

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E,  
HONOLULU, HAWAII 96817  
ON THURSDAY, NOVEMBER 17, 2011  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Board Meeting at 1002 North School Street, on Thursday, November 17, 2011 at 9:00 a.m.

The meeting was called to order by Chairperson David Gierlach and on roll call, those present and excused were as follows:

**PRESENT:** Director David Gierlach, Chairperson  
Director Matilda Yoshioka, Vice-Chair  
Director Jason Espero, Secretary  
Director Roger K. Godfrey  
Director Desiree Kihano  
Director Patricia McManaman  
Director Debbie Shimizu  
Director Travis O. Thompson  
Director George Yokoyama

Acting Executive Director, Barbara E. Arashiro  
Deputy Attorney General, Jennifer Sugita  
Deputy Attorney General, Colette Honda

**EXCUSED:** Director Trevor Tokishi

**STAFF PRESENT:** Clarence Allen, Acting CFMA  
Nicholas Birck, Chief Planner  
Rick Sogawa, Contracts and Procurement Officer  
Stephanie Fo, Property Management & Maintenance Services  
Branch Chief, Acting Section 8 Chief  
Becky Choi, State Housing Development Administrator  
Shirley Befitel, Personnel Supervisor  
Joanna Renken, Acting Public Housing Supervisor  
Earl Nakaya, Program Specialist  
Diane Johns, Program Specialist  
Bill Richardson, Program Specialist  
Maria Oh, Program Specialist  
Deidra Ahakuelo-Kepa, Recording Secretary

**OTHERS:** Fetu Kolio, Mayor Wright Homes Tenant  
Augafa Ene, Mayor Wright Homes Tenant  
Tom Tsaros, Ameresco  
Dave Anderson, Ameresco  
David Moakley, Ameresco  
Kent Anderson, Volunteers Instilling Pride/Roman Catholic Church

**Proceedings:**

Chairperson Gierlach declared a quorum present.

The business of the Board proceeded with approval of the Special Meeting Minutes of October 6, 2011. Director Thompson moved to approve the minutes.

**The minutes were unanimously approved.**

The business of the Board proceeded with the approval of the Regular Board Meeting Minutes of October 20, 2011. Director Yoshioka moved to approve the minutes.

**The minutes were unanimously approved.**

The approval of the Executive Session Minutes of September 22, 2011 and October 20, 2011 was deferred until later in the meeting.

Directors Debbie Shimizu and Desiree Kihano entered the meeting at 9:01 a.m.

**Public Testimony**

Mr. Fetu Kolio, Mayor Wright Homes tenant testified and requested the Board's assistance and support to have the Tenant Monitoring Program at Mayor Wright Homes. He explained that it was his understanding that Senator Michelle Kidani presented a resolution at the 2009 Legislature because the Manager is not on-site after hours. He stated that the Honolulu Police Department had concerns that no one was available to represent HPHA when they responded to calls at Mayor Wright Homes. He mentioned that the residents would benefit from the program because they would have an immediate response, rather than waiting for Management. He further stated that residents continue to drink in common areas and the same security guard (withheld name due to privacy rules) continues to allow unauthorized visitors on to the property. He mentioned that tenants are verbally abused by these visitors while doing their citizen patrol walk.

Chairperson Gierlach asked if there were any improvements within the last month relating to after hours drinking and after hours visitors.

Mr. Kolio responded that he notices improvements only when he does his citizen patrol walk, otherwise there are no improvements. He also stated that he can view the activities from his unit. He mentioned that there is a lot of favoritism by the security guards.

Chairperson Gierlach asked if women are permitted to participate with the citizen patrol walk. Mr. Kolio responded that everyone is welcomed to participate as long as they are trained. He stated that the Honolulu Police Department provided on-site training when they first started.

Chairperson Gierlach requested to move to Agenda Item VI. B. For Information: Ameresco Presentation on Results of the Energy Audit and Energy Services Agreement, since officials from Ameresco were present at the meeting.

**For Information: Ameresco Presentation on Results of the Energy Audit and Energy Services Agreement.**

Ms. Barbara Arashiro, Acting Executive Director explained that Ameresco was chosen through a competitive procurement process to help the housing authority to: 1) Complete an investment grade energy audit; and 2) Implement the actual energy conservation measures which would provide guaranteed savings and would allow the HPHA to purchase the equipment. Currently, the HPHA is in the process of selecting a consultant to assist in reviewing the details of the Energy Services Agreement (ESA).

Mr. Dave Anderson, Executive Vice President's presentation covered a brief history of the timeline of the project, how the Energy Performance Contract works, the benefits to the housing authority, U.S. Department of Housing and Urban Development's (HUD) role, the scope of work the timeline of the improvements, and the next steps to move forward with the project. (Refer to handout)

Mr. Anderson explained that the goal of the project is to reduce energy costs. The program is fully funded from the savings and there are no cash outlays by the HPHA. There also is a large focus on construction improvement and the implementation of renewable energy, both photovoltaic and solar thermal. He also mentioned that this project will also generate a significant cash flow to address deferred maintenance over a 20-year period and will be guaranteed by Ameresco. This program is consistent with the Hawaii Clean Energy Initiative.

