MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, APRIL 16, 2009,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, April 16, 2009 at 9:00 a.m.

ORDER/ ROLL CALL

The meeting was called to order by Chairperson Travis Thompson and, on roll call, those present and absent were as follows:

PRESENT:
Chairperson Travis Thompson
Director Carol Ignacio
Director Clarissa Hosino
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona
Director Sherrilee Dodson
Designee Henry Oliva
Director Eric Beaver

Chad Taniguchi, Executive Director
Krislen Chun, Deputy Attorney General

EXCUSED: None

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Vanessa Lau, Acting Chief Financial Management Advisor
Shirley Befitel, Personnel Supervisor
Alan Sarhan, Chief Planner
Michelle Kim, Contract Specialist
Michael Hee, Contracts Administration Section Chief
Marcel Audant, Acting Construction Management Chief
Becky Choi, Homeless Program Coordinator
Glori Inafuku, Housing Compliance & Evaluation Specialist
Allan Sagayaga, Program Specialist
Clifford Laboy, Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS:
David Moakley, Amerersco
Steve Olsen, Ameresco
Jeff Grabarek, Ameresco
David Birr, Consultant to Department of Business Economic Development and Tourism
Tommy Kim, Alii Security
Peter Kauahi, Alii Security
Fetu Kolio, Mayor Wright Homes resident
Germaine Kukaliko, Hookipa Kahaluu resident
Jarod Buna, Attorney General's Office
Jesse Ponce de Leon, Kalakaua Homes resident
John Cregor, Attorney General's Office
Jolynn Kauhi, Hookipa Kahaluu resident
Jun Yang, Faith Action for Community Equity (FACE)
June Talia, Kuhio Park Terrace

Leva Amalu, Kuhio Homes resident
Lokelani Correa, Hookipa Kahaluu resident
Monique Ocampo, Nanakuli Homes resident
Nancy Young, Faith Action for Community Equity (FACE)
Nora Oliphant, Kalakaua Homes resident
Roy Nakamura, Kalakaua Homes resident
Shari Kamaka, Hookipa Kahaluu resident
Theresa Cummings, Mayor Wright Homes resident
Tim Garry, private resident
Veronica Nevis, Hookipa Kahaluu resident

Chairperson Thompson declared a quorum present. QUORUM

Director Hosino moved, Director Ignacio seconded, APPROVAL OF MINUTES REGULAR MEETING 03/19/09

That the minutes of the Regular Meeting held on March 19, 2009 be approved as circulated.

The minutes were unanimously approved.

Fetu Kolio, Mayor Wright Homes (MWH) resident, stated the lighting at MWH has been improved. He stated his concerns are still the fireworks display at MWH. The tenant association passed out fireworks to the residents at MWH and should not be allowed to serve on the tenant association for breaking the rental agreement. Security is still a problem because the security guards see people drinking on the sidewalks and still allow them to enter the property. PUBLIC TESTIMONY

Director Smith questioned whether the fireworks were illegal aerial fireworks. Mr. Kolio stated the Manager said it was "pops and sparklers", but he has seen aerial fireworks.

Director Smith asked if staff can confirm that the tenant association distributed fireworks. Barbara Arashiro, Executive Assistant, stated the management staff confirmed the tenant association did distribute pops and sparklers.

Chairperson Thompson asked what is the Hawaii Public Housing Authority's (HPHA) policy. Ms. Arashiro stated the HPHA's policy is that fireworks are not allowed on HPHA property.

Director Ignacio asked if any steps were taken to correct the problem with the tenant association. Ms. Arashiro responded management met with the tenant association and explained that even if the fireworks are legal, the HPHA's policy is no fireworks on HPHA property.

Chairperson Thompson stated the Executive Director should write a letter to the tenants association informing them that all fireworks are not allowed on HPHA property.

Director Hosino asked if the problem is with the entire tenant association or just a few members. Mr. Kolio responded that in the past he has seen all Board members popping fireworks in their yards.

Director Hosino asked if he would like a re-election of Board members or would like the disbanding of the tenant association. Mr. Kolio stated there should still be a tenant association but the current members should not be allowed to be on the Board.

