MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. L
ON THURSDAY, FEBRUARY 15, 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, February 15, 2007 at 9:10 a.m.

CALL TO ORDER/ ROLL CALL

The meeting was called to order by the Chairman Charles Sted and, on roll call, those present and absent were as follows:

PRESENT: Director Charles A. Sted
Director Eric Beaver
Director Carol Ignacio
Director Linda Smith
Director Travis Thompson
Director Matilda Yoshioka
Designee Henry Oliva

Interim Executive Director Patti Miyamoto

EXCUSED: Director Clarissa Hosino

STAFF PRESENT: Deputy Attorney General, Margaret Leong
Pamela Dodson, Executive Assistance
Shirley Befitel, Special Assistant, Personnel
Dexter Ching, Section 8 Subsidy Programs Branch Chief
Lili Funakoshi, Hearings Officer
Norman Ho, Property Mgt. & Maint. Svcs. Branch Chief
Glori Inafuku, Acting Compliance Officer
Brian Johnson, Homeless Programs Specialist
Sandra Miyoshi, Homeless Prog. Branch Administrator
Edmund Morimoto, Construction Mgmt. Section Chief
Gary Nakatsu, Data Processing System Analyst
Earl Nakaya, Program Specialist
Dionicia Piiohia, Clerk Typist/OED
Allan Sagayaga, Program Specialist

OTHERS: William Barton, Recorder
Spring Cretton, Parents And Children Together
William Hummel, River of Life Mission
Nhi Tran, Legal Aid

QUORUM

Chairman Sted declared a quorum present.

APPROVAL OF MINUTES REGULAR MEETING 1/18/07

The Chair called for a motion to approve the minutes with a correction to the Agenda on item II. A. Regular Meeting January 18, 2006, that the year be corrected to 2007.

Director Thompson moved, seconded by Director Smith

> That the minutes of the Regular Meeting held on January 18, 2007 be approved as circulated.

The motion was unanimously carried.

The Chair thanked the Board Secretary and others involved for getting the minutes to the right level of detail, capturing the substance of the Board's

discussions.

STATUS OF THE EXECUTIVE DIRECTOR SEARCH

Designee Oliva reported that the Executive Director (ED) search committee interviewed six candidates yesterday, there were a total of 17 applicants. He thanked Directors Beaver and Ignacio for their participation. Applications continue to come in. Designee Oliva will have a recommendation for the Board in the Executive Session.

Director Thompson asked for the time frame for the ED being hired. Director Beaver stated that it may be the early part of May.

APPROVAL OF THE PRELIMINARY DRAFT OF THE PUBLIC HOUSING AGENCY FY 2007 FIVE-YEAR AND ANNUAL PLANS TO CONDUCT REQUIRED PUBLIC HEARINGS

Director Thompson moved, seconded by Director Yoshioka.

> That the Board approve the preliminary draft of the Public Housing Agency FY 2007 Five-Year and Annual Plans to conduct required public hearings.

Ms. Patti Miyamoto, Interim Executive Director, introduced Mr. Earl Nakaya, Program Specialist. Mr. Nakaya reported that there are no significant changes to the draft Public Housing Agency (PHA) FY 2007 Five Year and Annual plans. He explained that to finalize the plans, two attachments are needed, the comments from the Resident Advisory Board (RAB) and responses and comments that we receive at the public hearing.

The Chair asked for the process and time line for this item, when will it return to the Board for final action. Mr. Nakaya explained that upon the Board's approval, we will prepare to go out to public hearing the first week of April. After the public hearing, staff will present the final Plan to the Board for approval, to meet the submission date of April 16, 2007 to the U.S. Department of Housing and Urban Development (HUD).

The Chair asked if a special meeting will be needed. Ms. Miyamoto said that we will schedule a special meeting to meet the deadline.

Director Thompson asked how the information is gathered from the neighbor island RAB members. Mr. Nakaya explained that there are two RAB representatives from each island. At least once a month the RAB meets on Oahu to discuss the 18 components of the PHA Plan.

The Chair asked if there are any questions. There being no further discussion,

> The motion was unanimously carried.

APPROVAL OF PREFERENCES FOR THE FEDERALLY-ASSISTED HOUSING PROJECTS

Ms. Miyamoto reported that preferences for the federally assisted housing projects were discussed at the January 18, 2007 Board meeting. On October 19, 2006, the Board approved the proposed amendments to the rules, and also gave approval to go out to public hearing upon approval from the Governor. The preferences were streamlined to reflect what is in the PHA plan and it will help us move families into the units faster. The current three-tier system of weighted preferences is cumbersome and time consuming. We also have to change the number of offers in the admin rules, to reflect the approved PHA plan, from three offers to one offer.

