

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
HONOLULU, HAWAII 96817
ON THURSDAY, JULY 21, 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 N. School Street, on Thursday, July 21, 2011 at 9:20 a.m.

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

PRESENT: Director Travis Thompson, Chairperson
Director Jason Espero
Director Roger Godfrey
Director Patricia McManaman
Director Debbie Shimizu
Director Trevor Tokishi
Director George Yokoyama
Director Matilda Yoshioka

Executive Director, Denise Wise
Deputy Attorney General, Jennifer Sugita

EXCUSED Director David Gierlach

STAFF PRESENT: Clarence Allen, Fiscal Officer
Barbara Arashiro, Executive Assistant
Shirley Befitel, Personnel Supervisor
Nicholas Birck, Housing Planner
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, Housing Compliance and Evaluation Specialist
Phyllis Ono, Property Management Specialist
Rick Sogawa, Contracts and Procurement Officer
Dionicia Piiohia, Secretary to the Board

OTHERS: Carl Aknoe, Citizen
Michi Chang, Kalakaua Homes Resident
Tim Garry, Private Resident

Victor ~~Giminiani~~, Lawyers for Equal Justice **Corrected: Geminiani**
Ava Goldman, Michael's Development Corp.
Desiree Kihano, Palolo Valley Homes Resident
Tinpo Lai, Reverend/Interpreter
Lenny Lee, Kalakaua Homes Resident
Makani Maeva, Vitus Group
Monika Mordasini, Michael's Development Corp.
Roy Nakamura, Kalakaua Homes Resident
Wilfredo Tungol, Dept. of Human Services

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Tokishi to approve the Minutes of the Regular Board of Directors Meeting held on June 16, 2011 and was seconded by Director Godfrey.

The minutes were unanimously approved.

Chairperson Thompson said that the Executive Session Minutes will be discussed in Executive Session.

A motion was entered by Director Tokishi to approve the Minutes of the Special Meeting held on July 7, 2011 and was seconded by Director Espero.

The minutes were unanimously approved.

Public Testimony:

Ms. Michi Chang, Kalakaua Homes resident and Reverend Tinpo Lai, interpreter, brought by Ms. Chang. Prior to providing her testimony, Chairperson Thompson asked which item on the Agenda her testimony was related too. He provided further clarification that public testimony was a way in which the public could offer testimony that may assist the Board in its deliberations on the agenda items. Ms. Chang continued with her testimony and stated that she is being accused of being drunk and on drugs and that she is being evicted. Chairperson Thompson again asked which item on the agenda her testimony was in reference to. He asked if she had discussed the issue with the site manager. He further explained that if she did not received satisfaction she could escalate the issue to the Branch Chief and then Executive Director. Ms. Denise Wise, Executive Director stated that Ms. Chang could also file a grievance. It was also explained a letter that included a translation was sent to her on July 8, 2011 clarifying that management will not pursue termination of her lease. Chairperson Thompson explained that the handout given to the Directors is not relevant to the Board meeting. Reverend Lai explained that Ms. Chang will go back to management and proceed with the process that was explained.

Mr. Lenny Lee, Kalakaua Homes resident testified that he has had an issue with management since 2004. It concerns his rent calculation. He believes, the manager has not given him proper rent credit for medical and dental deductions and he has waited 8 ½ months to have a hearing. He further stated that the manager raises his rent every year by \$1,000 to \$2,000. Chairperson Thompson suggested speaking to the branch chief, the executive director and to use the grievance process.

Directors McManaman and Shimizu arrived at 9:35 a.m.

Mr. Roy Nakamura, Kalakaua Homes resident came to testify on Ms. Chang's behalf. Ms. Jennifer Sugita, Deputy Attorney General clarified that questions are not posed to the Board and that testimony is restricted to matters on the Agenda that the Board is considering and is going to be discussing. Mr. Nakamura continued and stated that Ms. Chang was accused and personally attacked by management and was pronounced guilty without proof. He wants to see her record cleared of these accusations. There is violence at Kalakaua Homes and people are not saying anything because everything is being covered up since he has been coming to the Board since 2008.

Reverend Tinpo Lai, stated that he now understands the reason for testimony and withdrew his testimony and will go to the project and talk to the manager. He is the pastor of Ms. Chang's church and that she asked him to let the Board know that she does not drink or take drugs. Chairperson Thompson thanked Reverend Lai for assisting Ms. Chang.