Director Smith recommended that Mr. Kolio speak to the Hawaii State Fire Counsel.

Nora Oliphant, Kalakaua Homes resident, stated that Kalakaua Homes has a resident

who is mentally challenged and has damaged HPHA property. He has also tried to run a security guard down.

Director Smith asked if the security guard incident has been reported. Clifford Laboy, Program Specialist, reported he has not seen an incident report.

Director Ignacio asked if the residents reported this incident to management. Ms. Oliphant stated it was reported to management and the Honolulu Police Department (HPD). Mr. Laboy stated the report may still be with management and he will look into the situation.

Jesse Ponce De Leon, Kalakaua Homes resident, stated the tenant association at Kalakaua Homes does not work because each ethnic group has their own groups to work with. Mr. Ponce De Leon read a letter that stated a lady in a wheel chair was hit from behind by a resident at Kalakaua Homes. The incident was reported to Kathy Harada, Social Service Assistant. Mr. De Leon stated that Clare Silva of Punchbowl Homes was a nice lady and did a lot for Kalakaua Homes.

Director Smith asked 1) if tenants have case workers assigned to them; 2) does staff know who the case workers are; and 3) is staff able to contact them. Glori Inafuku, Housing Compliance & Evaluation Specialist, responded that management knows who the case workers are and they do work with them.

Roy Nakamura, Kalakaua Homes resident, stated if he was Clare Silva's child he would come to the Board and ask for their mother back and he would sue the HPHA. He stated the $25 late fee should not be assessed on the first of the month because many residents do not get paid on the first of the month.

June Talia, Kuhio Park Terrace (KPT) resident, stated she in concerned with the abandoned cars at KPT. She stated a few years ago all resident vehicles were required to have a sticker placed on the car. She does not like the use of stickers and feels it creates a negative stigma for residents. She recommended that the security use the person's ID card as verification.

Director Smith asked if the City and County is allowed to tow cars on HPHA property. Chad Taniguchi, Executive Director, stated management at KPT calls a private towing company, but the private towing companies are not willing to store the vehicles.

Director Ignacio questioned whether the abandoned cars are residents' cars. Ms. Talia stated they are residents' vehicles.

Director Aiona recognized Ms. Talia for her participation at the KPT community meeting. He also acknowledged her for taking care of the children at KPT and for making sure the children get home safe and go home to do their homework.

Germaine Kukaliko, Hookipa Kahaluu resident, stated that tenants are threatening each other over parking and the HPD and management staff is not doing anything in response.

Director Ignacio questioned who the management company at Hookipa Kahaluu is. Ms. Kukaliko responded Realty Laua.

Lokelani Correa, Hookipa Kahaluu resident, stated that the tenants signed a petition against the $25 late fee. The residents will be punished because of when they get paid. HPD and management see tenants threatening each other and do nothing. The Public Housing Authority Plan (PHA) states that the tenants can fill out a survey on management, the tenants have never seen a survey. There are abandoned cars and management puts stickers on the cars but the cars never get towed. Hookipa Kahaluu has large pets that are oversize and considered dangerous.

Director Yoshioka asked if Ms. Correa is opposing the late fee or the grace period. Ms. Correa stated she wants a seven day grace period.

Director Ignacio asked for more information regarding the survey. Director Hosino stated U.S. Department of Housing and Urban Development (HUD) conducts the survey and residents are randomly picked from federal housing. Not all residents are sent a survey by HUD. The Resident Advisory Board would like all residents to be allowed to fill out a survey on management.

Director Hosino asked if the oversize pets are roaming the property. Ms. Correa stated that the pets are roaming around.

Theresa Cummings, Mayor Wright Homes resident, stated she opposes the late fee after the first of each month because of the following 1) the rental agreement states a seven day grace period, 2) this will cause a hardship on tenants, 3) low income residents would automatically be charged the late fee every month, and 4) this is setting residents up to fail. Ms. Cummings stated the HPHA is starting up a HPHA incident report card program which would allow the HPHA and the Honolulu Police Department to enforce house rules and evict any residents that don't follow the rules. She feels that this program needs more research and input from residents.