Mr. Anderson explained that HUD will provide an incentive to the HPHA to pay for the improvements. The housing authority (HA) would enter into a leasing or lending agreement with a third party to draw funds to do the construction of the projects. The subsidy from HUD would then be used to pay debt services associated with the improvements that could be structured over a 20-year period; a longer term would be able to address more improvements. HUD's stipulation is at least 75% of the savings must be re-deployed to pay for the improvements.

Mr. Tom Tsaros, Director of Engineering of Ameresco provided a more detailed explanation of the scope of work and financing. He explained that when they finalized the project in 2010, they had 13 conservation measures and consolidated them into four categories: 1) water conservation;

2) emergency efficiency or conservation-such as electrical and gas savings; 3) renewable energy projects, solar, photovoltaic and solar thermal; and 4) capital energy infrastructure projects.

Mr. Tsaros explained that this project would typically get paid through a capital lease and exempt municipal lease. The financing would cover construction costs, and capital interest and the cost of insurance. He explained that it is HPHA's debt obligation and that the Board would authorize the Executive Director to enter into the financing as well as the contract. The financing would be subject to approval from the Director of the Budget and Finance as well as the Governor. HUD also requires a Section 30 approval too.

Director McManaman entered the meeting at 9:24 a.m.

Director Thompson asked if he could expand on Section 30. Mr. Tsaros explained that this project would generate jobs in Hawaii and nationwide, manufacturing, transportation and it will definitely support local businesses. It would also be contributing to the Clean Energy Initiative of the State. This project will have no additional costs other than the existing operating subsidy.

Mr. Tsaros explained in regards to the next steps, new engagement letters would have to be executed and they would also have to revisit the scope of work and the final approval previously mentioned.

Chairperson Gierlach requested for a list of properties that Ameresco areis dealing with or have dealt with in the past.

Mr. Tsaros explained that Ameresco has recently worked with the Boston HA, San Francisco HA and other large housing agencies. Ms. Arashiro will provide the Board a list of housing authorities that Ameresco has reported working with as follow-up.

Mr. Tsaros explained that the process started over three and half years ago and today's message is that they are eager to continue this opportunity with the HPHA so that the HPHA would be able to benefit immediately from the savings.

**For Action:**

**Director Yoshioka moved:**

**To Adopt the Hawaii Public Housing Authority's Five Year Capital Plan for the Period July 2012 to June 2017.**

Ms. Arashiro explained that the For Action is for the five-year plan for the federal Capital Fund Program and it does not include State CIP funds. This Plan is a portion of the Public Housing Agency (PHA) Plan that will be submitted for HUD approval along with the Annual Plan. Ms. Arashiro decided to bring this item separately to the Board since there is special interest in Capital projects at the housing authority. It will also need to go to public hearing as required by HUD, reviewed by the Resident Advisory Board (RAB), and also final approval by the Board.

Director Yoshioka asked how the projects were selected.

Ms. Arashiro referred to the handout (starting on page 32) of the Executive Summary (ES) of the Physical Needs Assessment (PNA). She explained that in order to use the federal capital dollars, the HPHA is required to do a PNA for every project and that the PNA is required once every five years. The PNA goes through all of the major systems, including site conditions, building exteriors, unit conditions, and structural deficiencies. She further explained that the projects are selected based on the PNA and discussions with AMP staff.

Director Thompson raised a concern about the deficiency and capital costs for the projects that were done three or five years ago and to continue to fund those projects in the future.

Ms. Arashiro responded that although the PNA will identify every issue, we may not have enough funds.

Director Shimizu asked if the funds could be used toward the vacant units listed and if staff could identify which units are vacant.

Ms. Arashiro clarified that the Capital Fund Program and the State CIP funds are for major capital improvements and cannot be used to turn vacant units that are considered Type A and Type B. The funds could be used for Type C vacant units which require major repairs, have structural damage or work that requires specialty license. She also explained that some units are purposely left vacant to accommodate the relocation of residents, rather than moving them off property.

Director Yoshioka mentioned that there is no line item for relocation costs.

Ms. Arashiro responded that if the residents are relocated on property then there will be no line item. However, if the resident relocates off site, then the HPHA would assist the contractor and the costs would come out of the project costs.

Director Thompson referenced stated page 28, line 21 is zero and asked if that is correct.

Ms. Arashiro responded that it is an error on the HUD form.

Director Espero asked if a unit is scheduled for renovation, how long would it remain vacant.

Ms. Arashiro responded that it should not be for more than three months. She mentioned that sometimes it is difficult to predict the turnover of the project due to the permitting process. Under normal circumstances, a unit will not remain vacant if the HPHA knows that the process will take more than three months.

Ms. Arashiro clarified that the Plan could change after it goes to public hearing, and that the Board would still need to approve the final Plan and that this For Action is to approve the piece of the 5 year plan and not the entire PHA plan.

**The motion was unanimously carried.**

**For Action:**

**Director Yoshioka moved:**

**To Adopt the Hawaii Public Housing Authority's Policy on Internal Control**

Ms. Arashiro explained that two years ago the HPHA received assistance from HUD's consultant MD Strum to assist with a draft policy on Internal Control. The objective is to ensure that the HPHA has a Policy to establish effective controls and accountability for cash, real personal property and other assets. She mentioned that the highlights included: 1) the Board of Directors appoint a Finance Task Force to review the annual audit, findings, budgets and other related financing activities; 2) Investment controls and establish controls to assist when the HA is making investments; and 3) the Board of Directors delegate authority to the Executive Director to sign checks and other forms of payment of money or electronic transfer of funds against HPHA checks.

