MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, JANUARY 15, 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, January 15, 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
Designee Henry Oliva
Director Carol Ignacio
Director Clarissa Hosino
Director Eric Beaver
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona

Executive Director, Chad Taniguchi
Deputy Attorney General, Krislen Chun

EXCUSED:
Director Sherrilee Dodson

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Alan Sarhan, Chief Planner
Gary Marushige, Chief Financial Management Advisor
Stephanie Fo, Acting Property Management and Maintenance Services Branch Chief
Rick Sogawa, Acting Contracts & Procurement Officer
Renee Blondin Nip, Hearings Officer
Michael Hee, Contracts Administration Section Chief
Sandra Kouchi, Public Housing Supervisor
Ligo Letuli, Deputy Manager AMP 31, Kalihi Valley Homes
Clifford Laboy, Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS:
Brad Well, Urban Housing Communities
Douglas Bigley, Urban Housing Communities
John Bigley, Urban Housing Communities
Jonathan Kwon, Urban Housing Communities
Staci Kashiwabara, Urban Housing Communities
Elizabeth Dunn, LES
Harvey Hisatake, Alii Security Systems
Jarod Buna, Attorney General's Office
Jesse Ponce de Leon, Kalakaua Homes resident
Joelle Chiu, Allied Pacific Development
John Cregor, Attorney General's Office
Jun Yang, Faith Action for Community Equity (FACE)
Lowell Kalapa, Hawaii Tax Foundation
Mateiria Fuiava, Kalakaua Homes resident
Moana Hampton, Kalakaua Homes resident
Nancy Young, Faith Action for Community Equity (FACE)

Robin Matsunaga, State Ombudsman
Roy Matsunaga, Kalakaua Homes resident
Roy Nakamura, Kalakaua Homes resident
Sara Browning, Allied Pacific Development
Sergeant Sam Fontanilla, Honolulu Police Department, Kalihi Weed and Seed
Sharlene Chang, Kalakaua Homes resident
Sisan Suda, Micronesians United
Tim Garry, private resident
Treena Sefo, Palolo Valley Homes resident

Chairperson Thompson declared a quorum present.

QUORUM

Director Ignacio moved, Director Hosino seconded,

That the minutes of the Regular Meeting held on October 16, 2008 be approved as circulated.

APPROVAL OF MINUTES REGULAR MEETING 10/16/08

Director Smith requested page 288 be revised where it states "Director Smith asked what transaction strategy means is." omit the word "is".

Chad Taniguchi, Executive Director, stated on page 280 under staff present the name "Eddie Salmat" should be "Eddie Salamat".

Director Yoshioka state on page 284 where it states "Director Aiona asked how the Board's wishes can be addresses to the consultant." the word addresses should be changed to "addressed".

The minutes were unanimously approved as amended.

Director Smith moved, Designee Oliva seconded,

That the minutes of the Regular Meeting held on November 20, 2008 be approved as circulated.

APPROVAL OF MINUTES REGULAR MEETING 11/20/08

Director Hosino stated on page 304 where it states "Director Aiona moved, Director Hosino seconded," she did not attend the meeting. Taryn Chikamori, Secretary to the Board stated it has been corrected to "Director Dodson".

Director Yoshioka stated on page 299 where it states "She later became the Deputy Manager and for the past 6 years has the manager." should be she later became the Deputy Manager and for the past 6 years has been the manager".

Krislen Chun, Deputy Attorney General requested a revision on page 295 where it states "Ms. Chun advised after discussion, and after public testimony, then the HPHA needs an administrative rule change." It should be "Ms. Chun advised after discussion, and after public testimony, then the HPHA may need an administrative rule change".

The minutes were unanimously approved as amended.

Director Ignacio moved, Director Beaver seconded,

That the minutes of the Regular Meeting held on December 18, 2008 be approved as circulated.

APPROVAL OF MINUTES REGULAR MEETING 12/18/08

The motion was unanimously carried.

Director Berthiaume arrived at 9:09 a.m.

PUBLIC TESTIMONY

Sergeant Sam Fontanilla, Honolulu Police Department (HPD), Kalihi Weed and Seed, stated in November he started working with Clifford Laboy, Program Specialist and Harvey Hisatake, Alii Security Systems with regards to security issues at Kalili Valley Homes (KVH). The main issue was that unauthorized non-residents were driving on the property, drinking and causing disturbances. Alii Security came up with the idea of holding non-tenant driver's licenses at the guard shack and upon exiting the property the driver's license would be returned. HPD will assist in whatever they can with regards to the security issues. Mr. Fontanilla stated he attended the KVH resident meeting and the residents' reactions to the program were positive. HPD beat officers informed him that calls for disturbances have gone down. There are no longer calls about 15-20 people drinking at KVH. There are still calls where people are loitering, but not in large groups.

