MINUTES OF THE SPECIAL MEETING OF THE HAWAII PUBLIC HOUSING AUTHORITY HELD AT 677 QUEEN STREET, SUITE 300 ON SATURDAY, JULY 1, 2006, IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for a Special Meeting at 677 Queen Street, on Saturday, July 1, 2006 at 10:10 a.m.

PRESENT: Director Charles A. Sted, Chairman
Director Clarissa Hosino
Director Charles Ridings
Director Linda Smith
Director Travis O. Thompson
Director Matilda Yoshioka
Designee Joseph DePonio

Executive Director Stephanie Aveiro

EXCUSED: Director Eric Beaver
Director Carol Ignacio

STAFF PRESENT: Deputy Attorney General, Diane Taira
Deputy Attorney General, Margaret Leong
Shirley Befitel, Special Assistant
Pamela Dodson, Executive Assistance
Michael Hee, Contracts Administration Section Chief
Patti Miyamoto, Compliance Officer

OTHERS: Holly Hackett, RPR, Certified Shorthand Reporter

CALL TO ORDER/ ROLL CALL

Stephanie Aveiro welcomed all to the first meeting of the new agency, Hawaii Public Housing Authority (HPHA). She asked if there was mutual agreement by all to call the meeting to order.

All voted Aye.

QUORUM

Director Sted declared a quorum present.

SELECTION OF CHAIR-PERSON, PRO TEM

Ms. Aveiro asked if anyone was willing to act as Chairperson pro tem to take the Board officers through the election.

Director Smith volunteered.

ELECTION OF BOARD CHAIR-PERSON

Director Smith stated the next order of business was the election of Board Officers starting with the Chairperson. She opened the nominations for Chairperson.

The question was raised as to the length of time of the term of office.

Deputy Attorney General Margaret Leong said they could designate or select period of time or make it indefinite.

Director Smith again asked for any nominations.

Director Thompson nominated Director Sted, seconded by Director Yoshioka.

There being no other nominations, Director Smith asked for all in favor, signify by saying aye.

The motion was unanimously carried.

Director Smith thanked everyone and relinquished her responsibilities to the new Chair.

Chairperson Sted thanked the group and said he was proud to serve and continue the great work of the organization.

ELECTION OF VICE CHAIR-PERSON

Chairperson Sted asked for nominations for the Vice Chairperson position.

Director Hosino nominated Director Thompson, seconded by Director Ridings.

There being no further nominations, Chairperson Sted asked for all those in favor of the nomination of Director Thompson for the position of Vice-Chairman.

The motion was unanimously carried.

ELECTION OF SECRETARY

Chairperson Sted asked for nominations for the Secretary position.

Director Hosino nominated Director Smith, but was confirmed that an ex-officio cannot be an officer.

Director Smith suggested Director Hosino, but she declined.

Director Thompson nominated MatildaYoshioka.

Director Smith seconded the nomination and added that the position is not required to take the minutes.

Chairperson Sted asked for further discussion. There being none, he asked for all those in favor of the nomination of Matilda Yoshioka for Secretary.

The motion was unanimously carried.

EXECUTIVE SESSION

Chairperson Sted asked that a motion be made to move into Executive Session.

Director Thompson moved, seconded by Director Hosino.

> That the Board meet in Executive Session at 10:20 a.m. to discuss as set forth in the agenda under Executive Session.

The motion was unanimously carried.

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The meeting was reconvened at 10:45 a.m.

ADOPT BY-LAWS FOR THE HAWAII PUBLIC HOUSING AUTHORITY

Chairperson Sted called the meeting back to order to discuss Agenda Items under V. Discussion and Decision Making. He called for a motion to adopt the HPHA By Laws.

Director Thompson moved, seconded by Director Hosino.

> That the HPHA Board of Directors adopt the proposed By-Laws

Ms. Aveiro explained that the proposed By-Laws of the HPHA are being promulgated to effectuate and implement the purposes of the Act 196 Session Laws of Hawaii, 2005 as amended by Act 180 Session Laws of Hawaii, 2006, which

establishes the HPHA. The proposed By-Laws, amended Exhibit 1, provide the basic rules for the internal management of the HPHA. The proposed By-Laws are substantively based upon the By-Laws of tits predecessor agency, the Housing and Community Development Corporation of Hawaii (HCDCH).

Ms. Aveiro recommended that the HPHA Board of Directors adopt the proposed By-Laws.

There being no further discussion, Chairperson Sted asked for all those in favor of the motion.

The motion was unanimously carried.

ADOPT RESOLUTION NO. 1 "DESIGNATING THE HAWAII PUBLIC HOUSING AUTHORITY AS THE PUBLIC HOUSING AGENCY (PHA) FOR THE STATE OF HAWAII AND REQUESTING DESIGNATION AS A PHA BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT"

Chairperson Sted stated that the next item of business is to adopt Resolution No. 1.:

> "Designating the Hawaii Public Housing Authority as the Public Housing Agency (PHA) for the State of Hawaii and requesting designation as a PHA by the U.S. Department of Housing and Urban Development". He asked for a motion for approval.