Veronica Nevis, Hookipa Kahaluu resident, stated the late fee would cause a hardship on her. If the HPHA changes the late fee on the first of each month she would get charged every month because she gets paid on the fifth of each month.

Leva Amalu, Kuhio Homes resident, stated that half of the residents will have to move out when the changes are done at KPT. The people with bad credit will be homeless because they will not be able to rent any other place.

Director Dodson stated the HPHA should have another meeting or send out a flyer to make it clear that residents will not be displaced with the mixed income development.

Director Yoshioka moved, Director Hosino seconded,

> To Approve the Hawaii Public Housing Authority's Five Year and Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2009 to June 30, 2010 and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department of Housing and Urban Development.

TO APPROVE THE HAWAII PUBLIC HOUSING AUTHORITY'S FIVE YEAR AND ANNUAL PUBLIC HOUSING AGENCY PLAN FOR THE FISCAL YEAR BEGINNING JULY 1, 2009 TO JUNE 30, 2010 AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE REQUIRED ACTIONS TO SUBMIT THE APPROVED PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Alan Sarhan, Chief Planner, reported that people testified on the following items 1) the $25 late fee being imposed on the first of the month was opposed. Most residents wanted a seven day grace period. Mr. Sarhan stated that the HPHA will modify the PHA plan to reflect the seven day grace period; 2) several people testified that the tenant monitoring program should be tested on several sites, not just one site; 3) two people testified that mixed-use redevelopment will drive the poorest residents out of public housing; 4) several people testified that interim rent changes are not processed quickly and re-determination takes too long; 5) two people testified that the HPHA should give more assistance to tenants who want to start resident management corporations; 6) two people testified that home ownership programs should be established on neighbor islands; 7) one person testified that resident association leaders need more training; and 8) several people testified for and against designation of elderly-only housing.

Mr. Sarhan also reported the following three changes: 1) the Resident Advisory Board (RAB) recommended a $50 minimum rent. This was erroneously left out of the published PHA plan. The HPHA has added the minimum rent into the PHA plan; 2) HUD asked for additional information regarding the demolition and disposition section of the plan with reference to Lanakila Homes and Waimanalo Homes; and 3) the Capital Fund Program tables have been updated to include the federal stimulus fund projects.

Mr. Sarhan reported that no one attended the hearing on Kauai, but the HPHA received written testimony. There was no one in attendance nor testimony submitted from Maui. In Kona there were nine people who attended the hearing, but no one testified. In Hilo two people attended the hearing and one person testified. On Oahu there were about 30-40 people who attended the hearing and about 25 people testified and 407 people signed petitions.

Director Aiona questioned why the grace period is seven days and not ten days. Mr. Sarhan stated because the lease agreement states seven business days.

Director Aiona asked if the HPHA has plans on how to achieve items 5.2 F numbers 5, 7, and 8. Mr. Sarhan stated more information can be provided because Ms. Stephanie Fo has the information.

Director Berthiaume asked what does 9.1 B., adopt policies to support and encourage work mean. Mr. Sarhan responded this is to create a preference for employed people.

Director Smith asked if the new preference would be in line with federal guidelines and would it supersede the other preferences. Mr. Taniguchi stated HUD does not require any preferences and the HPHA's current preferences are 1) homeless, 2) domestic violence victim, and 3) displaced by government or landlord sale of unit. Working families would be a fourth preference.

Director Yoshioka asked what management corporations are. Ms. Arashiro responded that this is something HUD allows which encourages tenants to form corporations to assist in operations of properties.

Director Yoshioka asked if the HPHA will be starting this program. Mr. Taniguchi stated the HPHA foresees this program will have many problems and would like to focus on the tenant monitoring program with one person after hours helping monitor and report on the properties.

The motion was unanimously carried.

Director Park left at 10:22 a.m.

Chairperson Thompson called a recess at 10:22 a.m. and reconvened at 10:33 a.m.

RECESS/ RECONVENED

Director Beaver moved, Director Berthiaume seconded,

> To Adopt the Hawaii Public Housing Authority's Updated Utility Schedule for the Fiscal Year Beginning July 1, 2009 to June 30, 2010, and Authorize the Executive Director to Publish the Utility Schedule for Public Comment.