Director Smith asked if there are any other facilities that have a similar policy. Sergeant Fontanilla stated there are some private businesses and condominiums that have this policy.

Jesse Ponce de Leon, Kalakaua Homes resident, played a taped recording of a tenant next door. He stated you can hear foul language at all hours of the day from the apartment next door for the last year. Mr. Ponce de Leon feels that he is being retaliated against. He has a stereo system and bench that have been outside his apartment for years and only since he has been coming to the Board meeting, he has been asked to remove the items. After a tenant passed away, management did not bring in another senior citizen, management brought in a family. The children in this family are riding their skateboards on the sidewalk and also harassing the senior citizens. Mr. Ponce de Leon wants management to handle the problems at Kalakaua Homes.

Director Hosino asked whether the problems have been referred to management. Mr. Ponce de Leon stated he has written letters, but has never gotten any response.

Moana Hampton, KVH resident, stated that the manager at KVH treats the residents well. The problem that KVH is the non-tenants creating disturbances and littering. Ms. Hampton feels that the security does not do anything. She reported that on New Year's eve, a family came on to the property after management left and put up tents, played a juke box, and lit fireworks until 4:00 a.m.

Matelina Fuiava, KVH resident, stated the manager is trying to help cut down on disturbances. The people who do the complaining do not show up at the resident meetings. The residents who live at KVH do not cause the disturbances. The license retention program has helped curb the disturbances at KVH.

Chairperson Thompson asked what the procedure was before the license retention program was put in affect. Ms. Fuaiva stated security was supposed to be checking license and registration, then give a pass to the visitor.

Tim Garry, private resident, stated that the amount of fireworks that he saw during New Year's was the most he has ever seen. The Hawaii Public Housing Authority (HPHA) should join the police in a fireworks ban. Mr. Garry stated that evictions should move more quickly, HPHA has 200 units that are in arrears in payment. Mr. Garry stated that about six months ago the police had a drug bust on a unit at Puahala Homes and six months later the tenant has not been evicted. The HPHA needs to send a message to residents that if you don't pay rent or don't follow the rules, you will be evicted. Mr. Garry stated he feels the license program is a great idea and would like to see it implemented at Puahala Homes. Mr. Garry requested that the Board expedite the mixed use development process.

Jun Yang, Faith Action for Community Equity (FACE), stated Kuhio Park Terrace (KPT) resident meeting had over 300 people attend and the HPHA

informed the residents that before they took any steps on the mixed income re-development they would talk to the residents. The HPHA did not inform the residents that the HPHA is looking into a proposal. Urban Housing Communities' (UHC) proposal informed the Legislature that close to fifty percent of the residents will lose public housing. The homeless facilities do not have enough space to accommodate all these people.

Director Hosino asked if Mr. Yang is working for the KPT residents. Mr. Yang stated no, but he will if the KPT residents want him to.

Nancy Young, Faith Action for Community Equity (FACE), stated if the residents need to move out because of mixed use development they will have no where to go.

Roy Nakamura, Kalakaua Homes, stated Mr. Taniguchi stated that the HPHA has all good managers, but he disagrees because: 1) can a manager lie under oath to get a tenant evicted; 2) can a deputy manager open a personal mail just because it was sent to the office; and 3) civil rights have been violated. The residents would like the managers relocated or fired.

Sisan Suda, Micronesians United, stated he would like the cellular antennas at KPT building B removed because it is causing the Micronesian people to become ill. He stated that he has given Mr. Taniguchi evidence of this.

Harvey Hisatake, Alii Security Systems, stated he attended a meeting in December where he was presented with complaints regarding unwelcome visitors. The previous practice was not to allow any visitors in vehicles on the property after 12:00 a.m., but the complaints were from disabled and elderly or residents who had a lot of items had a difficult time being dropped off by others. Also with previous practices, visitors would leave out of the back gate and not return the visitors pass and keep reusing the pass or circulate the pass around for others to use. Residents and Honolulu Police Department have said that the complaints have gone down since implementing the driver license retention program.

Director Aiona asked if there are any statistics regarding the fact that complaints has gone down. Mr. Hisatake stated he is in the process of getting the statistics from the HPD.

Director Ignacio asked if Alii Security is at any of the other HPHA projects. Mr. Hisatake stated Mayor Wright Homes, Puuwai Momi, and other small projects, seven in total.

