

**MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, APRIL 21, 2011
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, April 21, 2011 at 9:00 a.m.

The meeting was called to order by Chairperson Travis Thompson and those present and excused were as follows:

PRESENT:

Chairperson Travis Thompson
Vice-Chair Eric Beaver
Director Sam Aiona
Director Rene Berthiaume
Director Sherrilee Dodson
Director Roger Godfrey
Director Clarissa Hosino
Director Carol Ignacio
Director Patricia McManaman
Director Debbie Shimizu

Denise Wise	Executive Director
Sandra Ching	Deputy Attorney General
John Wong	Deputy Attorney General

EXCUSED:

Director Matilda Yoshioka

STAFF PRESENT:

Barbara Arashiro	Executive Assistant
Clarence Allen	Fiscal Officer
Shirley Befitel	Personnel Supervisor
Nicholas Birck	Housing Planner
Joanna Chaves	Acting Public Housing Supervisor
Becky Choi	State Housing Development Administrator
Stephanie Fo	Property Management and Maintenance Services Branch Chief
Gianna Guitron	Resident Services Program Specialist
Diane Johns	Property Management Specialist
Kiriko Oishi	Compliance Officer
Phyllis Ono	Property Management Specialist
Rick Sogawa	Contract and Procurement Officer
Taryn Chikamori	Secretary to the Board

OTHERS:	Michi Chang	Kalakaua Homes resident
	Lynn Colleado	Puahala Homes resident
	William Cunningham	Ameresco
	Pamela Dodson	Parsons
	Michael Flores	U.S. Department of Housing and Urban Development
	Susan Lee Hurd	U.S. Department of Housing and Urban Development
	Desiree Kihano	Palolo Valley Homes resident
	Maria Loa	Kalakaua Homes resident
	Lois McKeon	Kalakaua Homes resident
	David Moakley	Ameresco
	Roy Nakamura	Kalakaua Homes resident
	Roy Sasaki	Kalakaua Homes resident
	Barbara Tanabe	Ameresco
	Yonemura	Kalakaua Homes resident

Proceedings:

Chairperson Thompson declared a quorum present.

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

The minutes were unanimously approved.

Directors McManaman and Shimizu arrived at 9:05 a.m.

Public Testimony:

Ms. Michi Chang, Kalakaua Homes resident, stated that there is a problem with stray dogs and feral cats. There is also a need for more security at Kalakaua Homes. The residents also want to put a piano in the meeting room.

Ms. Maria Loa, Kalakaua Homes resident, stated she went on a trip and forgot to unplug her radio and fan. She called the office and asked that staff go into her unit and unplug the radio and fan. When she returned her radio and fan were not unplugged, yet she got charged \$20.00 for the service.

Directors Aiona and Berthiaume arrived at 9:10 a.m.

Mr. Roy Nakamura, Kalakaua Homes resident, stated that management is not consistent with how they are charging resident fees. Mr. Nakamura also stated that Ms. Kamalani Rodrigues,

Deputy Manager, told residents that management didn't know that there was going to be a meeting on April 20, 2011.

Ms. Lynn Colleado, Puahala Homes resident, stated she reported to management that her neighbors have been harassing her and management has not dealt with the issue to her satisfaction. She stated she is in the process of filing for a restraining order against her neighbor. She stated Mr. Gerald Kita called a mandatory meeting with a few residents and they were informed that Major Chur, Honolulu Police Department (HPD), would be in attendance. She felt that Mr. Kita used Major Chur as a threat as he did not attend the meeting. During the meeting she believed Mr. Kita pointed his finger at the residents and she believed he was judgmental and not willing to resolve the issues in an objective manner. She stated that the Tenant Association members released confidential information about residents. She also feels that members of the Resident Association should be monitored and be in good standing.

William Cunningham, Senior Vice President of Corporate Government Relations and Communications for Amersco, gave background information about Amersco. He also reported that in November 2008 the HPHA and Amersco entered into an energy audit agreement. The energy audit produced significant energy savings opportunities for the HPHA. The energy saving is guaranteed by Amersco. Amersco understands all the activity at the HPHA which has consumed staff, but with the savings the HPHA would have the ability to hire additional staff or consultants to oversee the project.

David Moakley, Amersco, stated the energy performance contract (EPC) would encompass 64 developments, excluding Kuhio Park Terrace and Mayor Wright Homes. He stated that there would be \$70 million of energy savings opportunity. The first year savings would be \$42.7 million. There would be \$27.1 million in improvements including \$15 million in hot water improvements. There would be a \$10.7 million and a 20-year maintenance reserve.