Director Thompson moved, seconded by Director Smith

Ms. Aveiro explained the proposed Resolution Exhibit 1, is being promulgated to designate the HPHA as the public housing agency for the State of Hawaii from the U.S. Department of Housing Urban Development (HUD). The resolution is a statement of the HPHA's intent to seek HUD's designation as the State of Hawaii's Public Housing Agency. The HPHA is recommending that the Board of Directors adopt the proposed resolution.

Chairperson Sted asked for any discussion.

Director Smith asked Ms. Aveiro if we have a sense of the length of time it will take HUD to approve this resolution, and is it done at the local office or at a mainland office?

Ms. Aveiro stated that the HUD local office expressed that in some instances they seek counsel from Washington or other HUD offices and in some cases they are comfortable with making the determination. HUD has said several times everything is status quo until they notify us. No time is given.

Deputy Attorney General Ms. Taira added that not knowing the time should not hold up anything here today. HUD is expecting this to occur today.

Director Thompson asked if the resolution was reviewed for form and legality by the Attorney Generals office (AG)?

Deputy Attorney General Ms. Leong replied in the affirmative.

There being no further discussion, the motion was unanimously carried.

RESOLUTION NO. 1

DESIGNATING THE
HAWAII PUBLIC HOUSING AUTHORITY AS THE PUBLIC HOUSING AGENCY (PHA) FOR THE STATE OF HAWAII AND REQUESTING DESIGNATION AS A PHA BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, since 1935, because of a lack of safe, decent, sanitary , and affordable dwelling accommodations in various areas of the State, many persons and families have been forced to reside in unsafe and unsanitary dwelling units which has resulted in congested and overcrowded urban areas; and

WHEREAS, in 1945, to address the problem of unsafe and unsanitary dwelling accommodations and to account for the housing needs of low-income and economically distressed persons, the legislature established the Hawaii Housing Authority (HHA) as a public body and a body corporate and politic with perpetual existence; and

WHEREAS, the HHA was qualified for and was designated the public housing agency (PHA) for the State of Hawaii by the U.S. Department of Housing and Urban Development (HUD), pursuant to 24 CFR Section 5.1000, et seq.; and

WHEREAS, pursuant to Act 350, Session Laws of Hawaii (SLH) 1997 (Act 350), the legislature consolidated the housing functions of several housing agencies, including the HHA, under the auspices of the Housing and Community Development Corporation of Hawaii (HCDCH); and

WHEREAS, Act 350 specifically authorized the HCDCH to assume the mission and purposes of the HHA, including designation as the PHA for the State of Hawaii under which federal funds and benefits may be received to address the housing needs of low-income and poverty level persons and families; and

WHEREAS, pursuant to Act 196, SLH 2005, as amended by Act 180, SLH 2006 (Act 196, as amended), the housing functions of the HCDCH were reorganized into the Hawaii Public Housing Authority (Authority) and the Hawaii Housing Finance and Development Corporation; and

WHEREAS, Act 196, as amended, specifically authorized the Authority to be designated as the PHA for the State of Hawaii under which federal funds and benefits may be received to address the housing needs of low-income and poverty level persons and families; and

WHEREAS, the Authority is committed to fulfilling its mission as the PHA for the State and providing all necessary services in the areas of low-income and public housing; now, therefore;

BE IT RESOLVED, that the Authority hereby confirms its commitment to be the designated PHA for the State of Hawaii and also reaffirms all of the obligations attendant to that designation in order to fulfill the housing needs of persons and families who are eligible and qualify for low-income or public housing; and

BE IT FURTHER RESOLVED, that the Authority hereby affirms its intent to seek designation as the PHA for the State of Hawaii from HUD and accordingly, hereby authorizes the Executive Director of the Authority to do all things necessary and proper to obtain such designation.

THE UNDERSIGNED hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on July 1, 2006.

ADOPTED BY
JUL - 1 2006
The Board of Directors

Charles A. Sted

CHARLES A. STED, Chairperson

SELECTION AND HIRING OF EXECUTIVE DIRECTOR

Chairperson Sted explained that the next item of business would be taken in two parts. The selection and hiring of the Executive Director and the Executive Assistant.

Director Ridings moved, seconded by Director Hosino,

To select and hire Ms. Stephanie Aveiro as the Executive Director.

Chairperson Sted asked for any discussion or if there was a desire to move into executive session.

There being no further discussion, the motion was unanimously carried.

Chairperson Sted congratulated Ms. Aveiro.

Ms. Aveiro stated she looked forward to serving and taking the agency through the transition. She stated that she announced to the HCDCH Board her decision to retire. She added that as long as she is at HPHA, she looks forward to working with all the staff and the new Board of Directors.

