MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, APRIL 10, 2008,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their continued Special Meeting at 1002 N. School Street, on Thursday, April 10, 2008 at 9:30 a.m.

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

ORDER/ ROLL CALL

PRESENT:
Chairperson Travis Thompson
Director Rene Berthiaume
Director Sherrilee Dodson
Director Clarissa Hosino
Designee Henry Oliva
Director Linda Smith
Director Matilda Yoshioka

Executive Director, Chad Taniguchi
Deputy Attorney General, Krislen Chun
Deputy Attorney General, Diane Taira

EXCUSED:
Director Eric Beaver
Director Carol Ignacio
Director Kaulana Park

STAFF PRESENT:
Allan Sagayaga, Program Specialist
Barbara Arashiro, Chief Contracts & Procurement Officer
Derek Fujikami, State Housing Development Administrator
Derek Kimura, Property Management and Maintenance Services Branch Chief
Earl Nakaya, Program Specialist
Lili Funakoshi, Hearings Officer
Patti Miyamoto, Chief Compliance Officer
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Public Housing Supervisor VI
Taryn Chikamori, Secretary to the Board

OTHERS:
Bernadette Young, private resident
Connie Mitchell, Institute for Human Services
David Yaw, Resident Advisory Board (RAB)
Ira Calkins, Punchbowl Homes resident
Michael Ullman, U.S. Vets
Roy Matsunaga, private resident
Timothy Garry, private resident

Chairperson Thompson declared a quorum present.

QUORUM

Director Dodson moved, Director Hosino seconded,

APPROVAL OF MINUTES REGULAR MEETING 03/20/08

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

Director Smith stated she would like to change page 216 paragraph 3 "Director

Smith asked if because the fiscal year has been…" be changed to "Director Smith asked since the fiscal year has been closed out, has the net cash been carried over from the previous year?"

The motion was unanimously carried as amended.

PUBLIC TESTIMONY

Krislen Chun, Deputy Attorney General, stated the Board can adopt a rule on how public testimony will be taken.

Chairperson Thompson proposed a rule to limit public testimony to three minutes with one additional minute if needed, to finish the testimony.

The proposal was unanimously carried.

Ira Calkins, Punchbowl Homes resident, stated the Board passed an item not on the agenda, which he contends is a violation on the open meetings act. Ms. Chun stated the vote comes under the item of public testimony.

Mr. Calkins asked how many companies are going to repair the 18 elevators at the same time. Chairperson stated the public can give testimony but this does not include questioning the Board.

Mr. Calkins stated he feels that the time allotted to modernize all the elevators is to short. Ms. Calkins stated in the Public Housing Authority Plan (PHA) the Resident Advisory Board (RAB) made recommendations and he would like all of the recommendations be implemented. Chairperson Thompson asked Chad Taniguchi, Executive Director to clarify what the RAB does. Mr. Taniguchi stated the RAB meets for about seven months prior to the plan going to the Board and to public hearing. The RAB gives their recommendations on the plan and Hawaii Public Housing Authority (HPHA) has the option of implementing or not implementing the recommendations.

Bernadette Young, private resident, urged filling units as they become vacant, don't let them sit. She quoted from a handout distributed at a past Puahala transitional shelter meeting: "this site was selected because of its ideal location and close proximity to schools, transportation and access to other main stream programs in the area and the renovation cost and time is very favorable." Ms. Young asked whether HPHA goes out of its way to pamper the tenants of public housing.

Roy Matsunaga, private resident, asked if during the Board's discussion of items the public will be allowed to ask questions or to give their opinions. When they testify and are unable to ask questions during the Board discussion the public then has to wait until the next meeting to get answers. Chairperson stated typically the public testify, the Board listens then the Board discusses the item and makes a decision. Ms. Chun stated that the Board can take testimony up front or by specific agenda items but generally when the Board is discussing an item it is among the Board members. Director Smith asked if the Director Hosino or Director Berthiaume could inform Mr. Matsunaga of the next Puahala Transitional Shelter meeting where a question and answer session will take place. Director Hosino stated we will inform him. Chairperson Thompson stated that he would like the motion to rescind the Puahala transitional shelter be put on the May 2008 agenda.