Mr. Tim Garry, private resident wishes that Chairperson Thompson continue as the Chairperson and he also stated the executive director, Denise Wise was doing a good job. He suggested an onsite manager be available at Pua Hala Homes when problems arise after hours and on weekends and suggested that a property manager be on site 24 hours a day for 7 days. He mentioned that about seven to nine cats have been shot on the property in the past two weeks. He has called 911 in the past year 38 times for various problems at Pua Hala Homes, and notices safety issues on the property needs to be addressed.

For Action:

Motion: To Certify the Hawaii Public Housing Authority's Application for a Choice Neighborhoods Planning Grant and to Authorize the Executive Director to Take All Actions Necessary to Submit a Grant Application to the U.S. Department of Housing and Urban Development (Docket No. FR-5500-N-17)

Director Shimizu moved and Director Tokishi seconded.

Ms. Wise presented the Choice Neighborhoods Initiative Planning grant and introduced Ava Goldman and Monika Mordasini of Michaels Development Corporation (Michaels), and Nicholas Birck, Housing Planner. Mr. Birck explained that the Choice Neighborhood Planning grant is a highly competitive grant and that its purpose if granted would be used by the Hawaii Public Housing Authority (HPHA) to undertake a planning process of the Kuhio

Park neighborhood. It was further explained that the Choice Neighborhoods Planning Grant is focused to support the development of a comprehensive neighborhood revitalization plan which will transform the KPT neighborhood into a viable, mixed-income neighborhood by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. The program is focused on directing resources to address three core goals: housing, people and neighborhoods. To achieve these core goals, the HPHA must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan.

The U.S. Department of Housing and Urban Development (HUD) will help fund the planning activities to develop the Transformation Plan for the targeted neighborhood. The planning grant award may be up to \$300,000 per grant and it is anticipated that they will fund up to 12 grants. There are eight (8) grants that have been designated for specific categories: two (2) for non-metropolitan areas, two (2) for collaboration among housing providers, where a public housing authority (PHA) works with another HUD assisted housing development and four (4) for the Department of Education Promise Neighborhoods program (the HPHA is not eligible in this category), and two (2) available not tied to a specific category. To apply for this grant, the HPHA is partnering with stakeholders in the neighborhood area of Kuhio Homes, and Kuhio Park Terrace (KPT), and the greater Kalihi neighborhood. The grant is due August 8, 2011.

Ms. Wise added that should the HPHA be awarded the grant, it's an opportunity to get a HOPE VI and Choice Neighborhoods implementation grant.

Director McManaman asked what other partners were included with the grant planning effort. Ms. Goldman stated the collaborative effort included the HPHA, Michaels and the VITUS Group. Director McManaman reminded Michaels signed a supplemental agreement with the State of Hawaii to provide community services as part of the sale of the KPT towers. The Governor's Rider obligates Michaels to assess the needs of the community, provide services, outreach and work to revitalize that community. Director McManaman stated she wanted to ensure that the grant funds and grant outcomes do not supplant the obligations contained within the Governor's Rider signed by Michaels.

Ms. Goldman explained that the grant activities are not a replacement for the obligations contained within the Governor's Rider and that the activities are underway and ongoing.

Director McManaman commented that she has some reservations. She asked staff to ensure that in prospective grant applications that staff provides adequate time for full review and discussion as to the merits of the grant prior to submission.

Chairperson Thompson called the question for an approval, and the votes were as follows:

Ayes	Director Travis Thompson
	Director Jason Espero
	Director Roger Godfrey
	Director Debbie Shimizu

Director Trevor Tokishi
Director George Yokoyama
Director Matilda Yoshioka

Nays None

Abstain Director McManaman

The motion was unanimously carried.

Chairperson Thompson called a recess at 10:10 a.m. and reconvened at 10:18 a.m.

Motion: To Adopt Revisions to the Hawaii Public Housing Authority's ("HPHA") Policy on Communications, Communication No. 1

Director Yoshioka moved and Director Godfrey seconded.

Ms. Wise explained that the procedures for the Communications Policy were updated on May 4, 2011. The procedural change clarified compliance with Chapter 96 Hawaii Revised Statutes (HRS) which involves communication and response to the Office of the Ombudsman. The previous HPHA policy stated that all communication had to come through the Office of the Executive Director. To enable direct communication a procedural change was made. In the case of inquiries and problem resolution staff may now speak directly with the Ombudsman and then relay to the Executive Director the nature of the investigation and outcome.