TO ADOPT THE HAWAII PUBLIC HOUSING AUTHORITY'S UPDATED UTILITY SCHEDULE FOR THE FISCAL YEAR BEGINNING JULY 1, 2009 TO JUNE 30, 2010, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO PUBLISH THE UTILITY SCHEDULE FOR PUBLIC COM-

Mr. Taniguchi stated the HPHA is required to update the utility allowance every year and the HPHA engaged a consultant to establish the utility allowance rates.

Chairperson Thompson asked when the utility allowance schedule was last updated. Michael Hee, Contracts Administration Section Chief, responded April or May 2008 was the last time the utility allowance was updated.

Chairperson Thompson asked why some of the utility allowances have gone from zero to around $100. Mr. Hee responded this is because these will be converted from agency paid to tenant paid utilities.

Director Smith asked if there were factors to deal with the spike in oil prices. Mr.

Hee stated the HPHA uses the actual rates each month and takes an average for the year.

MENT

The motion was unanimously carried.

Director Beaver moved, Designee Oliva seconded,

To Adopt Resolution No. 16 Authorizing the Disposition Request and Application for a Sewer Easement over Waimanalo Homes, Lot 146, 41-555 Humuna Place, Waimanalo, Oahu, Hawaii

TO ADOPT RESOLUTION NO. 16 AUTHORIZING THE DISPOSITION REQUEST AND APPLICATION FOR A SEWER EASEMENT OVER WAIMANALO HOMES, LOT 146, 41-555 HUMUNA PLACE, WAIMANALO, OAHU, HAWAII

The motion was unanimously carried.

Director Beaver moved, Director Dodson seconded,

Whether or Not to Pursue the Establishment of Ombudsman Position for Hawaii Public Housing Authority (HPHA).

WHETHER OR NOT TO PURSUE THE ESTABLISHMENT OF OMBUDSMAN POSITION FOR HAWAII PUBLIC HOUSING AUTHORITY (HPHA)

Director Aiona stated that the State Ombudsman recommended the HPHA not create an Ombudsman office.

Director Dodson moved, Designee Oliva seconded,

It is Not Necessary to Establish an Internal Hawaii Public Housing Authority (HPHA) Ombudsman Position.

The amendment was unanimously carried.

The motion as amended was unanimously carried.

Mr. Taniguchi stated in December the Board authorized the hiring of Ameresco for the energy services company that will be doing the energy audit for the HPHA. David Birr is the consultant to the Department of Business and Economic Development and Tourism (DBEDT).

UPDATE ON PROGRESS OF ENERGY CONTRACTOR, AMERESCO, IN THE ASSESSMENT OF ENERGY CONSERVATION MEASURES FOR PUBLIC HOUSING PROJECTS

Mr. Birr stated that when proposals were solicited and evaluated there were estimates that the project savings would be $40 to $60 million and the annual saving would be $4 to $6 million. Based on Ameresco's draft audit the project saving would be about $50 million and the annual saving would be about $5 million. Mr. Birr is working with the HPHA to pick the projects that will produce the most cost savings.

Chairperson Thompson asked what Mr. Birr's role in this project is. Mr. Birr stated an owner's representative he represents the HPHA.

Jeff Grabarek, Ameresco, stated he is the contact person on this project and in charge of accountability for all phases of the project. The construction on this project should take about two years. Currently, Ameresco is in the development

phase, next will be the construction phase, and last will be the repayment phase. Ameresco believes that if all 30 energy conservation measures were implemented there are potential savings of $6 million annually. It would take about $114 to $115 million in construction to get the $6 million. The term is 20 years. Mr. Grabarek stated there will be $15 million in "flywheel" measures that will have rapid payback and enable about $35 million more in sustainable construction. In mid-July Ameresco will return to the Board with the final audit which will include: 1) the annual savings; 2) the investment cost; 3) the finance term, 4) the interest rate; and 5) the energy services agreement. Once the Board approves the final audit, construction work will begin in October 2009.