Mr. Taniguchi stated there is a tentative Puahala Homes transitional shelter meeting on Tuesday, April 29, 2008 for residents of Puahala Homes and a tentative meeting for the community on May 6, 2008. HPHA also wants to attend the neighborhood board meetings.
Timothy Garry, private resident, asked where the Board and Senate oversight on

the accounting was. How can decisions be made with bad accounting. Procedures have not been followed and if this was a private firm people would be fired. The Board needs to be proactive and implement procedures and be accountable.
Connie Mitchell, Executive Director of Institute of Human Services (IHS), stated the men's shelter has space for about 50 more single men. The women's shelter has space for about 15-20 more single women. The family shelter has a waitlist but the waitlist is prioritized to accommodate the unsheltered families first. Most of the families on the waitlist are doubled up with families or at risk for homelessness but are not currently homeless, which means families from the Next Step Shelter who apply will be at the top of the list. IHS has a three month service plan which includes employment of both parents, a savings plan and if needed English as a Second Language (ESL) classes. This is also interfaced with homework club, computer learning center and ESL classes for the children. If families do not demonstrate reasonable effort toward the three month course then they are asked to leave to make room for families who are willing to adhere to the program. A viable alternative to moving the Next Step Shelter is to expand the current Rent Supplement Program. Director Smith stated she would like to put Ms. Mitchell in contact with the Next Step Shelter staff. Chairperson Thompson asked for a report on this at the next board meeting. Ms. Mitchell provided written testimony.

Michael Ullman, U.S. Vets, stated his shelter could accept 6 families from Next Step today. He stated his shelter would probably be able to accept all families eventually. He stated there are steps to reducing homelessness by 50% in 3 years. The steps are 1) convert all transitional shelters to permanent housing and close down Next Step and Lighthouse – eliminating the demand for shelter due to closing down the gateway to public housing, 2) fully implement community case management for doubled up families, 3) expand vouchers for the seriously mentally ill single adults. The primary causal factor in creating homelessness is low income families leaving existing households to form new smaller households. Director Smith stated she would like to also put Mr. Ullman in touch with the Next Step Shelter. Mr. Ullman provided written testimony.

REAPPOINTMENT OF MS. ARDE LONG-YAMASHITA TO THE KAUAI EVICTION BOARD FOR AN ADDITIONAL TWO-YEAR TERM EXPIRING ON MARCH 31, 2010

Director Dodson moved, Director Hosino seconded,

To Reappointment of Ms. Arde Long-Yamashita to the Kauai Eviction Board for an Additional Two-Year Term Expiring on March 31, 2010.

Ms. Lili Funakoshi, Hearing Officer, stated she is filling the resident requirement for the Hearing Board.

Chairperson Thompson asked how long has she served. Ms. Funakoshi stated she served for one term, two years.

Chairperson Thompson asked if there is a pool of people who to serve on the Hearings Board. Ms. Funakoshi stated HPHA is always looking for people to serve on the Hearings Board. Ms. Funakoshi stated there is a bill at the Legislature which will change the law regarding quorum. The current law requires a resident member be present for quorum. The new law would state quorum with a resident member absent if enough other members are present.

Chairperson Thompson called for a vote on the motion.

The motion was unanimously carried.

APPROVAL OF THE PUBLIC HOUSING

Director Hosino moved, Director Dodson seconded,

Approval of the Public Housing Agency FY 2008

AGENCY FY 2008 5-YEAR PLAN (2005-2009) AND ANNUAL PLAN FOR SUB-MISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

> 5-Year Plan (2005-2009) and Annual Plan for Submission to the U.S. Department of Housing and Urban Development (HUD).

Mr. Earl Nakaya, Program Specialist, stated the public comment period was completed with public hearings held statewide on March 25, 2008. Notice of the hearing was published in the newspapers statewide on January 31, 2008 and a copy was available on the HPHA website. All HPHA site managers were notified to give copies to all associations and to have a copy available at there office for the public to view. The public hearings were held at 6:00 p.m. and there was no testimony or comments on Oahu, Kauai, Maui and two sites on the Big Island.