Director Shimizu asked if there are any procedures regarding media contact. Ms. Wise responded that all media inquiries are referred to the Executive Director and if not available, to the Housing Planner, Mr. Birck. The Executive Director then informs the Chairperson and the Attorney General depending on the issue and other Board members.

Director McManaman further added that the policy should be reevaluated to be more definitive and no so broadly stated in its delegation to staff outside the Office of the Executive Director when communicating with stakeholders.

Board discussion ensued and it was recommended that some coordination with the Department of Human Services (DHS) Public Information Office (PIO) could provide the HPHA with support given the current vacant PIO position at the HPHA. It was recommended by the Board that staff reevaluate the policy and bring its recommendations to the Board.

Chairperson Thompson requested that the delegation be written in the policy to identify the stakeholders, the press, the governor and who ever needs to know depending on the issue.

Directors Yoshioka and Godfrey withdrew their motion.

The motion to withdraw the adoption of the Communication Policy was unanimously carried, and tabled for a future Board meeting.

Board Task Force Reports:

Personnel Task Force: Report on the Performance Evaluation of the Executive Director and Executive Assistant

Chairperson Thompson had appointed Directors Yoshioka, Sherri Dodson and Carol Ignacio to form a task force to evaluate the Executive Director and Assistant who polled the directors and compiled their results.

Motion: To go into Executive Session at 10:35 a.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 personnel.

Director Yoshioka moved and Director Espero seconded.

The motion was unanimously carried.

The Board reconvened from Executive Session at 10:54 a.m.

Executive Director's Report:

Chairperson Thompson commented on the property management's chart on rent collection and noted that the federal properties declined to an 83 percent overall collection rate. Director Yoshioka questioned Kauai's low collection rate. Ms. Stephanie Fo, Property Management and Maintenance Services Branch Chief explained that the long time Kauai Manager retired on May 31, 2011. She used to go door to door to collect rent. Director Yoshioka asked the status of vacant positions on Kauai. Ms. Shirley Befitel, Personnel Supervisor stated that majority of the positions are filled and/or in recruitment.

Ms. Wise invited the Directors to a HUD Mixed Income Housing Roundtable workshop on August 4 and 5, 2011 at the Ala Moana Hotel. This workshop will help to explain various HUD financing programs. The seminar will provide an overview of what is involved in a mixed-finance project. This will provide the board with a perspective of what was involved in the KPT deal.

Director Yoshioka asked the status of the American Recovery Reinvestment Act (ARRA) funding. Ms. Becky Choi, State Housing Development Administrator, said that the funding is at 89 percent expended and more than likely will be 100% expended by December this year. This will clearly meet the deadline of March 15, 2012 for full expenditure of ARRA funds.

Chairperson Thompson commented on the budget that the actual revenue received was an increase as compared to the projected budgeted revenue. Mr. Clarence Allen, Fiscal Officer commented that he was anticipating increases in utility rates and that he was adjusting

projections accordingly. Director McManaman suggested that once engaged, the consultant, Ameresco look at a global energy need for the agency. Ms. Wise updated the Board regarding the energy performance consultant RFP and said that the Attorney General reviewed and signed-off on the Request for Proposal (RFP) and HPHA can now proceed with the publication of the RFP. Chairperson Thompson briefly explained the plans that the HPHA have made with Ameresco.

Director McManaman requested that a report detailing the vacant units status and the plans to repair and/or renovate be provided to the Board on a regular basis. To ensure all requested Board items are tracked and followed-up on she also requested that the Executive Director's Report include the follow-up items to ensure questions don't remain open for extended periods of time.

Director Espero inquired as to the type of renovations that are required. Chairperson Thompson explained that the type "C" units are major repairs and renovations. Ms. Sugita added that the type "C" units renovations contract was reviewed by the AGs and just sent back to the HPHA.

For Information/Discussion:

Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)

Motion: To go into executive session at 11:30 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 Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)

Director Yoshioka moved and Director McManaman seconded.

The motion was unanimously carried.

The Board moved out of Executive Session and called a recess at 11:50 a.m. The meeting reconvened at 11:57 a.m.