Director Yoshioka asked what would happen to a child without identification. Mr. Hisatake stated this is only for drivers of vehicles. People who walk on the property are not affected by the license retention program because the people who cause the problems are in vehicles so they can make a quick get away, or carry beer in their cars.

Director Berthiaume asked whether people who walk on the property are not a problem. Mr. Hisatake stated ideally they would like to implement a license retention program for those on foot, but it would be too difficult.

Chairperson Thompson called a recess at 9:50 a.m. and reconvened at 10:00 a.m.

RECESS/ RECONVENED

Lowell Kalapa stated Urban Housing Communities, LLC (UHC) will be making a formal presentation of an unsolicited proposal for the revitalization of KPT and Kuhio Homes. Mr. Kalapa stated he is involved with this project because he has started a non profit organization with UHC. Mr. Kalapa stated public housing should never be permanent housing, it should be used for when you are down and

PRESENTAT-ION BY URBAN HOUSING COMMUNITIES, LLC OF AN

need a little help. He believes that public housing should include social services. Chairperson Thompson stated he would like the Board to hear the presentation and decide if they want to proceed or not.

UNSOLICITED PROPOSAL FOR THE RE-VITALIZATION OF KUHIO PARK TERRACE AND KUHIO HOMES

Douglas Bigley, UHC, stated that UHC is a fifty percent family business and fifty percent owned by Morgan Stanley. UHC goals are to 1) structurally rehabilitate, modernize and improve the Hawaii's public housing inventory; 2) develop a model that sustains the community in perpetuity; and 3) build-in incentives and programs that will enrich residents and transition them out at an appropriate time. Some of the challenges in rehabilitation are 1) access to necessary technical expertise; 2) broad participation, coordinating the rehabilitation activities; and 3) sourcing adequate funds. These are some ways of overcoming the challenges: 1) an experienced developer can help coordinate a large team of participants and communicate with constituents; 2) the developer can raise funds by utilizing existing federal programs, creating public/private partnership, and attract private investment. Some of the public benefits of rehabilitation are: 1) renovate buildings interior and exterior; 2) modernize mechanical, electrical, plumbing, boilers, and elevators; 3) implement green building standards; 4) utilize solar power and other energy-efficient technologies; 5) mitigate or eliminate permanent relocation through proactive planning; 6) increase housing inventory by bringing units online that are presently out-of-service and increase capacity through proven transition programs; and 7) provide supportive social programs.

Mr. Douglas Bigley stated the State of Hawaii would not be required to provide any direct subsidy, other than an amount fully offset by the proceeds of the sale of the building.

Chairperson Thompson asked if the HPHA sells the building for $100 million, the $100 million goes back into the rehabilitation? Mr. Douglas Bigley stated yes, but the federal government will then write a check for $35 million to the project. Mr. Douglas Bigley stated after the rehabilitation is done, all the earning from the first project can be used to fund the next project and so on and so on.

Director Beaver asked if the $100 million is a set price to sell the buildings. Mr. Douglas Bigley stated no, the buildings would be appraised and would be sold for fair market price.

Mr. Douglas Bigley stated the State of Hawaii's participation would include 1) picking the development team; 2) entering into an Exclusive Negotiating Agreement (ENA) which leads into a Disposition and Development Agreement (DDA); 3) forming a public/private partnership; 4) selling the buildings and lease the land; 5) allocating up to $200 million in Federal private activity bonds; 6) pledging a portion of future capital funds financing; and 7) entering into an agreement for the authority to reacquire buildings at the end of the compliance period on favorable terms.

John Bigley, UHC, stated if the HPHA does any emergency work like modernizing the elevators, the tax credit can apply if an inducement resolution is done by Hawaii Housing Finance and Development Corporation (HHFDC) and an ENA has been entered into by the HPHA.

Director Aiona asked if there is only $275 million in tax credits for the State of Hawaii. Mr. Douglas Bigley stated this is per year and after speaking to Scott Kami of Budget and Finance a year ago there is an accumulation of $500 million.

Director Ignacio stated during public testimony someone stated that fifty percent of tenants will lose their housing due to the rehabilitation. Mr. Douglas Bigley responded that this is a misconception. The HPHA can use the tax credits to add affordable housing or use it for Section 8 vouchers. The HPHA does not have to evict or relocate any residents if that's how the HPHA plans the rehabilitation. Mr. John Bigley stated if UHC is chosen for the project, then they will involve the community in the entire process.

Chairperson Thompson asked if there is a possibility to add market priced units at KPT. Mr. Douglas Bigley stated there is a vacant property next to KPT that could be possibly used for market price units.

