

HAWAII PUBLIC HOUSING AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. L
ON THURSDAY, JUNE 21, 2007,
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, June 21, 2007 at 9:04 a.m.

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

CALL TO
ORDER/
ROLL CALL

PRESENT: Director Travis O. Thompson, Chairperson
Director Eric Beaver
Director Anne Marie Beck
Director Clarissa Hosino
Director Carol Ignacio
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Designee Henry Oliva

Executive Director Chad Taniguchi
Deputy Attorney General, Diane K. Taira

STAFF PRESENT: Shirley Befitel, Special Assistant, Personnel
Dexter Ching, Section 8 Subsidy Programs Branch Chief
Derek Fujikami, Construction Mgmt. Unit 2 Chief
Lili Funakoshi, Hearings Officer
Michael Hee, Contract Administration Section Chief
Norman Ho, Property Mgt. & Maint. Svcs. Branch Chief
Mitchell Kawamura, Construction Mgmt. Unit 1 Chief
Clifford Laboy, Program Specialist and Tenant Services
Patti Miyamoto, Compliance Officer
Sandra Miyoshi, Homeless Prog. Branch Administrator
Edmund Morimoto, Construction Mgmt. Section Chief
Gary Nakatsu, Data Processing System Analyst
Rick Sogawa, Program Specialist
Dionicia Piiohia, Secretary to Board

OTHERS: Dave Birr, Synchronous Energy Solution, Inc.
Wilcox Choy, KMH, LLP
Michael Flores, U.S. Dept. of Housing & Urban
Development (HUD)
Lisa Groulx, Recorder
Larry Jones, MDStrum Housing Services, Inc.
Liz Raman, Dept. of Business, Economic Development
& Tourism (DBEDT)
Carilyn Shon, DBEDT
William Sabalbuero, HUD
Mei Tong, HUD
Thomas VanLiew, DBEDT

Chairperson Travis Thompson declared a quorum present.

QUORUM

The Chairperson introduced the new Board Member Ms. Anne Marie Beck, Executive Director of the Honolulu Habitat for Humanity. She gave a brief background on herself. Then all the Board members introduced themselves.

ANNOUNCE-
MENT

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Director Kaulana Park entered the meeting at 9:07 a.m.

Director Smith moved, seconded by Director Ignacio,

That the minutes of the Regular Meeting held on April 10, 2007 be approved as circulated.

APPROVAL OF MINUTES REGULAR MEETING 4/10/07

Director Hosino questioned page 107, paragraph 5 on the amendment to the Public Housing Authority (PHA) policy regarding the safety for children living in the high-rise projects. The Chairperson suggested that the PHA policy that the PHA will use high-rise elevator project for families with children be discussed at the July Board meeting.

There being no further discussion,

The motion was unanimously carried.

Director Beaver moved, seconded by Director Park,

That the Minutes of the Regular Meeting held on May 11, 2007 be approved as circulated.

APPROVAL OF MINUTES REGULAR MEETING 5/11/07

The motion was unanimously carried.

Mr. Chad Taniguchi, Executive briefed the Board of his goals to improve the HPHA staff and projects, working with residents to comply with housing policies, in caring and maintaining the properties, and help residents to move forward to homeownership. Also utilize the housing inventory and vacancies, set plans to utilize the Capital Improvement Project (CIP) funds, and to incorporate systems used by Saint Paul, Minnesota, one of the high performers in public housing.

REPORT OF THE EXECUTIVE DIRECTOR ADDEMDUM

Mr. Taniguchi gave an update on the elevators and that effective July 1, 2007, a new contractor will be hired.

The Chairperson stated that there are issues that have some potential liability, and asked for a motion to go into Executive Session.

EXECUTIVE SESSION

Director Ignacio moved, seconded by Director Yoshioka,

That the Board meets in Executive Session at 9:52 a.m.

The motion was unanimously carried.

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The Board moved out of Executive Session and into recess at 10:25 a.m. The Chairperson called the meeting back to order at 10:49 a.m.