Director Yoshioka asked if there were any people who attended the hearing. Mr. Nakaya stated Oahu had one attendee. Director Hosino stated this year the advertisement was better than last year.

Chairperson Thompson asked what the Board thinks because this is very important to HUD but with no public response something is not working. Is this the same throughout the country?

Mr. Taniguchi stated he is promoting quarterly meetings for residents to raise questions and to start talking about the five year plan.

Director Smith asked whether the questions from the RAB are verbatim because not all the information is accurate. Mr. Nakaya stated yes, the questions were asked by the RAB. In January 17, 2008 the RAB and the agency met and went over the RAB comments and HPHA provided responses.

Designee Oliva asked for clarification on component 7, "The RAB recommends that HPHA fund the Section 3 program so that residents can participate in capital improvements without having the residents' salary/income being counted towards their rent." HPHA response was "HPHA supports the involvement of residents working for contractors, however, due to the financial crisis; HPHA will not be available for the section 3 program."

Chairperson Thompson asked if a change is made does the PHA have to go out to hearing again. Mr. Nakaya stated HPHA would need to inform the RAB.

Director Yoshioka asks what is the HUD policy regarding the income on the Section 3 Program.

Barbara Arashiro, Contracts & Procurement Officer, stated there is no special income disregard for Section 3 Program. The Section 3 Program states that if the contractor needs to hire, all things being equal, the contractor will hire the low-income person.

Director Berthiaume asked what is considered a substantial change. Ms. Arashiro stated on attachment I states "A substantial change in goal(s) identified in the Five-Year Plan," for example, checking or unchecking a PHA goal box and significant amendment/modification to major strategies to address housing needs and to major policies or programs.

Director Smith stated the sentence should be amended to "HPHA supports the involvement of residents working for contractors and abide by any legal requirements for income disregard."

Patti Miyamoto stated this part of the PHA plan does not go out to public hearing. So even if this was a significant change it would not have to go back out for public hearing.
Designee Oliva moved, Director Hosino seconded,

> To move to approve the previous motion with the above amendments.

The motion was unanimously carried.

Chairperson called a recess at 10:45 a.m. and reconvened at 10:50 a.m.

RECESS
RECONVENED

Chairperson Thompson stated he will report on the Finance/Audit/Asset Management task force report. He stated the audit report was submitted to HUD on March 27, 2008. Frank Zingali, HUD Recovery and Prevention Corps., came to review the fiscal management office then prepare a Request for Proposal (RFP) for technical assistance in the financial area. The RFP will probably not start until the end of June 2008. This assistance would only be for the federal financial area. HPHA would need to do its own RFP for someone to come and assist with the state financial area.

TASK FORCE REPORT/ FINANCE AUDIT/ASSEST MANAGEMENT

Mr. Zingali's report stated "issues at HPHA are the capacity and capability of the finance staff to perform effective financial management and to implement asset management." Mr. Zingali's assessment was that HPHA needs to train all staff, develop operating protocols, reassign staff functions, and develop a practice of accountability.

Mr. Zingali recommended an asset management group in which Ms. Arashiro is the HPHA lead person who is working with HUD. HUD's recommendation was to progressively getting Asset Management Project (AMP) up and running instead of all at one time.

Chairperson Thompson stated Rob Wilkes from MD Strum stated what HPHA financial department needs is management. Mr. Wilkes felt that with the current staff, HPHA could proceed if the staff is properly trained.

Mr. Taniguchi stated that the preliminary audit finding is giving HPHA 23 out of 30, where 18 is failing.

Director Yoshioka asked if HPHA is still trying to hire a Chief Financial Officer. Mr. Taniguchi stated yes, there is an applicant who was interviewed and will spend 5 days at HPHA to see if he is interested. If he is interested there will be one more interview and then an offer may or may not be made.

Chairperson Thompson stated HPHA sent a letter to the Governor and HPHA got a response from her. The Governor is requesting a turn around plan by the end of June 2008. Chairperson Thompson asked Mr. Taniguchi to have a preliminary plan ready by May and then a final plan for the Board to review at the June 2008 Board meeting.