SELECTION AND HIRING OF EXECUTIVE ASSISTANT

Chairperson Sted asked for discussion regarding the appointment of the Executive Assistant and asked Ms. Aveiro for her thoughts.

Ms. Aveiro responded that she would like to recommend that the Board continue the employment of the Executive Assistant, Pamela Dodson. She has been serving in the vacant position of the Property Management and Maintenance Branch Chief for nearly 3 years, and has been doing a valiant and good job. Ms. Dodson is willing to stay on as Executive Assistant and help with the transition especially when Ms. Aveiro departs. She is interested in knowing who the new Executive Director will be to see if there could be an amenable partnership. She is willing to make that decision at that time.

Ms Aveiro recommended they hire Ms. Dodson as the Executive Assistant.

Director Ridings motioned, seconded by Director Hosino,

To select and hire Ms. Pamela Dodson as the Executive Assistant.

There being no further discussion, the motion was unanimously carried.

Chairperson Sted congratulated Ms. Dodson.

DELEGATION OF DUTIES TO THE EXECUTIVE DIRECTOR OF THE HAWAII PUBLIC HOUSING AUTHORITY

Chairperson Sted asked for a motion to approve the:

Delegation of duties to the Executive Director of the Hawaii Public Housing Authority.

Director Smith moved, seconded by Direction Thompson.

Ms. Aveiro explained the delegation of certain duties to the Executive Director is in the interest of the efficient day to day operation and management of HPHA and allows the Board to concentrate on setting policy.

Specific responsibilities were delegated to the previous Executive Director of the HCDCH and its predecessor agencies, the Housing Finance Development Corporation (HFDC) and the Hawaii Housing Authority (HHA).

The specific duties that are proposed to be delegated to the Executive Director are as follows:

Authorize litigation or other services of process for collection accounts

where all reasonable efforts of collection have failed, and as permitted by law, and where applicable subject to the receipt of written approval by HUD, approve all contracts including change orders and report monthly to the Board on contract and change orders approved by the Executive Director over $100,000.

We recommended the HPHA Board approve the delegation of the aforementioned duties of the Executive Director.

Director Smith asked if the previous threshold for reporting contracts and change orders was $25,000?

Ms. Dodson reported it was always delegated at $100,000 but we reported to the Board $25,000 and over.

Director Thompson stated, "And there will be no change in the reporting practice?"

Ms. Aveiro agreed.

Chairperson Sted suggested that would be the Board's desire and guidance.

Director Ridings asked if the delegation recommendation implied that for change orders and contracts less than $100,000 that someone other than the Executive Director could approve?

Ms. Aveiro replied that she approves all contracts.

Director Thompson asked if there were not additional things delegated to the Executive Director that are not called out here? Is this an exhaustive list?

Deputy Attorney General Ms. Leong replied that when she was advising the Board, the delegation was for contracts only.

Ms. Aveiro replied that this was the only resolution we had.

Chairperson Sted recalled that as part of the monthly business, the Board often delegated duties to the Executive Director for each item of business.

Director Ridings stated that would be covered in Article VI under the last number where it says, "The Executive Director is empowered to execute any and all documents to which the Authority is a signatory except as specifically limited by the Board."

Chairperson Sted stated we will assure ourselves that there is either continuity or that items will get reenacted as necessary.

Director Smith stated, "the other power that's covered is the ability to recruit, hire, and terminate employees. So do we need to say that somewhere, specifically?"

Deputy Attorney General Taira stated under the By-Laws, there is a section V, Employment of Personnel.

Chairperson Sted agreed it was covered and asked for any other questions, comments?

There being no further discussion, the motion was unanimously carried.

Director Thompson then raised a question. He asked if this would be an appropriate time for the Chairperson to consider appointing or delegating directors to continue serving in special areas such as searching for the new Executive Director, or in the area of finance and audits?

Chairperson Sted agreed the time was appropriate and within the Chairperson's purview.

The Chairperson then proceeded to approve several members to begin the process of recruitment and selection of an Executive Director.

Deputy Attorney General Ms. Leong clarified it is more for recruitment and recommendation of a name to the Board rather than selection.

Chairperson Sted agreed and named Director of Department of Human Services Lillian Koller or her designee, Director Thompson, and Director Hosino to research names and candidates for recommendation to the Board.

Director Hosino asked what the research process would entail.

Director Thompson explained that it would be a continuation of the previous HCDCH search committee. Contacts were made with the various City Housing Administrations for names of interested parties. An advertisement was placed in the paper. The position description has been prepared. Recommendations were also shared by others. The personnel office will assist in a screening process and will review candidates.

Director Hosino thanked him for the explanation.

ADJOURN-MENT

There being no further business, Chairman Sted asked for a motion to adjourn the meeting.

Director Riding moved, seconded by Director Thompson,

That the meeting be adjourned at 11:09 a.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved: JUL 20 2006