Director Yoshioka asked if Ameresco assessed 10% of all units or only units on Oahu. Mr. Grabarek stated 10% of all federal units, including neighbor islands.

Director Ignacio asked when the HPHA needs to let Ameresco know of the prioritized list. Mr. Grabarek stated by May 4, 2009.

Director Smith asked if Ameresco could bring a proposal that does not include private lending of funds. Mr. Birr responded "no, unless the HPHA wants to lose $50 million of subsidy from the federal government."

Director Smith asked why the HPHA could not use federal stimulus funds in lieu of private borrowing. Mr. Birr stated because the HPHA would not be able to get sufficient funds in the time available. Mr. Birr stated the funds to pay off financing are not HPHA funds; the funds are additional federal subsidy from HUD for borrowing from a private lending company.

Director Smith stated but there is over a billion dollars in stimulus funds available. Mr. Birr stated the HPHA can compete for those funds to complete an additional $10 million in work that could be completed. The stimulus funds do not fall under the HUD incentive program.

Director Smith questioned who incurs the debt. Mr. Birr stated the HPHA does but the federal government pays the debt back.

Director Smith asked how the HPHA could do the energy savings without incurring a debt. Mr. Birr stated if the HPHA tries to do the energy saving with stimulus funds then in about three or four years 100% of the saving would go to the HUD.

Director Smith asked if the two options can be presented to the Board in July so the Board can review both options and choose one.

Mr. Taniguchi gave a brief summary of the Simple Payback by Measure worksheet. He stated that the staff would work with Ameresco and Mr. Birr to schedule a board workshop where more time could be devoted to detailed questions.

Designee Oliva moved, Director Aiona seconded, EXECUTIVE SESSION

> To go into executive session at 11:02 a.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Kahikolu Ohana Hale O Waianae.

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:55 p.m. RECONVENED

Director Hosino moved, Director Dodson seconded, EXECUTIVE SESSION

To go into executive session at 12:00 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii* Public Housing Authority (Civil No. CV08-00578).

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:15 p.m. RECONVENED

Director Beaver moved, Director Ignacio seconded EXECUTIVE SESSION

To go into executive session at 12:16 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Status of Banyan Street Manor Audit.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:35 p.m. RECONVENED

Director Ignacio moved, Director Berthiaume seconded, EXECUTIVE SESSION

To go into executive session at 12:40 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Update on Compliance with the Consent Agreement and Final Order with the U.S. Environmental Protection Agency Relating to the Conversion of Large Capacity Cesspools.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:58 p.m. RECONVENED

Director Beaver moved, Designee Oliva seconded, TO APPROVE THE 2006 AUDIT OF BANYAN STREET MANOR

To approve the 2006 Audit of Banyan Street Manor.

Mr. Hee stated for the first finding of unauthorized use of replacement reserve funds approved for capital improvements, the HPHA was going to install security cameras and replace the hot water tank. The funds were withdrawn from the replacement reserves. The first half of the bill was paid, then there was a change in the managing agent and the new management was not told the bill was still outstanding and the funds were put in the operating funds. Since then the HPHA has corrected the issue.

Director Ignacio asked if there is a change in management who is in charge of informing the new management. Mr. Hee stated staff should inform the new management.

Mr. Hee stated there were vacancies that required extensive work and the HPHA was not able to get to the work until 2007. Nine units were renovated, the roof was repaired, and the security cameras were installed. The managing agent could not address the termite issue because of asbestos, so the HPHA hired a contactor for the

work.

Director Smith asked if there were any material findings. Mr. Hee reported that there were no material findings.

The motion was unanimously carried.

Director Smith asked what firm will be doing the next audit. Mr. Hee stated RC Holsinger Associates.

Chairperson Thompson asked when the 2007 audit will be completed. Mr. Hee stated 2007 and 2008 will be completed within six weeks.

Chairperson Thompson asked if HUD has been informed regarding the 2007 and 2008 audit. Deputy Attorney Taira stated not yet. Mr. Taniguchi stated RC Holsinger Associates did not want to commit to a date until they have received the 2006 audit.