Ms. Arashiro mentioned that the HPHA is currently operating under this policy but it was never formally adopted by the Board. She explained that it was previously brought to the Board but they requested and we complied to have reviewed by that the Department of General and Accounting and Services (DAGS) and the Department of Budget and Finance (B&F) first review the policy, which has now been completed.

Director Shimizu asked if it was based on national standards and/or other Public Housing Agencies (PHA).

Ms. Arashiro responded that MD Strum is a consultant that HUD hired to provide the HA with assistance in the conversion to asset management and part of their contract was to draft the policy.

Director Thompson mentioned that an annual audit is conducted and usually there are a lot of comments in the audit report, but that there were no negative comments relating to internal control.

Director Shimizu asked if there is a dollar amount limit for the checks that the Executive Director is delegated to sign.

Ms. Arashiro responded that the Executive Director delegated authorization to sign checks to the Acting Chief Financial Management Advisor, Chief Accountant, Budget Analyst and Executive Assistant. She explained that the Fiscal Management Office normally processes the payments and that the checks require two different signatures.

Director Shimizu asked if it is in writing. She commented that a non profit agency would not exceed a \$500 limit and anything over that amount would need approval by the Board President, Chairperson or Treasurer.

Ms. Arashiro explained that since the contracts already went through the budget review and it is just a matter of processing the payment it would be considered an operational matter, not requiring Board review.

Chairperson Gierlach mentioned that if it was a concern, then it would have been brought up by the auditors.

Director Shimizu mentioned that it also stated that the Executive Director is authorized to approve the use of facsimile signature and asked for clarification.

Director Godfrey clarified that it is basically a signature stamp so that the authorized person does not need to sign each check manually.

Mr. Clarence Allen, Acting CFMA mentioned that HPHA does not use a facsimile stamp and that all checks are signed manually. Chairperson Gierlach commented that it is time consuming to sign checks manually.

Director Yoshioka referenced page 67 and asked for clarification if it was a Standing Committee or Finance Task Force.

Ms. Jennifer Sugita, Deputy Attorney General clarified that a Standing Committee is subject to the Sunshine law and would require public notice for meetings.

Ms. Sugita mentioned there are two options for the Board to consider: 1) a Standing Committee is made up of Board members and would primarily focus on the financials, and they would make their findings and report to the Board, but must conduct public meetings and file an agenda; 2) a Finance Task Force would be assigned at a regular public meeting and would meet as necessary, just need to be clear on the scope such as to review audits, budgets, etc, but their tasks must be clear in scope and have a limited time frame. The Chair or Board would decide if it should be a standing committee or a task force.

Director Gierlach mentioned that the efforts of the task force are designed to look at the annual audit reports and related materials and budgets as opposed to an ongoing weekly oversight.

Director Yoshioka mentioned that it is important for the task force to oversee the findings after the reports are done because it seems we get the same financial findings every year.

Director Shimizu asked if the agency is doing any electronic banking because nothing in the policy covers it. Ms. Arashiro responded that the agency receives federal funds through an electronic system. We submit the request to HUD and they send the funds electronically.

Director George Yokoyama discussed concerns about authorized purchases at the maintenance and manager level and concerns with materials inventory at the AMP level.

Ms. Arashiro explained that the p-card is issued to authorized purchasers such as a Manager and/or maintenance supervisor. The Manager is authorized to approve purchases up to \$1,000. If it exceeds that amount, then it would be submitted to the Procurement Office for approval. She further explained that items listed on the State's Vendor List or Price List are required to be purchased from the listed vendors.

Ms. Arashiro explained that materials are accounted for through the inventory management system and that HPHA conducts an annual inventory. She mentioned that every office has a system in place to document when materials are taken out of inventory, such as recording on the work orders.

Director Yokoyama asked if employees are allowed mileage. Ms. Arashiro responded that employees are required to use the State vehicles, if it is available. Mileage reimbursement is allowed if an employee uses a private vehicle.

Director Shimizu mentioned that the policy does not cover p-cards.

Ms. Arashiro mentioned that the State Procurement Office issued a manual on the p-cards, and that HPHA would incorporate the policy by reference.

**Director Shimizu moved to amend item "h" on page 8 to read:**

- h. P-card purchases shall be made in accordance with the policies and procedures as stated in the State of Hawaii P-card manual.**

**The motion carried. Director Thompson abstained.**

Ms. Arashiro requested that the Board appoint a Finance Task Force to review the Draft of the HPHA Annual Audit, the Banyan Street Manor Audit, and the Draft Policy on Investments. These items will be presented to the Board in December 2011 or January 2012.

Discussion ensued and the Chair appointed Directors Thompson, Godfrey and Tokishi to the Finance Task Force.

Chairperson Gierlach requested to move to Agenda Item VI. H. For Discussion: Volunteer Instilling Pride (VIP) Program and Volunteer Protocol, since Mr. Kent Anderson was present at the meeting.

