project as it is. So we would have, um, a smaller roll as far as ah ah running the project and the project would be like almost self-sustained. And as far as CDBG I did wanna mention we have some things like a for example ah ah acc...accessibility improvements for handicap ah, hardening of the ah community center to be a hurricane shelter, like installing a generator, shutters on the windows, we wanna provide fencing around the a project for more security from ah outsiders as well as a wild pigs. Ah we wanna do energy efficient upgrades ah especially with the a electricity and we

need to do like termiting, repainting and repairing of the existing roofs. And those we'll try to come from CDBG ah, if we can get it for 2017.

Mrs. Eoff: Okay, thank you.

Mr. Gyotoku: Yeah.

Mrs. Eoff: I'll open it up to questions now. Councilmembers? Okay, Mrs. Lee Loy.

Mrs. Lee Loy: Thank you Mr. Gyotoku that makes me feel a whole lot better. The um...you mentioned that the...the subsidy...the additional subsidy monies can only be used for certain items, so could you elaborate a little bit about that cause I guess the way I'm seeing this is appliances, I guess maybe that would fall into like a consumable category whereas roof repairs is more of a capital improvement...is that how...is that the...the da...da...demarcation line of how those funds are utilized?

Mr. Gyotoku: I think its what is eligible for ah CIP and ah Community Block Grant, CDBG. Um, the requirements, we cannot use it, ah, appliance replacement, ah paying for security, and for CDBG monies or CIP. We can use ah CDBG for site improvements like repairing the roofs, um, replacing the roofs ah, I also looking at hardening things like that, yeah, for hurricanes like that. But we cannot do for regular, ah, budget items, like ah security, um ah, landscaping, contracts, ah, management agent contracts, ah, and, like I said before, whatever revenue that we ah acquire, it will be...remain with the project. And ah, it will remain in the reserve, whatever we don't spend and this is what we gonna be using as far as to replace and repair things inside the project, yeah. Ah, if it's a real big, ah, capital improvement then we'll go look at CDBG or CIP, which we are right now.

Mrs. Lee Loy: Thank you. I yield.

Mrs. Eoff: Okay, thank you. Ah Mrs. Poindexter.

Mrs. Poindexter: Okay, so um, the 600 that was suggested wasn't from an appraiser? It was...

Mr. Gyotoku: from me.

Mrs. Poindexter: It was form you. Okay.

Mr. Gyotoku: Because, the reason why is that I had put this in the letter to the tenants and I felt bad...I don...didn't wanna be called a liar, so I asked Sharon if we could ask HUD if we could have a \$600 increase? But it never came from any appraiser, that was my mistake.

Mrs. Poindexter: Okay, so then the only appraisers that came were the ones from Washington D...ah Washington State? And...

Mr. Gyotoku: no the local ones that we hired, that local one, he determined that \$700 rent...

Mrs. Poindexter: Okay...so...

Mr. Gyotoku: ...all 3 appraisers, the 2 from the mainland and Honolulu and our local appraiser all said 700...

Mrs. Poindexter: Okay, you know that...that take a totally different spin on things?

Mr. Gyotoku: Yes. And that was my mistake.

Mrs. Poindexter: Right. So, um, okay. Um, and we wanna make sure to, you know, HUDs whole mantra is, you know, peaceful enjoyment for our seniors, so with that being said I...I can...I can um I...I guess I can feel okay about that 700, okay. Um, and that's what you gotta now go explain to the...the seniors yeah, what ha...what had happened or, I...I don't know how you...well when you go to that meeting I would love to be there...

Mr. Gyotoku: Very well and we'll invite you. In fact...yeah...

Mrs. Poindexter:...and then working on...because things have gotten better, I have to say that to you, so I appreciate that and...and thank you for...cause some of the things that when I met with some of them I asked what was happening and...and...so some things are getting better. I...like I...again...thank you for that...but just make sure that um our quarterly meetings and some of the issues that had happened before, we kinda continue to work on with those seniors...again HUDs peaceful enjoyment because you know somebody sitting up there with one violin case saying I get one gun in here and he's...he's dressed in camouflage sitting on the bank...that doesn't give them peaceful enjoyment...

Mr. Gyotoku: Right.

Mrs. Poindexter:...you know so it's like there going is...he's living in our...our ap...our place you know, I'm in fear so I'm hoping that that atmosphere will change as well with the...now that you have more money, yeah, you're saying about security and all of that so build some of that into making it a peaceful enjoyment...