Chairperson Thompson introduced Debbie Shimizu, Governor Abercrombie's representative on the HPHA Board of Directors

Chairperson Thompson called a recess at 9:38 a.m. and reconvened at 9:46 a.m.

For Discussion:

Mr. Michael Flores and Ms. Susan Lee-Hurd from the U.S. Department of Housing and Urban Development's (HUD) local Honolulu Field Office were introduced to the Board.

Mr. Flores opened by stating that of the 16 asset management projects (AMP), 9 AMP's had a Real Estate Assessment Center (REAC) score below 60 which is failing. The HPHA has started a corrective action plan. Mr. Flores stated that the REAC score are important because it tells HUD and HPHA if the tenants are living in decent, safe and sanitary housing. Mr. Flores acknowledged that he noted that the Board was reviewing the scores and further suggested that the Board review some of the actual inspection reports. Mr. Flores reported that the REAC scores for 2010 were significantly lower due to the exterior areas.

The Board questioned staff as to what the strategy was to address the issues and ensuring that any progress be sustained. Staff reported that they have reviewed all inspection findings and have developed a monthly monitoring program. The monitoring includes all elements of the REAC factors and also includes program compliance that includes file reviews and other key performance indicators. The monitoring reviews are further followed up with now AMP manager monthly meetings, where results are discussed and outstanding issues resolved.

Board questioned whether staff also considered the procurement process while addressing the REAC scores. Staff stated they have reviewed the procurement process impacts but had not incorporated a section that was specific to procurement. Board suggested that it become an element as recent experience suggests procurement can impact a swift resolution to issues.

Motion: To go into executive session at 10:03 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 Annual Contributions Contract, Corrective Action Order, and Physical Inspection Scores.

Director McManaman moved and Director Ignacio seconded.

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:05 a.m.

Director Aiona left at 11:05 a.m.

For Action:

Motion: To Adopt Board Resolution No. 44 Expressing Appreciation to Ms. Clarissa Hosino, Resident Representative on the Hawaii Public Housing Authority's Board of Directors.

Director Beaver moved and Director Berthiaume seconded.

Chairperson Thompson read Director Hosino's resignation letter. He also stated that it was a joy to work with Director Hosino and she had done an outstanding job in representing and working with residents in her capacity as tenant representative to the Board.

Board members expressed their appreciation to Director Hosino and her service to the Board and the residents of the HPHA.

Director Beaver read Resolution No. 44, which expressed gratitude and described her contribution to the HPHA Board of Directors.

The motion unanimously carried.

Director Hosino expressed her thanks to the Board for their support.

Motion: To Recognize the Kawailehua E Mohala O Na Pu'u Resident Association as a Duly Elected Resident Association.

Director Beaver moved and Director Dodson seconded.

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

The motion was unanimously carried.

Motion: To Adopt Resolution No. 45 Authorizing the Executive Director to Execute Loan Documents for a Capital Funds Loan in an Amount Up to Three Million Nine Hundred Thousand Dollars and to Execute any and all Contracts and Required Legal Documents Related to the Mixed Finance Redevelopment Project at Kuhio Park Terrace And Kuhio Homes.

Staff asked that this item be deferred to a Special meeting because the HPHA has not received all the information.

Chairperson Thompson deferred the item and scheduled a special meeting with a tentative date of May 5, 2011.

Motion: To Adopt Board Resolution No. 46 To Rescind the February 18, 2010 Delegation of Authority to the Executive Director to Solely Undertake All Actions Necessary to Execute an Energy Services Agreement (ESA) with Ameresco; 2) To Authorize the Payment in Full of Approximately \$151,000 to Ameresco For the Completed Energy Audit Under Contract No. CMS 08-38, dated November 18, 2009; 3) To Authorize the Solicitation and Procurement of a Qualified Consultant to Assist HPHA in Implementing the Energy Conservation Measures Pursuant to the Energy Audit.

Director Beaver moved and Director Dodson seconded.

Motion: To go into executive session at 11:19 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 Energy Service Agreement.

Director Beaver moved and Director Hosino seconded.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:07 p.m.

Director Beaver withdrew his motion to adopt Board resolution No. 46 to rescind the February 18, 2010 delegation of authority to the Executive Director to solely undertake all actions necessary to execute an energy services agreement (ESA) with Ameresco; 2) to authorize the payment in full of approximately \$151,000 to Ameresco for the completed energy audit under contract no. CMS 08-38, dated November 18, 2009; 3) to authorize the solicitation and procurement of a qualified consultant to assist HPHA in implementing the energy conservation measures pursuant to the energy audit.