RECESS RECONVENED

Mr. Taniguchi reported that HPHA has to submit to the U.S. Department of Housing and Urban Development (HUD), 1) the resubmission of audit that is due June 26, 2007, 2) use of Capital Fund Program (CFP) funds to cover operating costs deadline is June 30, 2007, and 3) submit financial Statements into HUD's FDS in Real Estate Assessment Center (REAC). He introduced Mr. Wilcox Choy, of KMH, LLP. Mr. Choy explained the various types of audits to be submitted and the difficulties they are encountering.

The Chairperson asked what if the report is not acceptable to HUD. Ms. Patti Miyamoto, Compliance Officer stated that HPHA will have a late presumptive failure score of zero, and it would generate a memorandum of agreement (MOA) from HUD, but can be appealed. Mr. Choy mentioned that there is a major rejection in the report and that Ms. Miyamoto is coordinating a meeting with Mr. Ben Greenberg a representative of the REAC.

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Mr. Taniguchi informed the Board that the transfer of operating funds from the capital fund account to the public housing operating fund account report will meet the June 30, 2007 deadline. The third item to be submitted is the unaudited financial statements by August 30, 2007. Ms. Nancy McWaters from Emphasys is helping to compile the report. Mr. Taniguchi also gave the Board the performance indicators that Saint Paul Housing Authority uses and expects to implement their processing system in a year.

Mr. Dexter Ching, Section 8 Subsidy Programs Branch Chief reported that there are two issues. One is that HUD funds us on a calendar year and our agency operates on a mid fiscal year. We are going to utilize all of the Housing Assistance Payments (HAP) by the end of the year, and we need to meet our Section Eight Management Assessment Program (SEMAP) scores for mid year.

Mr. Ching reported that the state rent supplement utilization is about 70 percent of the budget and would like to be at 100 percent. If we don't spend the allotted amount, the legislature takes back the money.

Director Smith commented that this is a state program in state statute and you have to be very low income, less than 50 percent of the Adjusted Monthly Income (AMI), and when you're in that category, you chose Section 8 because it gives you an average of \$700 a month. Effective July 1, 2007 the legislation increased the income level to 95 percent of AMI. The bill states that the HPHA Board will determine what that dollar amount should be.

The Chairperson suggested that the Board come up with rules that go up to 95 percent. Director Ignacio recommended utilizing the Partners in Care staff as part of a consultant group to the Board. The Chairperson requested that at the next meeting staff will bring this subject item to the Board for recommendation and decision making, and to also check if there are any other changes in the laws. Ms. Miyamoto stated that the effective date is January 1, 2008 knowing that we had to go through rule making and public hearings.

The Chairperson commented that the state and the city and county were working to integrate the Section 8 Programs. Director Smith recalled that we wanted to transfer the program over but the City and County of Honolulu refused to take it in 2005.

Ms. Sandra Miyoshi reported on the shelter renovations utilizing the \$10 million dollars that was appropriated in the 2006 legislature. Maui County is in the process of signing the MOA on the language they agreed on the project.

Director Smith asked for confirmation that the MOA that Ms. Miyoshi started working on in April 2006 in anticipation of the fact that on July 1, 2006 they should have all been in place and the moneys released to the counties. And those 11 months have passed and we're still waiting for some of the counties to make the final changes so they can get their money to address the homeless situations in their respective jurisdiction. Ms. Miyoshi confirmed. Director Smith stated for the record it's not the agency and commended Ms. Miyoshi for starting early.

Ms. Miyoshi commented that the contract for \$2 million was used for the renovation at Nakolea facility for working homeless single persons living there.

The Chairperson suggested that Mr. Taniguchi start now and set a target of having this money out like by July or August 2007. Ms. Miyoshi added that \$13.3 in our budget and an additional \$6 million in a separate bill.

Mr. Norman Ho, Property Management and Maintenance Service Branch, Chief, reported that 70 families were placed and has a plan on how to get the A, B and C units completed.

The Chairperson asked Mr. Ho what are some suggestions he has in filling the

REPORT
OF THE
EXECUTIVE
DIRECTOR
PROGRAM/
PROJECT
UPDATES

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vacant units. Mr. Ho stated that eliminating the three offers should take place on August 1st and purging the wait list by sending letters out to see if they are still interested

Director Hosino commented that there is a problem where friends or families are given the units to people who shouldn't have the priority. Also that the Resident Association Board (RAB) was against the one offer.