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

**Discussion: Volunteer Instilling Pride (VIP) Program and Volunteer Protocol**

Mr. Kent Anderson thanked the Chair, Acting Executive Director, and the Board for allowing him to do this presentation. Mr. Anderson explained that he works for the Roman Catholic Church and volunteers with the group Volunteer Instilling Pride (VIP) to help HPHA renovate units.

The group started in 2007 with Senator Chun-Oakland as one of the leaders, and now includes and most recently Marc Alexander of the Governor's Office, and is also with the group; along with other community groups from Waianae, Bank of Hawaii, the Institute for Human Services, Next Step Shelter, military groups, New Hope, and various faith-based groups. Mr. Anderson provided background information on past projects and explained that the volunteers usually do heavy cleaning, painting and some light repairs and at the discretion of the HPHA.

Mr. Anderson distributed an Frequently Asked Questions handout with more detailed information about the VIP. While he handed out a draft Memorandum of Understanding (MOU), Mr. Anderson clarified that there is no existing executed MOU.

Director McManaman inquired about the extent of Union consultation. Ms. Arashiro responded that it is her understanding that as long as the VIP group does not work at the State managed properties because those jobs are historically performed by UPW workers. She encouraged Mr. Anderson to work directly with the private management AMPs and provided him with their contact information.

Ms. Arashiro further explained that one of the concerns is that we do not force the private AMPs to accept the volunteers, primarily because we have a contract with them to do this work. If the work is not completed, the contract allows us to withhold management fees from the contractor.

Chairperson Gierlach encouraged the use of volunteers on Type A vacant units on both State and Privately managed properties and encouraged staff to schedule a meeting with the UPW. Chair Gierlach also mentioned that another big concern with HUD is uncollected rents and a significant part of that are the vacant units that are not generating revenue.

Director McManaman mentioned that she would definitely endorse the program, but strongly encouraged staff to consult with the union for both State and privately managed properties. She also had a concern with the limited involvement and/or communication by the central office personnel with the VIP group.

Chairperson Gierlach commented that staff may need to review the contracts and determine if the private managing agents are effectively carrying out their tasks.

Ms. Sugita asked if a MOU was previously executed with the private AMPs. Mr. Anderson responded negatively.

Ms. Sugita asked if the volunteers signed the liability waiver form. Mr. Anderson responded that all of the volunteers are required to sign the form. He mentioned that HPHA provided the form and believes it was approved by the Attorney General's office.

Ms. Sugita recommended the Board further discuss the use of volunteers in executive session.

Director Espero mentioned that it is a good program and asked if Mr. Anderson would be able to attend quarterly Board meetings and provide status updates.

Ms. Sugita asked if the work done by the volunteers previously was documented and if HPHA could submit it to the legislature.

Mr. Anderson mentioned that he doesn't have documentation because HPHA coordinated most of the projects previously.

Ms. Arashiro mentioned that previously the Section 8 secretary and one of the Resident Services Program Specialist assisted with the program. She mentioned that the secretary was the only person that was willing to work on the weekends and we paid her overtime out of the Section 8 budget. She mentioned if we're going to engage volunteers on a regular basis to assist HPHA, we would need to redescribe a position.

Director McManaman asked if VIP was a 501(c)(3), recognized non-profit.

Mr. Anderson responded negatively. He explained that this is a collaboration of various non profits and community groups and if they had a MOU it would not be with VIP but probably with the Roman Catholic Church or any other group.

**For Action:**

**Director Thompson motioned:**

**To Adopt Revisions to the Admissions and Continued Occupancy Policy to Ban Medical Use Marijuana in Federal Public Housing**

Ms. Arashiro explained that the proposed policy would affect only the federal public housing properties. The State public housing properties are administered under a separate administrative rule and will be presented at a future date. She explained that the proposed revision to the Admissions and Continued Occupancy Policy (ACOP) is in response to the U.S. Department of Housing and Urban Development's (HUD) memo issued in February 2011 addressing the use of medical marijuana in federal public housing.

Director McManaman mentioned that there is a distinction in the federal law between admitting medical marijuana users and evicting them. that we adopted the federal rules to allow current resident who are presently using medical marijuana to remain in public housing, but to prohibit admission of residents into public housing that present a certificate to use medical marijuana. She explained that the recommendation of the policy is to prohibit the use of all medical marijuana in all federally funded public housing properties. Director McManaman was concerned about dislodging tenants who have a certificate to use medical marijuana and are in

good standing. Director McManaman raised concerns if the policy could be considered discrimination on the basis of a disability and if the individual could move into a State public housing property instead. She also asked if an applicant with a certificate for medical marijuana could have a preference to move into State public housing or if they would qualify for a Reasonable Accommodation.

Ms. Arashiro mentioned that the HUD memo prohibits the use of or the approval of medical marijuana as a Reasonable Accommodation.

Ms. Sugita further clarified that based on an analysis of the State discrimination laws, she does not believe we're HPHA is required to allow medical marijuana use as required to grant a Reasonable Accommodation under the State non-discrimination law. She explained that the State law nondiscrimination statute is patterned after the federal law.

Director Thompson asked how many current residents are covered or engaged in medical marijuana. Ms. Arashiro responded that there are two known cases.

Ms. Arashiro clarified that HUD requires the housing authority to not allow new admission into federal public housing, but requires housing authorities us to adopt discretionary policies on current occupants.