Discussion: Report on the HPHA's Corrective Action Plan in Response to the Legislative Audit and the HPHA's Single Audit Findings

Ms. Wise presented the Board with a chart that recaps the findings of the audit and it contains, who is responsible, time frame and completion dates. She will present the progress to the Board on a quarterly basis. The first report will be presented October 2011.

For Information: U.S. Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Voucher Program and the Section 8 Management Assessment Program (SEMAP)

Ms. Wise explained the HUD's Section 8 Housing Choice Voucher and the Section 8 SEMAP programs that the preparation and process of forms require the signature of the Chairperson. Therefore it will be on the next agenda as a "For Action" and that staff wanted to provide the Board with an explanation at this meeting so there was understanding of what the SEMAP represented.

Director McManaman asked for each island's Section 8 voucher holder if they are able to find rentals and if landlords are obligated to rent out. Ms. Wise explained that rents are an issue and that if a unit does not pass inspection and is fixed, the rent is raised.

For Information: U.S. Department of Housing and Urban Development's (HUD) Public Housing Program and the Public Housing Assessment System (PHAS)

Ms. Wise reported that the HUD' Public Housing Assessment System (PHAS) may be brought to the Board next month to certify the Management Assessment Subsystem (MASS). The PHAS has four components, public housing agency (PHA) property's physical conditions, PHAs financial conditions and PHAs management operations the MASS and fourth that was the residents' service and satisfaction assessment.

For Information: U.S. Department of Housing and Urban Development's (HUD) Annual Requirement to Submit Unaudited and Audited Financial Statements (FDS) to the Federal Audit Clearinghouse for the Fiscal Year Ended June 30

Ms. Wise reported that the agency is to submit an unaudited financial statement that does not need Board action. Information will come to the Board in February 2012 when staff has the audit statements. Chairperson Thompson requested a summary sheet be provided on the financial statements.

For Information: Submission of the HPHA Capital Fund Program (CFP) Amendment No. 145 to the Consolidated Annual Contributions Contract (form HUD 53012) to the U.S. Department of Housing and Urban Development (HUD)

Ms. Wise reported that the Office of Capital Improvement sent the Capital Fund Program (CFP) Amendment to the Consolidated Annual Contributions Contract (ACC) to the HPHA in the amount of \$10,301,898, but the agency is down approximately \$1.2 million.

Chairperson Thompson asked for three volunteers to do an approach for a strategic plan in relation to the HPHA properties and as to where the Board can go forward. He added that Alvarez and Marsal did a study in 2005 that evaluated the HPHA portfolio. Chairperson Thompson recommended using MWH as a starting point and suggested that Director Gierlach be part of the task force group with Directors Shimizu and Yoshioka.

Ms. Sugita asked for further clarification on the Task Force's charge. Chairperson Thompson said that they are to develop a strategy regarding an approach to take, and a strategic plan related to HPHA's assets. The task force is to report to the Board in two months.

Director Tokishi moved and Director McManaman seconded.

Motion: To go into executive session at 12:38 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 discussion with Department of Attorney General regarding the Approval of the Executive Session Minutes dated May 19, 2011 and June 16, 2011.

The motion was unanimously carried

The Board reconvened from Executive Session at 1:20 p.m.

Chairperson Thompson commented that the Agenda and its formulation were discussed. If a Board member would like to add an item to the Agenda the Board member should send it to the Chairperson for inclusion. The HPHA staff will organize the agenda in conjunction with the Chair and the Deputy Attorney General then reviews the Agenda for Sunshine Law issues, and makes recommendations. Director Yoshioka suggested a timeline for items to be submitted for inclusion on the Agenda. That a request should be forwarded two weeks before the scheduled Board Meeting date, no later than Monday. This allows for adequate review time.

Directors Thompson and Tokishi left the meeting at 1:23 p.m.

With no further business for the Board to conduct,

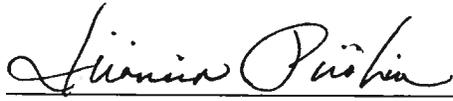
Vice-Chairperson Yoshioka moved to adjourn and Director McManaman seconded.

The motion was unanimously carried.

The meeting adjourned at 1:24 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Dionicia Piiohia
Secretary to the Board/Recording Secretary

AUG 18 2011

Date

Approved by the HPHA Board of Directors at their Regular Meeting on August 18, 2011



Jason Espero
Director/Board Secretary

AUG 18 2011

Date