Director Smith commented that she also heard a lot of comments, and just because people aren't showing up at the public hearing process, we need to revisit this issue as a Board in terms of what are implications for the people we're supposed to be addressing, and what it means if we only give them one choice. Because we also have a rule that says once you're in a unit you can't move, so they are locked in. This is an issue we need to be mindful of and decide how we're going to resolve it in the context of how we get our vacant units filled.

Mr. Ho commented that the public hearings were published for over a month, very few people attended, and no comments were made on the one offer. We had one comment on anyone evicted after 1985 is not allowed to reenter public housing. That can go forward to the Governor for signature and then everything else will be adopted.

Director Beaver commented that we had this discussion and the objective for this agency is to provide safe, clean housing. If we start to cater to some of the preferences of the people, trying to have some people come here or go there and so forth, I can't imagine a state agency being involved in that process. Director Beaver stated that his is not in favor of revisiting this issue and do a better job at managing the properties to get them clean and safe.

The Chairperson commented that the way HUD looks at us and their standards are much higher, that's another consideration we have to look at.

Ms. Lili Funakoshi, Hearing Officer commented that a committee is reviewing the rule changes for that particular Hawaii Administrative Rule and is reviewing comments made by staff. Some of the changes might be substantial, depending on whether the Attorney General says we should go back out for public hearing depending on whether or not the changes would be substantive.

The Chairperson stated that this subject needs to be discussed as an agenda item at the next meeting, and that there is a process the way the Board approves then goes to public hearing came and then you could propose amendments to those rules.

Director Hosino commented that when it went out to public, there was not enough advertisement to let the public know that there was an open public hearing so that they could attend to hear what the Public Housing Authority (PHA) Policy Plan was

Mr. Taniguchi stated that recommendations will be made to the Board.

The Chairperson expressed to Mr. Ho the Board's pleasure to work with him and to see the results of his efforts that made a significant impact on the agency in the brief time he has been here, and thanked him. Mr. Ho commented that he committed himself and enjoyed the work and that the employees are outstanding workers, dedicated workers and thanked everyone.

The Chairperson called for a five minute recess at 12:27 p.m.

RECESS

Director Beaver moved, seconded by Director Smith

EXECUTIVE
SESSION

That the Board meets in Executive Session at 12:32 p.m.

The motion was unanimously carried.

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Director Smith left the meeting during the Executive Session. The Chairperson called the meeting back to order at 2:30 p.m.

RECONVENED

The Chairperson stated that the Board will proceed with the processing of the proposed person for the Executive Assistant position and that the process be taken in an expeditious manner. The Chairperson stated that the Board had a thorough and full discussion of the hiring of an Executive Assistant. Director Beaver commented that Mr. Taniguchi has the Board's full support.

HIRING OF AN EXECUTIVE ASSISTANT

Director Beaver wants to confirm the public housing vacancy rate, Exhibit A where it states that there is a seven percent vacancy. Ms. Miyamoto explained that the occupancy rate is going up and we do have vacant units to be occupied.

CONTINUATION OF THE REPORT OF THE EXECUTIVE DIRECTOR PROGRAM/ PROJECT UPDATES

The Chairperson stated that Director Beaver and Mr. Taniguchi will discuss the Capital Improvement Projects (CIP), Exhibits B and C at a later date and that this subject and be deferred. Director Ignacio also has questions and asked to e-mail each other.

The Chairperson asked in reference to Exhibit E, Analysis on the Collection Performances, if it is possible to provide the Board with information about what the amounts receivable from people still occupying the units. The report shows about \$4.8 million in balances due. That would be focused on our evictions and hearing. He asked that Mr. Taniguchi could propose a summary of this plus addressing what we're doing about it.

The Chairperson appointed the Board Members to the following committees.

Finance and Audit – Directors Beaver, Smith, Yoshioka, Park, and Thompson.

Human Relations and Personnel, Designee Oliva and Director Ignacio.

Homelessness - Directors Park, Ignacio and Beck.

Operations – Directors Yoshioka, Ignacio and Hosino.