Director Gierlach clarified that we would be in compliance with HUD, but that it is staff's position to make admissions and enforcement easier by prohibiting medical marijuana useto prohibit it altogether.

Director Shimizu mentioned that we could adopt a policy to have current residents with the approval of medical use marijuana to continue to reside in housing.

Director Yoshioka asked for clarification with staff to clarify the new rule, and if we would be able to evict existing tenants for the use of medical marijuana.

Ms. Arashiro explained that no one would be able to use medical marijuana on the housing property.

Director Espero asked for clarification thatif the revision would allow residents to store medical marijuana, but not use it.not allow the residents to use it, but they could store it.

Chairperson Gierlach responded that the proposed draft would prohibit the use, maintenance, control and possession of medical marijuana.

Director Kihano asked what would happen if a resident has a doctor's approval but is not able to afford the fee for the certificate.

Director McManaman responded that it is illegal.

Ms. Birck mentioned that it is the HPHA's understanding of adopting this policy is that it does not in anyway infringe upon the HPHA's right to determine on a case-by-case basis each eviction that comes up.

Director Yoshioka mentioned if a resident refuses to stop using then the policy says it could evict. Ms. Arashiro responded affirmatively.

**The motion was unanimously rejected.**

Director Gierlach suggested with the Board's concurrence that staff consider the Board's comments and propose an amended policy.

**For Action:**

**Director Yoshioka moved:**

**To Approve to Amend the Section 8 Administrative Plan Requirements for Reinspection When the Landlord Documents That Required Repairs Were Completed**

Ms. Arashiro referred to the handout, which is an excerpt from the Section 8 Administrative Plan. She explained that an inspection is required to rent a Section 8 unit and if the inspection fails the Housing Quality Standards (HQS), the homeowner would be required to make the necessary repairs within a certain amount of time in order for the unit to be approved. She explained that currently, the inspector would go back to the unit to re-inspect each and every deficiency to make sure it is corrected. She explained that we would like to amend the Plan so that the unit does not need to be re-inspected for deficiencies that are not related to health and safety. Instead, the landlord would be required to submit proper documentation and/or evidence that the deficiency is corrected.

Director McManaman asked if there is an established criteria for the inspection.

Ms. Arashiro responded that the HQS are federal guidelines that are used for the inspection.

**The motion was unanimously carried.**

**For Action:**

**Director Espero moved:**

**To Accept the HPHA's Public Housing Assessment System Score Issued by the U.S. Department of Housing and Urban Development for the Fiscal Year Ended June 30, 2010**

Director McManaman asked if we have a Corrective Action Plan and the timeline.

Ms. Arashiro mentioned that the PHAS is for the fiscal year that ended June 30, 2010 and the score was issued on September 15, 2011. The scoring system for 2011 was revised by HUD. In 2010, eight of the 16 AMPs failed the inspections and in 2011 three of the 16 AMPs failed. Ms. Arashiro stated that HUD will come to the Board and enter into a Recovery and Sustainability Agreement based on the 2010 score in February 2012.

Discussion ensued on the scores from 2009, 2010 and 2011 and although they improved, it is difficult to compare the years because the criteria changed. Ms. Arashiro mentioned that for FY 2011 we failed three AMPs failed in the Site Improvement category, which consists of pot holes in the parking lot, the overgrown vegetation, the cracked walls, etc. which are not normal daily maintenance duties.

Director Gierlach noted that HPHA did not score well for the tenant receivables outstanding and occupancy loss under the financial sub indicator. He asked who is responsible for collecting the rents at our properties and what kind of oversight do we have over the Managers when rents are not collected. He commented if those scores were higher then we may not have been rated troubled in those areas. Director Gierlach commented that when residents are not paying, efforts are not being made to get the residents to pay, including going door to door to collect the rents.

Ms. Fo confirmed that AMP staff knock on the doors, and the two months is when Management serves the notice and ask for payment or a payment arrangement after two months., if none is made, then they start the process for eviction proceedings are initiated. She mentioned that the resident may request a grievance hearing which would then delay the eviction process.

Director Gierlach asked how about the length of time it takes for the to evict a tenanteviction process.

Ms. Fo responded that the process is approximately two months, but it may be longer if the family requests a grievance hearing.

Director Gierlach asked why HPHA waits for two months to collect and not immediately after the due date.

Ms. Fo mentioned that there is a grace period every month and they could get served at the end of the month, but if they pay by the 20<sup>th</sup> then it would not be worth serving them the violation.

Director McManaman asked for the staff to report back with the criteria for the scoring on the Tenant Receivables outstanding.

Director Thompson mentioned that at the St. Paul Housing Authority they served eviction notices the very next day after the due date.

Director Gierlach mentioned that weHPHA should be doing the same and asked why are we HPHA waitings for two months.

Ms. Fo mentioned that they do send the first notice 14 days after the due date and they are required to start the legal process (eviction) after two months.

Director Kihano mentioned that sometimes there is a delay when the resident requests a rent adjustment (interim).

Director McManaman mentioned that some families may have financial difficulties and maybe we could do outreach services or be proactive to assist the families.

Director Gierlach mentioned that we should be looking at ways to adjust our score that don't require spending extra money.