Mr. Gyotoku: And my office is working very closely with the new managing agent...

Mrs. Poindexter: Yeah.

Mr. Gyotoku: ...um, they are very dedicated people, um, they show a very strong interest, as far as ah, you know...

Mrs. Poindexter: Yeah.

Mr. Gyotoku: ...ah helping the seniors and we...I'm hoping that they'll come in with us and build and develop programs to help the seniors, you know, for example like senior scams...you know like when, you know, programs...educational programs...

Mrs. Poindexter: Right, yeah, all they ask...all the seniors ask is and...and they appreciate the new management, but they were ask that if there's conflicts that maybe the office of housing would take care of that...and maybe with the money you get...maybe some mediation from Kuikahi Media...I don't know who you could use, to bring in there, they didn't want the managing agent see to be doing that because then...then they gotta pick one side from the other and then you make it hard for the agency and then they...there put into a bad situation and cannot treat all of them fairly, so maybe with this new money we could budget in some mediation services, cause we know they always have some type of conflict going on...

Mr. Gyotoku: Right.

Mrs. Poindexter:...so and we talked about that last year, about looking at mediation services but didn't have the money, so maybe now can have the money for mediation services as well.

Mr. Gyotoku: And...and we can look at other na...pr...non-profits to help ah in that area like that also.

Mrs. Poindexter: Yeah. Thank you. Thank you very much.

Mrs. Eoff: Okay, thank you. Um, Mrs. David.

Mrs. David: Thank you Chair Eoff. Mr. Gyotoku, thank you very much for um, for actually um coming back with the information that now, I think, um makes a big difference and um, in how we can proceed with this so thank you and your staff...um Sharon...Mrs. Hirota for...for doing that and all of you folks for coming back with that information so, Mahalo.

Mr. Gyotoku: You're welcome.

Mrs. Eoff: Okay, anybody else? Comments, questions? Mrs. O'Hara.

Dr. O'Hara: Ah, thank you Chair. Um, and thank you Mr. Gyotoku for being willing to come forward and explain that you made a mistake um...its...its um...difficult to do sometimes but I really appreciate that ah you were able to tell us that because it does make a very big difference in how we um ah view the numbers. Also, while you've listed a lot of the projects that ah you plan to do, normally you have...would've had a certain revenue from the project, in that a you were already charging \$442 a month and when you present the additional actions that you'll be able to complete with what is approximately 150,000 extra per year, its nice to know, ah, how that differs from what the services are that are currently being provided, you know the...the marginal amounts additional to that, ah rather than trying to explain all of the services that are coming in, so I'm just saying that so because in terms of presenting information to us, the Council...this Council is...is pretty savvy and likes to have the information presented in a clear and concise manner, so in the future...maybe that's a lesson learned that ah it would be better to present it real clearly like that...what the additional revenues are going to be spent on versus just the whole kit-and-caboodle of all the things that you're going to be doing in the project, so just appreciate that and ah thank you for coming forward with all the information.

Mrs. Eoff: Okay, thank you. Anybody else? Okay, well um, I would also like to say I'm glad we took ah recess and we were able to get the um...the ah clarifications and the additional information. Um, it seems to me that um, with your commitment to the project, I mean I...I heard you just say that you were involved in...in construction a long time ago and you'd like to see the...the um improvements and um I feel like your...your very devoted and committed to that vision so um the extra help from the subsidies should be a windfall in a way for us, so, um thank you again and if there's no further comments I'll go ahead and take a vote. All in favor, um, of approving the termination of the existing

lease and...or contract and entering into new contract please say aye.

All say aye. (2 absent at time of vote: Richards and Ruggles)

Mrs. Eoff: Any opposed? Okay we have 7 aye's and 2 are absent. Thank you so much.

Mr. Gyotoku: Thank you very much.

Mrs. Eoff: Oh, may I have a motion to adjourn?

Mrs. David: So moved.

Mrs. Poindexter: So moved.

Mrs. Poindexter: Second.

Mrs. Eoff: Okay, moved by Mrs. David, second by Mrs. Poindexter, um all in favor? I'll take that as 7 aye's, 2 absent. Yep. Whoever's counting 7 aye's.

(2 absent at time of vote: Richards and Ruggles)

Meeting adjourned at 2:33 p.m.