Asset Management, Directors Beaver, Smith and Thompson.

Tenant and Tenant Relations – Directors Hosino, Ignacio and Park.

REPORT OF TASK FORCE COMMITTEES

The Chairperson stated the he will inform the committees who will convene the meetings.

Director Beaver moved, seconded by Director Yoshioka,

That the Board appoint Ms. Yolanda Jetnil to the Maui Eviction Board for a two-year term expiring on June 30, 2009.

APPOINTMENT OF MS. YOLANDA JETNIL TO THE MAUI EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JUNE 30, 2009

Ms. Funakoshi stated that a tenant member is needed to serve on the Maui Eviction Board and Ms. Jetnil was the only one who responded that she was interested in serving on the Board. In order to conduct a hearing we need to have a resident member pursuant to statute.

The Chairperson is concerned that she noted in her letter the possibility of retribution. Ms. Funakoshi stated that she spoke to the members about what types of issues have been raised in the past with respect to members, resident members being contacted by other residents who have sat before the eviction board, and that was one of the things raised with her and she said she had no problem with that.

There being no further discussion,

The motion was unanimously carried.

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Director Beaver moved, seconded by Designee Oliva,

That the Board appoint Ms. Jane Moana Gray to the Hilo, Kona, Kauai and Maui Eviction Boards for a two-year term expiring on June 30, 2009.

Ms. Funakoshi stated that Ms. Gray is currently a member of the Oahu Eviction Board. Ms. Funakoshi received feedback that the communities are smaller and they may be related to those coming before the Board. There may be a conflict of interest that arises more frequently than, on Oahu. It was decided that to not stop the hearing process we would fly the Oahu board member out there so there is no conflict. We checked with the Attorney General's office and its okay that we have the Oahu member appointed to the other islands.

The motion was unanimously carried.

Mr. Taniguchi reported that \$4 million is spent in a year on water and electrical expenses and that there is potential to save about 20 percent of that if we were to replace with more energy efficient appliances and go to solar heating and so forth. HUD provides utility allowances to us and if we do it with our CAP funds or CIP funds, HUD is not going to continue giving us the same amount of money we had prior to retrofit. If we go through an energy performance contract, they will continue to give us the current level of dollars for utilities so that the savings actually becomes something we can use for other costs. We would first do an industrial grade energy audit that would tell us, of each building we have, what the state of the utilities and water situation is and what we could do to save money. Then we could decide whether to go forward or not with improvements.

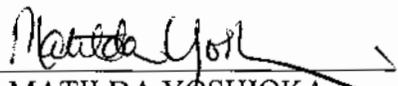
Mr. Taniguchi stated that the value of the industrial grade energy audit work would cost us between \$100,000 and \$300,000. That's an investment we would make to help us determine whether to take the next step. We will go forward and bring back more information.

Mr. Taniguchi gave a brief summary on the drainage pipe and sewer pipe that needs to go from the transitional housing through a ditch or stream that the housing authority owns. He stated that it serves a good purpose to allow the transitional housing to go forward with sewer, but in the long run the housing authority may be burdened with the cost of maintaining and replacing the pipe. In the 10 to 20 year term, maintenance and replacement is unnecessary because the pipes would have a 50 to 100 year life. This pipe is needed and it serves a state purpose that is a priority to the homeless. We will try to have the city accept the pipe and dedication. If that doesn't happen, we will bring it back for Board approval.

Director Beaver moved, seconded by Designee Oliva,

That the meeting be adjourned at 2:55.m.

The motion was unanimously carried.


MATILDA YOSHIOKA

Approved: JUL 18 2007

APPOINTMENT OF MS. JANE MOANA GRAY TO THE HILO, KONA, KAUAI AND MAUI EVICTION BOARDS FOR A TWO-YEAR TERM EXPIRING ON JUNE 30, 2009

ENERGY PERFORMANCE CONTRACTING PROGRAM (EPCP) FOR ALL FEDERAL AND STATE PROJECTS STATEWIDE

DRAINAGE CANAL WORK AT THE VILLAGES OF MAILI TRANSITIONAL HOUSING SITE

ADJOURNMENT