Director Aiona asked what would happen to the employees that are running KPT currently. Mr. Douglas Bigley stated they may lose their job or it may remain the same.

Director Aiona asked who decides who will be running each service. Mr. Douglas Bigley stated that the entire development team will have input, and that Mr. Kalapa will be in charge of the non-profit service providers, but everyone will still have input.

Director Beaver asked whether the HPHA owns the property next to KPT. Michael Hee, Contracts Administration Section Chief, confirmed that the HPHA still owns the property.

Director Beaver asked what the zoning is. Mr. Hee stated he does not know and will find out.

Director Beaver questioned how UHC came up with the figure of $190,000 per unit. Mr. Douglas Bigley stated it may be more or less depending on the infrastructure.

Director Beaver asked whether the relocation costs are included in the overall rehabilitation. Mr. Douglas Bigley confirmed it is included in the costs.

Mr. John Bigley stated all financial numbers were based on assumptions and would need to be recalculated after the HPHA decides on the scope of work.

Chairperson Thompson stated it was said that the rehabilitation of units would be done until money ran out, so does it mean not all the units would be completed. Mr. John Bigley stated no, the projections are for 748 units; the 614 units at KPT should get done.

Director Berthiaume asked whether the rehabilitation would include some retail stores or other revenue generating places. Mr. Douglas Bigley stated that it can be done, but UHC would need to look at the benefits and drawbacks.

Director Park asked whether UHC would be working with local companies. Mr. Kalapa confirmed UHC would.

Director Park recommended that the HPHA try to increase job capacity by utilizing residents for the construction or for other work that needs to be done.

The Board members felts the concept is great, but more research should be done before moving forward.

RECESS/ RECONVENED

Chairperson Thompson called a recess at 11:35 a.m. and reconvened at 11:45 a.m.

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

Director Dodson moved, Director Berthiaume seconded,

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

Mr. Taniguchi introduced Mr. Robin Matsunaga, State of Hawaii's Ombudsman.

Mr. Matsunaga stated he has been the State's Ombudsman since 1998 and a

member of the Board of Directors of the Ombudsman's Association since 1999. Mr. Matsunaga stated he feels there are two issues: 1) the uncertainty of the responsiveness of the HPHA staff to resident concerns; and 2) whether or not to establish an Ombudsman position at the HPHA. (HPHA)

Mr. Matsunaga stated regarding the uncertainly of responses to residents concerns the Board should require staff to document the date, concerns, and what actions have been taken to correct the concern. He also recommended that staff provide the log to the Board on a regular basis.

Mr. Matsunaga reported that the Ombudsman's office currently gets about 25 complaints per fiscal year about HPHA. This does not include complaints regarding HPHA's private management companies.

Mr. Matsunaga stated his concern is with the term "Ombudsman" (should HPHA establish its own ombudsman). Mr. Matsunaga feels some residents may confuse the HPHA's office with the State's Ombudsman's office. His office is considered a classical Ombudsman's office, established by Legislature that investigates complaints against Executive Branch agencies. Ombudsman office is part of the Legislative Branch so it is structurally independent from the Governor's Office. The Governor does not have authority over the Ombudsman and is unable to stop an investigation or change a finding. He said when an executive office creates an Ombudsman it is not used because complainants feel that they will not get a fair and impartial investigation.

Chairperson Thompson stated he is informed by staff that appropriate actions are taken for complaints, but the complainant did not like the response so they keep coming back to testify. People look to the Board to solve the problems but the Board's job is to make policies and give direction to staff.

Director Park suggested that the Ombudsman's log be used at the Asset Management Projects (AMP), and should be revised to include the contact person. Director Park also inquired whether there is a complaint resolution training that staff can attend.

Mr. Matsunaga responded he has never been asked to provide training for State agencies, but he is not opposed to doing a simple training for the HPHA staff.

Director Aiona asked if other agencies have a complaint office. Mr. Matsunaga responded the Department of Human Services (DHS), Department of Health and other agencies have a complaint officer.

Director Aiona asked whether there a relation between the complaint officer and the State Ombudsman's office. Mr. Matsunaga responded that there is no relationship between those offices and his because his office needs to remain impartial during its investigations.

Mr. Matsunaga cautioned that even if the agency creates an Ombudsman's or complaints office, people who come to the Board meeting and testify will still come month after month until they get the response they want to hear.

Director Hosino asked how residents can be informed of the Ombudsman's office. Mr. Matsunaga suggested that the HPHA can hang flyers at the AMPs.

