

OTHERS:	Wils Choy	KMH LLC
	Desiree Kihano	Palolo Valley Homes resident
	Jenny Lemota	KMH LLC
	Roland Lum	Kalakaua Homes resident
	Lois McKeon	Kalakaua Homes resident
	David Moakley	Ameresco
	Roy Nakamura	Kalakaua Homes resident
	Monique Ocampo	Nanakuli Homes resident
	Bonnie Ok	Kalakaua Homes resident
	Nora Oliphant	Kalakaua Homes resident
	Marie Pedro	Waimanalo Homes resident
	Roy Sasaki	Kalakaua Homes resident
	June Talia	Kuhio Park Terrace resident
	Yoshi Yamaguchi	Kalakaua Homes resident

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Dodson to approve the minutes of the regular Board of Directors Meeting held on February 17, 2011 and it was seconded by Director Yoshioka.

The minutes were unanimously approved.

Public Testimony:

Ms. Nora Oliphant, Kalakaua Homes resident, stated she was waiting to hear from management regarding the move. She has left messages and her calls have not been returned and she is confused as to what to do.

Mr. Roy Nakamura, Kalakaua Homes resident, stated the tenant above him is noisy at all hours and management hasn't satisfactorily addressed the issue.

Ms. Desiree Kihano, Palolo Valley Homes resident, stated that at a recently held tenant meeting a last minute change of location by management impacted the turnout. She also stated that there is an unauthorized person living on the property and management, to her knowledge, has not dealt with the situation.

Ms. Monique Ocampo, Nanakuli Homes resident and Resident Advisory Board (RAB) President, provided comment on the HPHA's 5-year and Annual Plan. The RAB was okay with the closing of the waitlist, but would like to see a provision that the waitlist be reviewed at least every two years. The RAB would also like to see site based application wait lists.

June Talia, Kuhio Park Terrace Homes resident, stated that she will be stepping down from the Kuhio Park Terrace (KPT) Resident Association Board and RAB and that she believed with the efforts underway at KPT it's time for a new generation to step in.

Mr. George DeMello, Lanakila resident, submitted written testimony and it was entered into the record.

For Action:

Motion: To Recognize the Resident Association from Hale Aloha O Puna as a Duly Elected Resident Council.

Director Dodson moved and Director Aiona seconded.

Staff reported that this is a new Tenant Association Board on the island of Hawaii and that all newly formed tenant associations must be recognized by the HPHA Board of Directors.

The Chair requested that staff send a letter of congratulations to the newly formed association on behalf of the Board.

The motion was unanimously carried.

Motion: To Adopt Board Resolution No. 43 Pursuant to Section 11 -200-8(a) Hawaii Revised Statutes for the Mixed Finance Redevelopment at Kuhio Park Terrace.

Director Dodson moved and Director Berthiaume seconded.

Staff reported that in 1989, the then, Hawaii Housing Authority (HHA) was granted the ability to declare a self exemption for an environmental assessment, for a project if it met certain parameters. The Hawaii Public Housing Authority (HPHA) is currently declaring an exemption for the KPT redevelopment project under section 11-200-8(a) exemption class #2:

“replacement or reconstruction of existing structures and facilities where the new structure will be located generally on the same site and will have substantially the same purpose, capacity, density, height and dimensions as the structure replaced.”

Staff explained that this was a matter of housekeeping and although not required it would be prudent to provide notice to the public, in the event there were any comments.

No further questions were asked.

The motion was unanimously carried.

Motion: To Accept the Audited Financial Statements and Single Audit of the Hawaii Public Housing Authority as presented for Fiscal Year Beginning July 1, 2009 Ending June 30, 2010, including a Qualified Opinion.

Director Aiona moved and Director Yoshioka seconded.

Staff introduced Mr. Wils Choy and Mrs. Jenny Lemota from KMH, LLC. KMH, LLC, is the auditing firm conducting the single audit and audit of the financial statements for the HPHA. They were present to explain the status of the FY 2009/2010 HPHA agency audit.

Mr. Choy reported that the HPHA is required to submit the audited financial statements and the single audit to the U.S. Department of Housing and Urban Development (HUD) by March 31, 2011. Mr. Choy explained that this year with respect to the audited financial statements, in order to meet the March 31, 2011 deadline that the financial statement will be issued with a qualified, limited scope opinion. The qualified opinion is due to the delay by the Department of Accounting and General Services (DAGS) in providing audited figures for the Other Post Employment Benefits (OPEB) and the ARS: Auction Rate Securities - Investment Pool Write Down accounts. The figures being provided are unaudited estimates, therefore, KMH is unable to opine on them. As a result, KMH will be issuing a qualified, limited scope opinion. This is also an issue for other State agencies.

The HPHA has concluded it would be prudent to meet the submission deadline rather than wait for the audited accounts from the State. Depending on the material nature of the final audited figures from the State the HPHA may resubmit the financial statements and single audit with adjustments to follow.