EXECUTIVE SESSION

Director Beaver moved, Director Hosino seconded,

> To go into executive session at 1:07 pm pursuant to sections 92-4, 92-5(a)(2), and 92-5(a)(4), the Board of Directors may convene in executive session to evaluate the performance of the Executive Director and possible personnel actions related thereto.

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 1:34 p.m.

RECESS/ RECONVENED

Chairperson Thompson called a recess at 1:34 p.m. and reconvened at 1:44 p.m.

TASK FORCE REPORT/ FINANCE/ AUDIT

Chairperson Thompson reported that the Finance/Audit task force has no report.

HUMAN RESOURCES

Designee Oliva reported that the Human Resources task force has no report.

HOMELESS-NESS

Director Ignacio reported that the Homelessness task force has no report.

TENANT/ TENANT RELATIONS

Chairperson Thompson stated something needs to be done with abandoned cars. Director Hosino stated the contract monitors need to inform management that there is a problem with abandoned cars that needs to be addressed.

Director Hosino stated the 60% of the tenant association funds goes to the association and 40% is for the HPHA for the salary, etc. for the staff that is assigned to help the tenant association. The tenant association has completed their audits, but the HPHA has not completed their audit.

Director Hosino stated the tenant associations need training.

Director Ignacio stated at the last Board meeting she asked three questions 1) is there training on accounting given to tenant association members; 2) how much

funds are given to each tenant associations; and 3) are there any guidelines/training given to tenant associations on how to spend the funds. Director Yoshioka stated that there are conflicts in the house rules. The HPHA staff are working on fixing the house rules, so that all house rules are consistent. Director Ignacio asked that the Attorney General's Office review all house rules before distributing.

Director Ignacio stated she requested a response regarding the beating at Mayor Wright Homes and has not gotten a response. Mr. Taniguchi stated he will check on the information.

MIXED INCOME PROJECT

Director Beaver stated the Mixed Income Projects task force has no report.

EXECUTIVE DIRECTOR REPORT/ BUDGET

Mr. Taniguchi stated Gary Marushige, Chief Financial Management Advisor (CFMA), is no longer employed by the HPHA.

EXECUTIVE SESSION

Director Beaver moved, Director Ignacio seconded,

> To go into executive session at 2:02 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to personnel issues.

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 2:04 p.m.

MD STRUM WORK

Chairperson Thompson stated that KMH (independent auditor) reported that MD Strum did not accomplish many items that should have been completed and questioned why MD Strum re-hired. Mr. Taniguchi stated MD Strum is working with Fiscal Management Office (FMO) to complete all items.

Chairperson Thompson asked what happens to all the items that Mr. Marushige was working on. Mr. Taniguchi stated that Vanessa Lau, Fiscal Officer, will be taking on the responsibilities until a new CFMA can be hired.

Chairperson Thompson stated someone needs to ensure that MD Strum is held accountable for all items on the contract. Mr. Taniguchi stated that the contract is between HUD and MD Strum. Chairperson Thompson requested that the HPHA ask HUD to monitor the contract. Mr. Taniguchi stated HUD is monitoring the contract.

LEGISLATIVE UPDATE

Mr. Taniguchi stated the Legislature called for an audit of the HPHA because of the Kuhio Park Terrace lawsuit and at this time the House and the Senate has two different versions of the bill. The House Judiciary Committee did not hear the "no possession of open containers of alcoholic beverages in public housing" bill nor the bill to transfer Homeless Programs over to Department of Human Services (DHS). The HPHA will receive about $5 million in general funds for maintenance, security, and related expenses.

Mr. Taniguchi stated the HPHA is supposed to receive $900,000 for the rent supplement program, but the Legislature seems to have erroneously cut the funds by an additional $500,000. HPHA is working to correct the error.

Chairperson Thompson asked what is the status on the Senate Bill 1160 that states the public housing authority shall not sell or lease any property with out prior Legislative knowledge. Director Smith stated at this time the bill has passed the House and is in conference.

Director Aiona left at 2:35 p.m.