Chairperson Thompson asked in the Ombudsman process does the Ombudsman's office ask the complainants if they spoke to the agency staff before calling their office. Mr. Matsunaga stated his office encourages complainants to go to the agency first, unless it is an emergency or health and safety issue, and they can't get in touch with anyone from the agency.

Mr. Taniguchi reported that all managers and some residents will be attending training with the Center for Alternative Dispute Resolution on: 1) communication; 2) dealing with difficult people; 3) problem solving and

resolution; and 4) meeting facilitation.

Director Ignacio moved, Director Aiona seconded,

> The motion be deferred until the April 2009 Board of Director's meeting.

Director Aiona stated that he feels creating an office for complaints will not resolve the problem because the issue is who is handling the complaints.

The motion was unanimously carried.

EXECUTIVE SESSION

Director Aiona moved, Director Aiona seconded,

> To go into Executive Session at 12:12 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.

RECONVENED

The Board reconvened from Executive Session at 1:05 p.m.

Chairperson Thompson stated a task force including Director Aiona, Director Dodson, and Designee Oliva has been created.

RECESS/ RECONVENED

Chairperson Thompson called a recess at 1:06 p.m. and reconvened at 1:23 p.m.

DISCUSSION ON TRANSITIONING ALL PUBLIC HOUSING PROJECTS ON KAUAI FROM PRIVATE MANAGEMENT TO STATE MANAGEMENT

Stephanie Fo, Acting Property Management and Maintenance Service Branch Chief, explained that East Kauai is managed by state management and West Kauai is privately managed by Management Inc. The entire island of Kauai has been combined into one AMP because of the conversion to asset management which requires a certain number of units for each AMP. The HPHA intended to have the 321 units managed by the State but did not have time to hire and train staff. The HPHA contracted a private managing company for a short term.

Director Hosino asked when State management is taking over. Ms. Fo reported that the current contract ends on June 30, 2009, so State management will start on July 1, 2009.

Director Berthiaume asked whether the HPHA would be able to hire for these six positions despite the hiring freeze. Mr. Taniguchi stated the freeze is only for State funded positions, not federally funded positions in the budget.

Director Ignacio asked how many State staff is managing the 166 units currently. Sandra Kouchi, Public Housing Supervisor stated Kauai has 13 staff positions, but three of the positions are half time. Ms. Kouchi stated that the staff manages the units, rent subsidy program, and applications process.

Director Ignacio asked about the staffing recommendation made by the consultants. Mr. Taniguchi stated the guideline that was used for Kauai is one maintenance worker per fifty units, and one staff member for 100 units for administration.

Chairperson Thompson asked how the staffing fits into the staffing guideline. Ms. Fo stated it does not fit into the guidelines because the Kauai staff has extra duties and because the projects are spread across the entire island.

Director Ignacio asked for more explanation on how the HPHA is justifying the additional staffing in relationship to the consultants recommendation.

Director Beaver asked why it is better for Kauai to change from private to State managed projects. Ms. Fo stated Ms. Kouchi is an excellent manager and the housing statistics for her projects are great.

Director Yoshioka reported that during the AMP resident meetings on Kauai the complaints were from the privately managed AMPs. Ms. Kouchi's AMP had no resident complaints.

Director Hosino stated she was a resident under Ms. Kouchi. She feels that Ms. Kouchi was a great manager, who listens to her residents. Director Hosino stated she feels Ms. Kouchi is very capable of running more units.

Ms. Fo added that even with the additional staffing, changing from private management to State management would save the HPHA about $110,000 per year.

Director Aiona asked how many employees Management Inc. has. Mr. Taniguchi stated six.

Director Hosino stated that it is not only Ms. Kouchi, it is the staff on Kauai working together as team that does a good job.

Director Aiona moved, Director Aiona seconded,

> To Appoint Mr. Melvin M. Kawahara to the Hilo Hearings Board for a Two-Year Term Expiring on January 31, 2011.

TO APPOINT MR. MELVIN M. KAWAHARA TO THE HILO HEARINGS BOARD FOR A TWO-YEAR TERM EXPIRING ON JANUARY 31, 2011.

Renee Blondin Nip, Hearings Officer, stated the hearing officer understands the sentiment of the Board to get the evictions done.

The motion was unanimously carried.

Director Berthiaume moved, Director Beaver seconded,

> To Authorize the Executive Director to Proceed to Issue a Request for Proposals for a Consultant to Assist the HPHA in Reviewing and Updating Preliminary Feasibility Analysis for Mixed Income Redevelopment at Kuhio Park Terrace and Kuhio Homes and to Draft a Developer Request for Proposal.