The Board asked Mr. Choy whether there had been improvement from the prior year and if in his observations he noted a better understanding by staff of the critical nature of the accounting function. Mr. Choy stated that this was the first time since KMH had been conducting the audits that the Executive Director understood and was able to identify the issues and what needed to be done. He also stated that the new Fiscal Officer understood what was required and was able to make the adjustments that were needed. He couched his comments by saying that these were very hopeful signs for the HPHA.

He also commented that most of the findings under the programmatic area of the audit were repeat findings. Due to transitions and staff changes, the findings had not been thoroughly addressed.

Mr. Choy stated that the financials were fine. Given the influx of capital dollars, that there was an auditable trail as the incoming dollars could be tracked to a project.

The Board questioned staff as to how the findings were being addressed. Staff responded that the findings were being categorized and the responsible parties for addressing the findings were identified and that action plans were being developed by the responsible parties to ensure that it was addressed with actionable dates.

Chairperson Thompson asked the Financial Task Force which includes Director Beaver, Chairperson Thompson, and Director Godfrey to meet and review the list and report back at the April Board meeting.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Undertake all Actions Necessary to Publish the HPHA's Audit and File the Audit to the U.S. Department of Housing and Urban Development and the Single Audit Clearing house Prior to the March 31, 2011 Deadline.

Director Aiona moved and Director Dodson seconded.

Chairperson Thompson asked that staff submit the audit on time to HUD.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Reissue the Audited Financial Statements and Single Audit of the Hawaii Public Housing Authority Upon Issuance of Final Figures for Other Post Employment Benefits and ARS: Auction Rate Securities - Investment Pool Write Down from the Department of Accounting and General Services, Subject to the Review of the Board's Finance Task Force.

Director Dodson moved and Director Aiona seconded.

Mr. Choy reaffirmed his earlier statements that the other post employment benefits (OPEB) adjustments from DAGS are delayed.

The motion was unanimously carried.

Chairperson Thompson called a recess at 10:13 a.m. and reconvened at 10:24 a.m.

Motion: To Adopt the Hawaii Public Housing Authority's Five Year and Annual Plan for Fiscal Years Beginning July 1, 2011 and to Authorize the Executive Director to Undertake All Actions Necessary to Complete the Submission to the U.S. Department of Housing and Urban Development.

Director Yoshioka moved and Director Aiona seconded.

Staff reported the PHA plan is due to HUD by April 15, 2011. The HPHA held public hearings in February; although, because of a scheduling conflict the HPHA has rescheduled the public hearing for Kona. Staff reported that due to confusion the Kona location was moved at the last minute. The HPHA believed that the notice given for the location change was not sufficient to provide stakeholders with the opportunity to comment. Therefore, the public hearing for Kona is rescheduled for April 12th.

Staff reported that there were three stakeholders who attended the Oahu public hearing and that there were no stakeholders who attended the Maui or Kauai hearings.

Board questioned staff on methods that could increase participation/attendance on these critical hearings. Staff responded that for next year, not only will the HPHA run the requisite hearing notice in the papers for the period time required, but they will also try and run the announcement a second time just prior to hearings. It has also been included in the rent inserts that go out to the tenants as well.

Director Dodson asked if the HPHA will be closing the waitlist and re-evaluating the list after two years. Staff reported that as written in the PHA plan the HPHA will close the waitlist. It may reopen the waitlist when the list meets a pre-determined threshold but the Board may make changes. The current waitlist for public housing has over 9,700 households. The waitlist may reopen using various criteria. For example, should the waitlist drop to below 1,500 it may reopen and/or it may reopen as a result of having certain unit types available. The waitlist is purged annually to update it, by virtue of the purging process; the HPHA scales the list every year.

Director Aiona requested that the plan be changed to say the HPHA will re-evaluate the waitlist at minimum every two years. This is in keeping with the RAB's comments.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Submit a Request to the Legislature for Operating Subsidy for the State Family Public Housing and State Elders Program.

Director Dodson moved and Director Aiona seconded.

Staff reported that the HPHA would like to ask the Legislature for subsidy for State Family public housing and the State Elders program. The HPHA will most likely not receive subsidy funds but would like to use this opportunity to educate the Legislature. This is in keeping with making the State owned units self-sufficient.

The motion was unanimously carried.

Motion: To go into executive session at 10:35 a.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the pre-determination settlement agreement.

Director Dodson moved and Director Yoshioka seconded.

Director McManaman recused herself from all proceeding regarding the Pierre, et al. v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-0852; HUD No. 09-10-0127-8) at 10:35 a.m. She left the room for the discussion.

The motion was unanimously carried with the recusal of Director McManaman.

The Board reconvened from Executive Session at 10:52 a.m.

Chairperson Thompson reported that the Board made a motion to discuss:

Motion: To Authorize the Executive Director to Execute a Pre-Determination Settlement in Pierre, et al. v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-0852; HUD No. 09-10-0127-8).

The motion was unanimously carried with the recusal of Director McManaman.