Ms. Arashiro also noted that the HPHA lost almost three points for the audit penalty, but the HPHA is working with its auditors to issue a restatement of the financials now that the other post employment benefits and Auction Rate Securities expenses were issued by DAGS.

Director Gierlach clarified that the For Action is mainly to acknowledge receipt of the score.

**The motion was unanimously carried.**

**For Action:**

**Director Yoshioka moved:**

**To Adopt Board Resolution No. 55 To Close the Oahu Federal Family Public Housing Waitlist for One (1) Year Starting January 1, 2012, and To Authorize the Executive Director to Extend the Closure of the Waitlist for up to an Additional 12 Months**

Ms. Arashiro mentioned that this is to close the waitlist only for federal public housing on the island of Oahu. She reiterated that it is not for State public housing, elderly properties, and for the neighbor islands. The concern is that the Oahu Federal Public Housing waitlist has more than 9,000 families. She mentioned that staff would need to maintain and update the system to make sure we have current information for all applicants. Also, there is a concern that families without preferences are on the waitlist from two to seven years, and they may never get served if we continue to accept applications, especially with preferences.

Mr. Thompson commented that he felt if we close the list then there is no hope for the families.

Director Gierlach mentioned that currently new people are applying and taking priority over the families that already have been on the waitlist.

Director McManaman asked if there was a recommendation to remove the preference from the public housing waitlist.

Ms. Arashiro responded that the HPHA preferences go out for public hearing on an annual basis in the PHA plan. The Resident Advisory Board and homeless advocates would submit comments on HPHA's preferences.

Director Thompson asked if there is a priority within the preference list. Ms. Arashiro responded negatively; Ms. Fo added that it is by date and time.

Director Thompson asked how many units become available each month. Director McManaman mentioned that the report indicated for Oahu about five or ten units per month.

Director Gierlach mentioned if the waitlist is closed for a year then that would clear the backlog, but that the families with a preference would be moving in before the families without preferences.

Director Kihano commented that if you have a preference you would go straight to the top of the list and she doesn't feel that it is fair to the others that have been on the list forever. She understands that some families with preferences are legitimate but also believes that some families are told to register with a homeless shelter to qualify for a preference.

Director Yoshioka asked about the length of time on the wait list how long is the wait for the families without a preference.

Ms. Fo reported that families without a preference could be on the list for many years. Anecdotally, a female one lady was on the waitlist for so long that she aged into elderly housing.

Director McManaman mentioned that the Governor has a significant interest in developing public housing through public-private partnerships and that the Administration is committed to repairing housing and increasing the number of low income housing. She understands that the agency is understaffed and that it's a logistical problem, but stated that during this transition period with the new Board and a new Executive Director she suggested to table this item and revisit it in six months. Tabling the item would allow the new Executive Director to start work with the Board on the visioning process for the HPHA.

Discussion ensued on whether the HPHA should not only provide housing, but also provide services such as job training, fiscal management, and help families become economically self sufficient.

**Director Yoshioka withdrew her motion.**

**The motion was unanimously carried.**

**Director McManaman moved to table this item,**

**The motion was unanimously carried.**

Chairperson Gierlach called for a recess at 11:50 a.m. and reconvened at 12:06 p.m.

## **Reports:**

### **Board Task Force Reports: Update from the Executive Director Search Task Force.**

Director Jason Espero reported that HPHA received approximately 60 applications and about 10 met the minimum qualifications. The Task Force will meet on November 22, 2011 to review the applications and selected the top three candidates to be interviewed by the HPHA Board of Directors. A Special Board meeting was scheduled for December 2, 2011 to interview the candidates.

Ms. Sugita clarified that the interviews would be done in Executive Session and that a recommendation can be made at this meeting, however it would still need HUD approval.

Ms. Arashiro explained that under the previously process the Board interviewed the candidates, made a selection and the recommendation was submitted to HUD for their approval. HUD interviewed the applicant and provided their written approval. The next Board meeting is when the Board made the appointment and the candidate's name was posted on the Board agenda.

Director Yoshioka mentioned that reference checks would also need to be done. It was decided that the Task Force should check references.

Director Thompson mentioned that previously, we received HUD's approval within a week. He also suggested making sure that things are fair and suggested the exact same set of interview questions be used for each applicant.

### **Executive Director's Report:**

Ms. Arashiro mentioned that the "Follow up inquires for previous Board meetings" will be emailed to the Directors instead of including it in the Executive Director's report. This would allow the Board members to get the response quicker rather than a month later.

Ms. Arashiro pointed out the rent collections for federal public housing is at 95% and for state public housing is at 96%.

Director Thompson mentioned he came up with a new way to view the reports in which he viewed both delinquencies and vacant units and that Maui, Hilo and Central Oahu were the worst.

Ms. Arashiro reported that staff from the Section 8 office as well as State and privately-managed AMPs recently went through Occupancy and Rent Calculation training, called "Certified Occupancy Specialist". We just received the results and 97% of the staff passed the test. The

employees that did not pass are required to do an independent study and have 60 days to take the exam.

Ms. Arashiro mentioned that Property Management recently hired two new staff members that will help with the monitoring of the AMPs.

Ms. Arashiro pointed out that the report on the Large Capacity Cesspool Conversion report is included in the Board report because the HPHA is under a consent agreement and the final order (CAFO) with the EPA. Also we recently received a letter from the EPA (will include in next month's report) that they are pleased with the progress.