TO AUTHORIZE THE EXECUTIVE DIRECTOR TO PROCEED TO ISSUE A REQUEST FOR PROPOSALS FOR A CONSULTANT TO ASSIST THE HPHA IN REVIEWING AND UPDATING PRELIMINARY FEASIBILITY ANALYSIS FOR MIXED INCOME REDEVELOPMENT AT KUHIO PARK TERRACE AND

Director Park asked if the HPHA is getting two Request for proposals (RFP), one for a consultant and one for a developer. Mr. Taniguchi stated it is to hire a consultant to draft the RFP to hire a developer.

Chairperson Thompson stated the Board passed a "For Action" on October 16, 2008 which is almost the identical to this "For Action". Mr. Taniguchi stated there is a draft RFP but it not completed. Chairperson Thompson was concerned that it has been three months since the "For Action" was passed in October, and staff is returning with the same "For Action". Mr. Taniguchi stated the main reason is the Board's desire to consider the unsolicited proposal by Urban Housing Communities. Mr. Taniguchi conferred with the State Procurement Office (SPO), Attorney General's office (AG), Department of Accounting and

KUHIO HOMES AND TO DRAFT A DEVELOPER REQUEST FOR PROPOSAL

General Services office (DAGS), and the U.S. Department of Housing and Urban Development (HUD), and was told a competitive process to hire a developer is needed. Staff is currently concentrating on fixing and filling units and no staff is assigned to draft the RFP, so Mr. Taniguchi is working on the RFP. Mr. Taniguchi has been getting help from other housing authorities. Mr. Taniguchi also contacted D.C. Housing Authority and King County Housing Authority to see if the HPHA can contract their staff to assist with drafting an RFP or Request for Qualifications (RFQ). This would eliminate the need to issue a RFP to hire a consultant because the HPHA could execute an intergovernmental agreement.

Director Beaver asked Krislen Chun, Deputy Attorney General, whether it is true that the HPHA needs to issue a RFP. Ms. Chun stated the HPHA conferred with the SPO and she does not believe that the Board can just accept the Urban Housing Communities proposal; it needs to be a competitive process. Director Beaver asked that Ms. Chun confirm this information. Ms. Chun will confirm this information.

Mr. Taniguchi stated that the HPHA does not have the staff to work on mixed finance use, everyone currently on staff is full with assignments and responsibilities. Director Beaver concurred that the HPHA does not have the expertise in field of mixed finance development.

Chairperson Thompson asked because there is no money involved, how the HPHA would select a developer. Mr. Taniguchi stated other companies could propose a lower developer fee, or not need as much Capital fund grants, or not need as much rent subsidy vouchers.

Director Beaver stated the HPHA does not have the expertise and is not ready to put a scope of work together. He asked if not D.C. or King County, is there anyone who can help get the RFP for the developer ready. Director Beaver suggested asking HHFDC to help in the process. He commented that if the HPHA was to do a general RFP, the HPHA would get what they got today, processes and methodologies, so it needs to be more specific.

Director Ignacio asked if there are templates that could be used to draft the RFP. Director Beaver said Mr. Taniguchi has some samples from other housing authorities.

Director Ignacio suggested that the HPHA do the RFP by making the changes and have it reviewed. Director Beaver stated he would not recommend that, and encouraged the Board to hire a consultant or someone who has the expertise to help with the process.

Chairperson Thompson stated that the Board wants to do mixed use development and this needs to be a priority.

Director Beaver stated he wants the Board to keep in mind that the proposal they heard today is only one way to address the issue. There are many other ways to get to a sustainable model.

Director Berthiaume asked whether the HPHA can use the Hawaii Electronic Procurement System (HEPS) system to speed up the process. Barbara Arashiro, Executive Assistant stated that the HEPS system only lets the HPHA pick a contractor on price; it does not take into consideration experience. Mr. Taniguchi added that HEPS can only be used if the contract is under $50,000 and the contract will be more that $50,000.

Mr. Taniguchi asked if the Board wants to evaluate all housing projects to see which one to pursue or does the Board want to focus on KPT and Kuhio Homes.

Director Beaver stated the HPHA needs to get a firm to evaluate all projects. Mr. Taniguchi stated that HPHA will need to hire staff with the expertise to do the contract monitoring. Chairperson Thompson stated at this time the HPHA would

not be able to come up with a position description. Designee Oliva stated that the HPHA to include in the consultant contract, monitoring and evaluation responsibilities.