Director Berthiaume asked what is the status of the $10 million emergency appropriation from the Legislature. Mr. Taniguchi stated that HPHA needs $3.067 million instead of $10 million. Mr. Taniguchi stated that HUD is providing $5.4 million more this year than last year because HUD did a redistribution of funds nationwide. Rent collections were also up in 2007 and 2008.

Director Hosino stated there is a gambling issue on Maui. John Wong, Deputy Attorney General, is helping with how to address the problem.

TENANT/ TENANT RELATIONS

Director Hosino stated there is a problem with the Piilani Association on Maui on the understanding of the By-Laws. Allan Sagayaga, Program Specialist, is helping take care of this problem by meeting with the association and fixing the By-Laws.

Director Berthiaume asked if all associations have the same By-Laws. Director

Hosino stated all associations' starts off with the same By-Laws and then each association amends the By-Laws as needed.

Director Hosino reported there was a meeting with the Puahala residents on the construction that will be taking place. There will be about 250 Kailua High School seniors and Honolulu Community Action Program (HCAP) who will be volunteering on May 16, 2008 to help remove overgrown vegetation at Puahala Homes.

Director Berthiaume asked how will the construction on the extension on Kuakini Street affect Puahala Homes rock wall. Mr. Taniguchi stated he spoke to the City & County and the construction will not be affecting the wall.

PUBLIC HOUSING OPERATIONS

Director Yoshioka stated Mr. Taniguchi will be setting up the quarterly meetings between manager, staff, residents, local police and government officials to share their comments and concerns. With the financial situation of HPHA the task force will be asking for a rent increase on the state projects. Chairperson Thompson asked the increase to be put on the agenda for next month.

HUMAN RESOUCES/ PERSONNEL

EXECUTIVE SESSION

Designee Oliva moved, Director Hosino seconded,

> To go into Executive Session at 11:30 a.m. to consider the evaluation of employees to be discussed pursuant to sections 92-4 and 92-5 (a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:00 p.m.

Chairperson Thompson stated items discussed in Executive Session were the status of evaluations of the Executive Director and other staff, and the Sunshine Law.

RECESS RECONVENED

Chairperson called a recess at 12:02 p.m. and reconvened at 12:06 p.m.

REPORT OF THE EXECUT-IVE DIRECTOR FIXING VACANT UNITS

Mr. Taniguchi stated the reason the filled units are so low on some of the construction completed projects is because the major construction may be completed but other clean up work needs to be done on the units. In other words, the units were not truly ready for occupancy. Future construction contracts will require the contractor to turn over rent ready units. This will prevent coordination delays between contractor and AMP staff.

FIXING ELEVATORS

Mr. Taniguchi stated Kuhio Park Terrace (KPT) will have 5 out of 6 elevators running after repair of vandalism damage. Chairperson Thompson asked do all the elevators have a different design for the elevator modernization. Mr. Taniguchi stated the elevators have the same design. Kone felt the elevator modernization of KPT is high because of security reasons. HPHA is going to talk to the contractor to see if HPHA provides more security will they lower their price. The contract for the KPT modernization is at the Attorney General's Office for review.
Director Smith asked why is Wilikina on the modernization if HPHA is selling Wilikina "as is condition". Mr. Taniguchi stated HPHA is getting the design price lowered because of the volume. The design costs will be funded by the project. When the sale of Wilikina takes place, the new owners will then have a

choice to use the design and modernize the elevators or not.

FILLING VACANT UNITS

Mr. Taniguchi stated Ms. Arashiro is working with applications to ensure that all AMPs have a pool of applicants ready to move in.

Chairperson Thompson asked is the private management projects doing better at filling units then the state managed projects. Mr. Taniguchi stated KPT is doing very well, which is privately managed.

Director Smith asked if the total number of vacant units for state and federal projects 596. Mr. Taniguchi stated yes.

Stephanie Fo, Public Housing Supervisor VI, stated she is focusing on filling the Hilo vacant units. Chairperson Thompson asked what do you feel you can accomplish in two months. Ms. Fo stated she feels that she can be filling vacant units within 2 days. She wants at least 5 applicants available to move in at all times for each unit size.

Director Smith asked if Diane Taira, Deputy Attorney General, can address the Board on the sale of Hana. Chairperson Thompson stated yes with the Board's permission.