She also mentioned that the Construction Management Branch recently hired an Engineer. He is a civil engineer with structural engineering background.

Director McManaman asked how many additional Engineer positions are vacant.

Ms. Becky Choi State Housing Development Administrator responded that they have recommended candidates for all three vacant positions.

Director McManaman mentioned asked for a status on the that several million dollars of appropriated legislative funds for projects that did not go forward, and by operational law was returned back to the State at the close of the fiscal year by operation of law. , she asked for a status report.

Ms. Choi mentioned that we are staying on top of the deadlines and that the year in question would be the 2007/2008. It is her understanding because she was not in Although Ms. Choi was not in charge of the projects at that time, this position that it is her understanding that 2007/2008 was the year that HUD gave the HPHA \$16 M and there were three back to back deadlines. She believed to avoid the HUD penalty the focus was to meet the HUD deadline from the ARRA and Capital Funds. The agency received a blanket encumbrance for the CIP from the Comptroller, but apparently it was a misunderstanding. She also mentioned that the agency was able to recapture a majority of the funds.

Ms. Arashiro referred to the spreadsheet that lists all of the federal and state funding sources.

Ms. Arashiro referenced the legislative inquires - Kuakini Street Extension project: Senator Chun Oakland is requesting that the HPHA take ownership of remnant parcel near the Puahala Homes property. She mentioned that originally the City agreed to maintain the parcel although the HPHA owned it. Now the City would like to maintain only the paved portion of the remnant parcel and the un-paved portion would become the responsibility of the HPHA. Staff's concern is that there is no operating subsidy for State public housing, Puahala Homes, and it would have an impact on the budget.

Director Shimizu asked if this is the parcel that Senator Chun Oakland wanted to turn into a garden.

Mr. Nicholas Birck, Chief Planner explained that Senator Chun Oakland responded to the concerns raised by that HPHA staff had and she indicated that her vision was for them would be to have them available as a community gardening type of arrangement and she had suggested possible partners.

Staff's recommendation is that the Department of Land and Natural Resources (DLNR) should hold title to the parcel since the housing authority should not be holding remnant parcels unsuitable for housing.

Ms. Arashiro explained that the Informational Briefing regarding the legislative audit has been rescheduled for December 1 at the Capitol. The Senate Committee on Human Services should be sending out the public notice. Staff will provide the Chair with the details of the date and time of the briefing and also an electronic copy of the power point presentation.

Ms. Arashiro mentioned that the House Committee on Finance coordinated a site visit to Kuhio Park Terrace and Wilikina Apartments on November 30<sup>th</sup>.

Ms. Arashiro reported that HPHA completed the audit for Banyan Street Manor but is having some technical difficulties inputting data into the financial data system and uploading the audit to the HUD system.

Director Thompson asked for the status of the National Center of Housing Management (NCHM) contract to conduct an assessment.

Ms. Arashiro mentioned that the HPHA is required to have a transition plan but in order to do that we would need an assessment. NCHM was hired to do an assessment of all of the State and Federal public housing properties to determine whether we are in compliance with the ADAAG and Uniform Federal Accessibility Standards (UFAS). NCHM will conduct a review of all of our policies and procedures and will assist to update and revise them, in addition to providing training. Additionally, they will provide 12 months worth of monitoring to ensure that we're complying with the new policy and procedures and the progress of the transition plan.

Director McManaman asked if the total amount of \$13.9M reflects a reduction of previous year's contract for Realty Laua since they have fewer responsibilities for KPT. Ms. Arashiro confirmed that the supplemental contract reflected a decrease in compensation which correlated with the reduction of units being managed by Realty Laua.

Ms. Arashiro mentioned that the Section 8 Program is reviewing a request from Mutual Housing of Hawaii to increase the rents for Palolo. This is for informational purposes since there was discussion last month by HUD regarding the utilization of the budget in the Section 8 program. The request is for a yearly increase of \$138,000.

Ms. Arashiro reported that Mr. Birck is starting to work on the information for the PHA plan that will be submitted to HUD next April. The Plan will cover fiscal year beginning July 1, 2012.

Director Thompson asked for the status of the 94 vacant positions.

Ms. Shirley Befitel, Personnel Supervisor explained that we are in continuous recruitment and identifying critical positions to fill. We received assistance from the personnel offices of DHS and DHRD. We hired seven new employees in October and November, and anticipate another eight new hires for December.

**For Discussion: Report on HUD’s Quality Assurance Review of the American Recovery and Reinvestment Act (ARRA) Capital Fund Program Grant and the Section 8 Housing Choice Voucher Program**

Ms. Arashiro reported that mentioned in September, HPHA was we were informed that HUD contracted with Deloitte and Touche to do a Quality Assurance Review for a selective housing authorities across the nation, which and it was conducted the week of October 24. They chose two programs: 1) ARRA, 2) Housing Choice Voucher Program. The report was provided to us HPHA at the exit interview and for the Section 8 program there were no observations and no deficiencies. Ms. Arashiro would like to credit the Section 8 staff and the Fiscal Office, specifically the Accountant III, Mr. Patricio Agluba.