Board Task Force Report:

The Board discussed the REAC scores. Staff reported that a failing score is 60 and below. Staff also reported that all C – life threatening health and safety deficiencies were immediately rectified.

Staff reported that there is a big difference between the 2009 and 2010 scores because REAC and the HPHA feel that the 2009 scores were misrepresented. The recent sets of scores were actually conducted by REAC-HUD staff. Typically, REAC inspections are put on a bid list and approved contractors bid for the inspections. Based on the bid the contractor may be awarded the bid to conduct the REAC inspections. As a result of prior inspections the HPHA registered concern with the REAC-HUD staff. Therefore, the last set of REAC inspections were performed by HUD staff not contractors. The analyses by the HUD staff inspectors were that it was not possible to perform complete inspections based on the time it took them to complete the current inspections. They were surprised by the previous inspections and what those inspectors reported in the time it took to complete; therefore the discrepancy between last year's inspection and the current inspection. The properties could not have "nose-dived" in less than 12 months.

Board questioned staff as to the most common type of inspection issues. Staff responded that it is often smoke detectors and broken or missing cover plates. These are often tenant caused and fixed immediately. Anything identified as a health, safety, and welfare issue was repaired immediately.

Board questioned staff as to annual inspections conducted and whether or not some if not all should have been identified and rectified at that time. Staff responded that in fact annual inspections are conducted and when issues are noted they are repaired. However, staff also responded that at times there is a disconnect between staff in conducting the inspections and reporting the repairs. Staff is working with AMP managers to refine that process and ensure that repairs are reported and made.

Staff is devising several processes to address the REAC scores as fully as possible. There are several factors to consider and the roll out of the programs commences this month. It is anticipated by implementing quality control standards with follow-up that the inspections can be improved. However, there is a caveat in that some of the REAC findings included issues of spalling which are capital improvements that have been scheduled but given funding, may be scheduled in another 24 months, thereby possibly being a repeat in the upcoming REAC inspections.

Director Aiona asked that staff provide a report monthly on repair of the deficiencies.

Executive Director's Report:

Staff reported that the HPHA was required to expend 60% of the ARRA funds by March 1, 2011 and as of February the HPHA has expended 71% of the ARRA funds.

Staff reported that the HPHA received the 719 and 720 funds which need to be obligated by June 2011. These funds are from 2009 and 2010 but were just released by the Governor.

Director McManaman asked the HPHA to identify ways that the procurement process could be more streamlined and to work with the State Procurement Office (SPO) to identify ways to match the needs of the HPHA and its tenants, given the nature of our business.

The Board discussed the United Public Workers (UPW) and Hawaii Government Employee Association (HGEA) settlement agreement that basically lifted the furloughs for these represented employees and the compensatory time that was included in the settlement agreement. The fiscal impact was discussed by the Board.

Staff reported that a contractor for the Mayor Wright Homes (MWH) hot water gas-fired tankless back up systems was selected. Currently, the HPHA was awaiting all the submittals from the contractor. Once received and reviewed a Notice to Proceed (NTP) will be issued and project should be completed within 120 days.

Chairperson Thompson asked that Director Aiona, Director Berthiaume and Director Hosino be on a task force to look into the situation at Kalakaua Homes. Some of the issues are common areas, community room usage and management issues.

Chairperson Thompson also asked that Director Dodson and Director Aiona be on a New Board Members Orientation task force.

Chairperson Thompson announced that Director Hosino will be resigning from the Board; her last meeting will be June 2011.

Staff reported that the HPHA received no damage from the tsunami.

Discussion:

Discussion: Update and Status of the Mixed Finance Redevelopment at Kuhio Park Terrace (KPT) and Kuhio Homes with the Michaels Development Company.

Staff reported that the closing date for the KPT has been moved to April 14, 2011 because of the lenders. The master development agreement has still not been negotiated and HUD is still reviewing the evidentiaries. The HPHA is in the process of separating the KPT and Kuhio Homes files because Kuhio Homes will still be under the HPHA management.

Chairperson Thompson asked if the HPHA is looking for an owners representative. Staff reported the request for proposal (RFP) will be issued shortly.

Director McManaman reported that the Governor is going ahead with bonding of the KPT project.

Discussion: Currently Pending Legislative Measures for the Fiscal Biennium (FY2011-2013) Impacting the Hawaii Public Housing Authority.

The Board discussed HB 200-budget bill and was updated on other bills still in the legislature.

Motion: To go into executive session at 12:06 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 the energy performance contract.

Director Dodson moved and Director Aiona seconded.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:43 p.m.

Chairperson Thompson reported that the Board discussed the energy performance contract.

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

Director Dodson, moved to adjourn and Director Berthiaume seconded.

The motion was unanimously carried.

The meeting adjourned at 12:44 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:

Taryn T. Chikamori
Taryn T. Chikamori
Secretary to the Board/Recording Secretary

APR 21 2011
Date

Approved by the HPHA Board of Directors at their Regular Meeting on
April 21, 2011

Matilda Yoshioka
Matilda Yoshioka
Director/Board Secretary

APR 21 2011
Date