Ms. Taira stated the opinion of the Attorney General is that the funds came with one proviso that HPHA needs to use funds for development of low income housing. Director Dodson asked is development defined as new. Ms. Taira stated no. Director Smith asked that at the appropriate time she would like to ask the Deputy Attorney General's office to look at the difference between low income housing versus public housing. Chairperson Thompson stated maybe HPHA can say to Hawaii Housing and Finance Development Corporation (HHFDC) HPHA will give some money to use for development of low income housing and in turn you give HPHA some money.

Ms. Taira stated the Hana property is 6.82 acres. Director Smith stated the property has access to a road, sewer, and water.

Director Dodson stated General Plan Advisory Community (GPAC) just issued a draft of policies regarding development on Maui. Hana is one area that will be having no new development. If HPHA is going to sell the property it needs to happen now unless GPAC changes their minds because the buyer will not be able to build on the property and this will impact the value of the land.

Director Smith asked the sale of Hana be put on next month's agenda.

COLLECTING RENT/EVICT-ION

Mr. Taniguchi stated it takes about 146-206 days to evict someone from federal public housing. The state projects are using the Landlord Tenant Code. Mr. Kimura stated it takes about 45-60 days using the Landlord Tenant Code.

Mr. Taniguchi stated in the past year HPHA wanted to change from Eviction Board process to Landlord Tenant Code but the RAB opposed. HPHA is going to give the Eviction Board process one year and if the Evictions Board process still takes too long, then HPHA will ask to change to Landlord Tenant Code. There are two AMPs that are doing well under the Eviction Board process, so it is possible to make the process work.

Chairperson Thompson asked to see the process of the Landlord Tenant Code.

LEGISLATIVE REPORT

Mr. Taniguchi stated HPHA asked the Legislature for $26 million in Capitol Improvement Programs. The House of Representatives is allocating $16 million and the Senators bill is allocating $18 million. There are two provisos which are

1) HPHA administration shall not expend any funds to place transitional or homeless shelters in any public housing projects should the HPHA Board decide to do so, and 2) provided that of the general obligation bond fund appropriation for HPHA administration, no funds shall be expended for transitional housing projects in Kalihi or Waianae areas on the island of Oahu. The HPHA administration is against these provisos. Director Smith stated the two sides are going into conference to work out the differences.

Chairperson Thompson asked who put in the provisos on the bill. Mr. Taniguchi stated the Senate did.

PERSONNEL

Mr. Taniguchi stated that under the asset management the central office will be looking at the budget and staffing. Chairperson Thompson asked how will central office be paid under asset management. Ms. Arashiro stated each Amp will pay a portion of central office costs. Some functions may need to be decentralized. Chairperson Thompson asked to report to the Board on the decentralization of central office monthly.

Ms. Arashiro stated the asset management committee will have the AMPs' budgets by June 30, 2008.

DISSCUSION: HPHA PROPERTIES

Mr. Taniguchi asked the Deputy Attorney General to look into what happens to the funds after the sale of 43 acres of Kalaeloa property which may come to HPHA.

REPAIR AND MAINTENANCE FUNDS STATUS

Mr. Derek Fujikami, Building Engineer V, stated HPHA will not lapse any money because many of the contracts are process or will be going out for bid soon. Chairperson Thompson asked for a report next month.

RECESS RECONVENED

Chairperson called a recess at 1:26 p.m. and reconvened at 1:36 p.m.

DISCUSSION OF HUD FINDINGS

Mr. Kimura stated that the life threatening items are smoke detectors, blocked egresses, and fire extinguishers. Many of the smoke detectors problems are because HPHA fixes the smoke detector and then the next day the tenant takes them apart. The blocked egresses are because the tenants move dressers in front of the windows, clutter on the floor, locks on the bedroom door, or double locks on the front door.

Chairperson Thompson asked what are the recommendations. Mr. Kimura stated more inspections or putting an amendment on lease that states if these rules are broken it will be a violation of the lease.

ADJOURNMENT

There being no further items to be discussed,

Director Dodson moved, Director Hosino seconded,

That the meeting be adjourned at 1:45 p.m.

MATILDA YOSHIOKA
Secretary

Approved MAY 15 2008