In reference to the ARRA grant, there were two observations: 1) budget not matching the eLOCCS; and 2) Section 3 report was not accurate. We had separate reports for 2010 and 2011 for Section 3 and it should have been a cumulative report instead.

Director Yoshioka left the meeting at 1:05 p.m.

**For Discussion: Report on the Hawaii Public Housing Authority’s Physical Sub-System Scores Based on Inspections Conducted by the Real Estate Assessment Center.**

This item was covered previously in the meeting.

**For Discussion: Board Discussion on Issues Regarding Communication Between Management and Staff, Length of Residency in Public Housing, and Problems with Public Housing Visitors/Guests, Security, Illegal Parking and Drinking in Common Areas.**

Ms. Arashiro mentioned that this item was specifically added at the request of Director Yokoyama. Director Gierlach requested to defer this item to be discussed during Executive Session.

**For Information: Best Practices in Security Efforts**

Ms. Arashiro explained this is mainly for informational purposes unless the Board would like staff to take additional action as a result of the report.

Director Gierlach thanked staff for the report and assessment and asked if there are any steps or recommendations from staff in terms of looking at its security since it is a huge liability for the HPHA.

Ms. Arashiro responded that there are varying degrees of security and HPHA would need to develop a plan that would work for each property. , and dDue to the limited resources, we would HPHA needs community involvement. She explained that in prior years the housing authority received federal funds through grants.

Director McManaman asked that we should HPHA start looking at what is the plan for implementing security plans and practices because the residents deserve a safe, habitable place to live. She asked if weHPHA considered submitting a supplemental budget request to the legislature to conduct an assessment and conduct outreach to the AMP Managers, and if we HPHA was are going to seeking crime data.

Director Thompson mentioned that previously they had meetings at each project and security issues would be one of the main topics. The housing authority coordinated meetings on Maui with the county council, police and the message was to take back their community. They also held successful community walks with police.

### **For Information: Update on Tenant Monitor Pilot Program**

Director Kihano mentioned that her association had concerns about this program being implemented at Palolo Homes because their project will soon be hiring a resident manager so that they don't believe that it would be necessary to have this program at their site.

Director Gierlach mentioned that Mr. Kolio testified at numerous Board meeting to have the Tenant Monitoring Program at Mayor Wright Homes.

Director Kihano responded that Mayor Wright Homes already has paid security services. She also mentioned that residents should be doing things with their community to make it work and not do it to get paid. She explained that most neighborhood security watches are in communities outside of public housing and they don't receive any stipend. She questioned the need to "pay" public housing residents to do their community work. She believes that the community should be part of the solution.

Director Gierlach asked what is about the difference between Tenant Monitoring and Tenant Watch.

Ms. Arashiro responded in regards to the Tenant Monitoring Program, the residents would receive a stipend in a form of reduced rent and they would be able to respond when the Honolulu Police Department arrives on the property.

She explained that the agency was willing to discuss the Program with the residents of Palolo because their community is ready and understands the need for community involvement. The Palolo community has a functioning resident association and the agency was confident they would work cooperatively to bring the programs onto the property.

Director Gierlach mentioned that this item could be discussed further in Executive Session.

**Motion:** To go into Executive Session at 1:22 p.m. pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to its powers, duties, privileges, immunities, and liabilities as related to:

1. **Approval of Minutes Executive Session, September 22, 2011 and October 20, 2011.**
2. **For Discussion: Board Discussion on Issues Regarding Communication Between Management and Staff, Length of Residency in Public Housing, and Problems with Public Housing Visitors/Guests, Security, Illegal Parking and Drinking in Common Areas.**
3. **For Discussion: Volunteers Instilling Pride (VIP) Program and Volunteer Protocol.**

To go into Executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys or questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities as related to:

1. *Kolio, et al v State of Hawaii, Hawaii Public Housing Authority: Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV 11-00266 and Civil No. 11-1-0795.)*

**Director McManaman moved.**

The motion was unanimously carried.

**The Board reconvened from Executive Session at 2:01 p.m.**

Chairperson Gierlach reported that during Executive Session the Board discussed the following items: 1) approval of the previous minutes that were held in Executive Session that was listed on the Agenda; 2) Personnel matters related to the Executive Director's position; 3) Update on

Kolio lawsuit; 4) Personnel matters related to the management operations of the public housing; and 5) legal issues and liabilities regarding the use of volunteers.

Director Gierlach mentioned in regards to Item VI. I. For Discussion: Location of HPHA Board Meetings and Possible Alternate Sites or Rotation at Public Housing Complexes, the Board agreed to hold at least one meeting next year at one of the public housing sites and for staff to select the date and the site.

Director Gierlach also mentioned that directions in regards to the VIP program, that the Board will be is directing staff respectively to prepare with the assistance of the Attorney General's Office an updated release of liability and Memorandum of Understanding to work with the VIP group or its designee, it may be possibly the Roman Catholic Church of Hawaii, as the signatory. He also requested that staff schedule a meeting with the United Public Workers union regarding this matter.

There being no further business to discuss, the meeting adjourned at 2:03 p.m.

#### MINUTES CERTIFICATION

Minutes Prepared by:



Deidra L. Ahakuelo-Kepa  
Recording Secretary

DEC 15 2011

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on DEC 15 2011.



Jason Espero  
Director/Board Secretary

12-15-11

Date