Director Beaver asked for a draft RFP by the end of the month. Director Beaver and Director Berthiaume are willing to help. Mr. Taniguchi agreed. Director Beaver left at 2:07 p.m.

Director Aiona moved, Designee Oliva seconded,

> To Table the Motion To Authorize the Executive Director to Proceed to Issue a Request for Proposals for a Consultant to Assist the HPHA in Reviewing and Updating Preliminary Feasibility Analysis for Mixed Income Redevelopment at Kuhio Park Terrace and Kuhio Homes and to Draft a Developer Request for Proposal.

The motion was unanimously carried.

TO RATIFY HPHA'S FISCAL PLAN FOR THE REMAINDER OF THE FISCAL YEAR ENDING JUNE 30, 2009.

Chairperson Thompson stated the Board will be moving on to ratify HPHA's fiscal plan for the remainder of the fiscal year ending June 30, 2009.

Mr. Taniguchi stated the "For Action" explains what the HPHA is doing to balance the budget. The Board approved a budget on June 19, 2008 with a $4.2 million deficit. As of today, the HPHA revised fiscal plan shows significant inputs of funding and reduced costs so that agency wide the HPHA can be $566,000 plus by June 30, 2009, primarily in the federal public housing fund. Mr. Taniguchi stated that the difficultly that the HPHA will have is to balance the state public housing projects that have no operating or utility subsidies. One solution is to take back some of the State funds that are being used to fix federal projects, and use the federal funds for the federal projects.

Chairperson Thompson confirmed that the HPHA is showing the current estimate but is not asking for a budget revision because of incomplete fiscal information.

Director Yoshioka asked if proceeds from the sale of Wilikina were factored into the budget. Mr. Taniguchi responded that proceeds from the sale were not included because it would be the Board's decision how to use the funds at the time they actually become available.

Chairperson Thompson stated the "for Action" should be held until the rest of the budget is ready.

WHETHER OR NOT TO RATIFY THE HPHA POLICY REQUIRING VISITORS TO KALIHI VALLEY HOMES (KVH) AND OTHER PUBLIC HOUSING PROJECTS TO PROVIDE A DRIVERS LICENSE OR OTHER IDENTIFICA-

Director Aiona moved, Director Ignacio seconded,

> Whether or not to Ratify the HPHA Policy Requiring Visitors to Kalihi Valley Homes (KVH) and Other Public Housing Projects to Provide a Drivers License or Other Identification For Retention by Security While on the Premises.

Director Hosino reported that the resident reaction at the community meeting was positive. She question if the "For Action" passes, what other properties would adopt the practice. Clifford Laboy, Program Specialist, stated that the HPHA considering Mayor Wright Homes. The license retention program can only be implemented at projects that have gate guards.

Director Berthiaume asked if the gate guards are 24/7. Mr. Laboy stated yes.

Chairperson Thompson asked whether the license retention program is for drivers

only. Mr. Laboy confirmed it is drivers only, not passengers.
Mr. Laboy stated that Alii Security and the HPHA wanted to come up with a way to force drivers to come back to the front gate. In the past, the visitors would cause trouble and leave through the back gate. Visitors can still run out the back gate, but now the guard has their identification.

TION FOR RE-TENTION BY SECURITY WHILE ON THE PREMISES.

Director Yoshioka asked what about the passengers who are making trouble. Mr. Laboy stated if the Board wants to include passengers, the HPHA will add that to the program.

Designee Oliva asked if the program is restricted to projects with gates and Alii Security. Mr. Laboy stated yes, controlled access through gates are required and currently Alii Security is the main security firm.

Director Ignacio asked whether KVH is fenced. Mr. Laboy said yes, but added that there are many areas where people can walk onto the project.

Chairperson Thompson read a letter from Senator Will Espero who disapproves of the program. Senator Espero said "he understand the intent but believes the policy is wrong because the HPHA is allowing them to break the law by driving without a license and taking away what may be their only form of identification. Hopefully there are better ways to deal with the issues at the complex."

Chairperson Thompson stated that he is concerned with the taking of identifications. Director Berthiaume stated the "For Action" states that the HPD and the Attorney General's (AG) office have approved the program. Ms. Chun stated the AG's office has concerns: 1) is there a less intrusive way; and 2) what happens to the license after the guard takes possession.

Director Aiona asked whether it is possible to make a copy of the license. Mr. Laboy stated the purpose of taking the identifications is to force visitors to return to the front gate.

Chairperson Thompson stated his concerned is with the integrity of the security guards.

Designee Oliva stated the HPHA should not issue policies to all public housing, policies should be applied to each project's unique problem.