CAPITAL PLANNING

Chairperson Thompson asked how much money HPHA has that has not been spent and how is the HPHA doing on spending the money. Ms. Arashiro stated for FY 2007-2009 the HPHA has approximately for each year $8 million in federal capital funds, an additional $16 million in stimulus money, and in October 2009 the HPHA will receive an additional $8 million. In state Capital Improvements Program (CIP) funds there is approximately $28 million. The HPHA is in the design phase and will contract out in the next six months for approximately $15 million of the federal stimulus money.

Director Smith asked if any of the funds will lapse in June 30, 2009. Ms. Arashiro stated none of the capital funds will lapse on June 30, 2009.

Director Berthiaume asked when the funds need to be spent for federal stimulus funds. Ms. Arashiro stated starting on March 18, 2009, 1) by the end of 12 months the money needs be obligated; 2) by the end of 24 months 60% of the funds need to be spent; 3) by the end of 36 months 100% of the funds need to be spent; if not then the funds will be returned to HUD.

VACANT UNITS

Chairperson Thompson asked if the HPHA will have the vacant units completed. Mr. Taniguchi stated the turnaround team has been accomplishing their units. Most of the remaining units are for contractors to complete.

CONTRACTS & PROCURE-MENT

Director Smith asked when the contract for HHA Wilikina Apartments Project, Inc. will go to the Attorney General's Office. Mr. Taniguchi stated it should be anytime now. Director Smith stated she would like to see this done before the end of the fiscal year.

Director Ignacio stated that she was informed that the HPHA needs to be clear that if the market value apartments at a redeveloped KPT are not filled then it will not a liability for the HPHA.

Director Berthiaume requested a status on the KPT request for proposal (RFP). Mr. Taniguchi reported the developers have until April 20, 2009 to turn in questions regarding the RFP and the HPHA will respond by April 22, 2009. By May 1, 2009, the developer qualifications must be submitted and a committee will choose which developers qualify by May 15, 2009. By July 10, 2009 the technical proposals are due.

Mr. Taniguchi stated that the HPHA will need 3-4 staff to monitor the KPT developer contract.

Director Ignacio stated she understands that the HPHA should have a contract monitor, but feels the developer should take care of the relocation and other aspects. Director Beaver stated that it is hard to make any decisions on how many staff is needed until the HPHA sees the plans from the developer.

Director Ignacio asked who will be on the committee reviewing the RFPs. Director Beaver stated the HPHA needs to work with procurement, Hawaii Housing and Finance Development Corporation (HHFDC) and several private people. Mr. Taniguchi stated he and Rick Sogawa, Acting Contracts & Procurement Officer are working on composition of the selection committee.

Director Smith stated the most important thing is the committee who will be evaluating the RFP. Director Smith stated she would like to see components of who will be included on the evaluation team.

Director Smith asked is this RFP a mixed use or a mixed income RFP. Director Beaver stated the RFP allows for mixed use, mixed income, or both.

Krislen Chun, Deputy Attorney General stated the HPHA can amend the RFP to add the definitions of mixed use, mixed income, and mixed finance.

SECTION 8

Director Yoshioka asked who provided the figures for the average specialist caseload by housing agencies in Hawaii in the Section 8 report. She stated that the Kauai County Housing Agency caseload is higher then 221. Mr. Taniguchi stated the HPHA will provide this information at the next meeting.

UPDATE ON ELDERLY FAMILIES-ONLY DESIGNATION FOR TARGETED FEDERAL PUBLIC HOUSING

Mr. Taniguchi stated that Mr. Sarhan has been working with the University of Hawaii's School of Urban and Regional Planning.

Mr. Sarhan stated that graduate students have been conducting interviews at several projects. The graduate students are looking at Makua Alii as the most appropriate site for the elderly-only designation. The HPHA should have the student's final recommendation by May 10, 2009.

Mr. Sarhan stated the students will have 2 documents. The documents will include: 1) an internal document that will include the students' impressions of what was reported in the interviews and 2) a plan that the HPHA can submit to HUD requesting the elderly designation.

ADJOURNMENT

There being no further items to be discussed,

Director Beaver moved, Director Yoshioka seconded,

That the meeting be adjourned at 3:32 p.m.

MATILDA YOSHIOKA
Secretary

Approved