Motion: To Authorize Solicitation and Procurement of a Qualified Consultant to Assist the Hawaii Public Housing Authority in Implementing the Energy Conservation Measures Pursuant to the Energy Audit.

Director Beaver moved and Director Ignacio seconded.

The motion unanimously carried.

Chairperson Thompson encouraged the Executive Director to continue moving forward with the EPC project.

Chairperson Thompson called a recess at 12:10 p.m. and reconvened at 12:33 p.m.

Board Task Force Report:

Kalakaua Homes Task Force

Director Berthiaume reported that the Task Force met and then decided to meet with the residents at Kalakaua Homes without staff. The meeting was scheduled on April 20, 2011.

Director Berthiaume reported that Director Aiona and Director Hosino had issues arise and were unable to attend the meeting, therefore he conducted the meeting on his own. When he arrived at the site for he was surprised by management's claim that they were unaware of the meeting. One of the issues the Task Force was attempting to resolve was whether the management issues were with a large number of residents or just a few residents. There were 10 tenants who attended and it was difficult to determine the answer with such a small attendance. However the issues discussed by the tenants do not pertain to management. For example: 1) tenant factions are fighting with each other; and 2) a resident had a complaint regarding the smell of a neighbor allegedly producing crystal meth. Management did respond to the tenant's issue, but they were unable to identify the unit or where the smell was coming from. They had also called in HPD who could not make a determination either of the origin of the odors.

Director Hosino reported that task force agreed that staff should not attend the meeting with the exception at her request for Mr. Earl Nakaya, Resident Service Specialist. She clarified that the tenants who did attend were specifically invited because of their interest in participating in the tenant's association. The task force had wanted to meet with this group first because of the tenant's interest. Therefore, Mr. Nakaya was specifically requested to attend as he knew the Tenant Association nominees.

Board asked staff why the site management seemed to be unaware of the meeting as reported by Director Berthiaume and staff stated that management did know about the meeting and had questions about it. This will be reviewed further with site management.

Finance Task Force

Chairperson Thompson reported the material weakness reported in the audit was “lack of competent financial management and financial reporting standards. The audit was for fiscal year ending 2010. That since the period reported for the audit a fiscal officer has been brought and staff and that the executive director has directed the fiscal office to move forward in improving the reporting to the Board.

Executive Director’s Report:

Staff reported that there have been issues with the financial software. A meeting was held with the vendor to discuss how the software could better meet the needs of the HPHA. All offices that are and/or will be using the software were in attendance to discuss the issues with the vendor. The vendor was at the HPHA for 3 days to assess the problems and discuss further with staff. It was determined that the HPHA would receive additional training. In conjunction with FMO it was determined that the software could meet the current and future needs of the HPHA and the agency is moving forward with a conversion strategy.

Staff reported that Michaels Development held a job fair at Kuhio Park Terrace (KPT) and over 75 people attended.

The Board reviewed the consolidated balance sheet. This is a new report that still requires refinement and staff will include more detail with the next month’s report. To date the Board has been receiving financials that reflected budget to actual and now with a consolidated balance sheet the Board will receive a fuller financial picture of the agency.

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 HUD has accepted and approved all the HUD Evidentiaries for the KPT Mixed-finance deal. Some of the lenders financing documents are still under negotiations. The Master Development Agreement (MDA) is still being negotiated as well and the expected closing date is May 12, 2011. There is also a tentative blessing on May 19, 2011. The Governor will be attending the blessing and the Board should be receiving invitations.

Discussion: Report on Oversight of Asset Management Project (AMP) Managers and Progress on Resolution of Real Estate Assessment Center (REAC) Findings.

Staff reported that a corrective action plans have been created for the short term and long term repairs. The plan will include interior and exterior repairs. The current focus is on the AMP's with a score under 60. The Board requested the report for Mayor Wright Homes.

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

Staff updated the Board on Legislative actions. The staff also reported that the staff is also working with individual Legislators where necessary.

Directors McManaman and Shimizu left at 1:37 p.m.

Discussion: Update on the Pending Action Against the Board of Water Supply for Damages from the Rock Fall at Kalihi Valley Homes.

Staff reported that the HPHA is still working with the Attorney General office.

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

Director Berthiaume moved to adjourn and Director Dodson seconded.

The motion unanimously carried.

The meeting adjourned at 1:55 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Taryn T. Chikamori
Secretary to the Board/Recording Secretary

MAY 19 2011
Date

Approved by the HPHA Board of Directors at their Regular Meeting on May 19, 2011



Matilda Yoshioka
Director/Board Secretary

MAY 19 2011
Date