Director Yoshioka asked how the guards can tell who visitors are. Mr. Laboy stated residents have parking stickers on their cars.

Director Berthiaume moved, Director Hosino seconded,

> To amend the motion to, to Ratify the HPHA Policy Requiring Visiting Drivers Entering Kalihi Valley Homes (KVH) and to Approve Visiting Drivers to Mayor Wright Housing Projects to Provide a Drivers License for Retention by Security While on the Premises.

The motion was unanimously carried.

The amended motion was unanimously carried.

Chairperson Thompson called a recess at 2:39 p.m. and reconvened at 2:53 p.m.

RECESS/ RECONVENED

Director Hosino moved, Director Yoshioka seconded,

TO AUTHORIZE THE EXECU-TIVE DIRECTOR TO PURSUE

> To Authorize the Executive Director to Pursue Elderly Families Only Designation for Targeted Federal Public

Housing Project(s).

ELDERLY FAMILIES ONLY DESIGNATION FOR TARGETED FEDERAL PUBLIC HOUSING PROJECT(S)

Mr. Taniguchi stated the HPHA does not have the staff to work on this right away but the HPHA wants to present a timeline.

Ms. Arashiro stated the "For Action" shows the federal requirements, consultant requirements and what information needs to go into a draft plan. The plan then needs to go to HUD for approval.

Ms. Arashiro stated the HPHA's intent is to profile federal public housing elderly sites to determine the needs of current elderly/disabled residents and the elderly/disabled on the waitlist. A needs assessment would be done and a recommendation will be made to the Board on which sites will be targeted.

Chairperson Thompson questioned how many elderly/disabled projects the HPHA has. Ms. Arashiro stated 18 and distributed a list of elderly housing sites.

Designee Oliva stated because of the American's Disability Act (ADA) the HPHA needs to be cautious that the disabled are not treated differently than the elderly.

Director Berthiaume asked would an elderly person with disabilities be ineligible for elderly only housing. Ms. Arashiro stated no.

Director Berthiaume asked if the disabled will be put into one project. Ms. Arashiro stated she does not believe that will be the plan, and that children who are legally being cared for by an elderly person are allowed if the head of household qualifies for elderly housing.

Mr. Taniguchi said the HPHA will look at projects that have less disabled people currently living at the project. Examples of those projects are Makua Alii, Kalanihuia, Pomaikai and Hale Olaloa.

Director Berthiaume asked whether the HPHA could do a pilot program at one of the State projects. Mr. Taniguchi stated the HPHA will look into this.

The motion was unanimously carried.

TASK FORCE REPORTS FINANCIAL/ AUDIT/ASSET MANAGEMENT

Chairperson Thompson stated Financial/Audit/Asset Management task force has no report.

HUMAN RESOURCES

Designee Oliva stated Human Resources task force has no report.

HOMELESSNESS

Director Park stated Homelessness task force has no report.

PUBLIC HOUSING OPERATIONS/TENANT/ TENANT RELATIONS

Director Hosino stated she has been working on a Memorandum of Understanding (MOU) and would like the HPHA and the resident associations to agree and sign the MOU. This will inform the HPHA and the resident association what their duties and responsibilities are.

Director Hosino stated she gave Senator Sakamoto information on the tenant monitor program because he may create a Legislative bill.

Director Ignacio asked whether there is a position description for the tenant

monitor.

Mr. Taniguchi stated that the HPHA is working with the Attorney General's office.

Designee Oliva stated the HPHA had a meeting with all parties regarding the disturbances at Keola Street. The meeting provided possible solutions to the problems and the community is working together.

EXECUTIVE DIRECTOR REPORT

Director Yoshioka asked why the homeless report only includes Oahu projects. Ms. Arashiro responded because the report only includes the projects that the HPHA owns.

Director Yoshioka requested that the HPHA provide a report on all providers in the Homeless Programs report.

Chairperson Thompson commented the report that was submitted regarding complaints had too much information.

The Kuhio Park Terrace elevator #5 repair will be contracted to ThyssenKrupp Elevators.

Director Aiona reported that on January 20, 2009 at 9:00 a.m. -11:00 a.m. there will be a legislative hearing regarding KPT.

Mr. Taniguchi stated the Attorney General's (AG) office stated the HPHA can talk about processes and procedure, but not about the lawsuit. Ms. Chun stated the AG's office will be at the hearing.

ADJOURNMENT

Director Aiona moved, Director Yoshioka seconded,

That the meeting be adjourned at 3:30 p.m.

MATILDA YOSHIOKA
Secretary

Approved