Ms. Miyamoto said that the recommendation is to reaffirm the Board action taken on October 19, 2006, which approved the following:

1. The proposed amendments to and compilation of Chapter 17-2028 of the Hawaii Administrative Rules (HAR);
2. Subject to the Governor's approval, authorize the Interim ED or her designated representative(s) to conduct public hearings on the amendments to and compilation of Chapter 17-2028, HAR
3. Authorize the Interim ED to make any non-substantive amendments to the

draft amendments to and compilation of Chapter 17-2028, HAR prior to or following the public hearing;

4. Authorize the Interim ED to make all appropriate amendments to all Hawaii Revised Statues (HRS) references in the proposed amendments to and compilation of Chapter 17-2028 HAR; and
5. After the public hearings, authorize the Interim ED to transmit amendments to the compilation of Chapter 17-2028, HAR, to the Governor for final approval provided that no substantive amendments are made.

The Chairman summarized that the Board took action on this item in October, and there's been further thought and discussion about that action. Staff's recommendation is to reaffirm that action without further changes. He asked if it is legally necessary, given that the actions have already been taken.

Deputy Attorney General Margaret Leong stated that it's not legally necessary. But given it was brought up at the last meeting, it is useful that we reopen the discussion.

The Chair stated that the Board reaffirms the actions taken at the previous date. He asked for a motion to approve.

Director Beaver moved, seconded by Director Ignacio.

Mr. William Hummel, River of Life Mission and social work instructor at Hawaii Pacific University, wanted to know if the unsheltered homeless who are case managed will be given equal priority as those in the emergency shelter. In his experience, the process that's set up is that the homeless feed into emergency homeless shelters, then go to transitional shelters and hopefully into more permanent housing. He believes that a change in the priority status that is being proposed would have negative effects on that process because there are folks who would leave shelters and go back to the beach. There are a lot of folks who don't like to follow the rules, have case managers work with them on their issues, but they do it because in their understanding, this is a fast step towards getting housing. He feels that if the sheltered and unsheltered homeless are given equal priority, it will have a negative long-term effect on what we're all hoping will happen.

Mr. Hummel stated that the other issue is the way applications are processed through this priority status. He gave examples of folks leaving private rental housing to come into the emergency shelter, so their status will get changed to the A status on the preference list in order to get an apartment faster. He believes that the word is out, as to how to get around the system. He gave other examples of how others are getting on the priority list.

Mr. Hummel suggested periodic meetings between representatives of the transitional and emergency shelters and the housing Agency and anyone involved in the process, so some of these things can be shared.

Director Smith thanked Mr. Hummel and commented that pointing out these issues is very helpful to her. And her sense is that the Board shares the concern, that certain people may or may not be inappropriately using the system.

Mr. Hummel stated that he is not denying the legitimacy of the overcrowding situation but there is a serious swell of individuals and families out there who are in overcrowded housing situations and are jeopardizing the leases of family members by letting them stay, and that this situation needs to be looked into.

Director Thompson thanked Mr. Hummel for sharing his experience and asked to hear staff's response and input to help in the decision making. Ms. Sandra Miyoshi, Homeless Programs Branch Administrator, commented that there are two different issues that are getting mixed up. One that Mr. Hummel brought up to her was that the different shelters also have a preference. The transitional

shelters look at who is most in need of entering the shelter. So their priority 2 is the unsheltered, priority 2 are those from an emergency shelter and priority 3, very low on the list, is somebody transitioning from another emergency shelter, because it's not working out for them at the other place.

Ms. Miyoshi stated that the priority is to get people out of harm's way into a safer living environment. The administration has responded with such a growth in available facilities. Mr. Hummel encountered problems in moving someone from his emergency shelter into a transitional shelter, because they are saying, our top priority is unsheltered. She added that they have been telling the transitional shelters that people coming out of the emergency shelters are a top priority, so that is one issue. The other issue is the PHA plan which gives a preference to homeless.

Ms. Miyoshi explained that on the neighbor islands there are many unsheltered people at the outreach agencies that are case managed and ready to move into a shelter or a housing unit, but there's no room due to the lack of shelters. That's why the rules are being changed, so that we would not be discriminating against the neighbor island homeless, where there are less shelters.

Director Smith wanted comments on a suggestion that a chit be given to those who are doubled up with a friend or family member and goes into one of the emergency or transitional shelters for 30 days. If they can demonstrate compliance with a service plan, they can go back to the double housing situation. They would get a chit to make them eligible for public housing. This will free up spaces in the emergency shelters. Director Smith wants to know the Board's response.

The Chair said that procedurally the Board wants to continue this discussion. But believes that this would be a modification to the policy. Ms. Miyamoto commented that it would affect the current PHA plan, and the previous "For Action."

Director Smith stated the Vets are not addressed in this plan, and what happens to those who have a criminal record as to how long do they have to be clean before they are eligible for housing.

The Chair questioned if we need to go back and start at the beginning with HUD if the For Action is amended. Ms. Miyamoto said if it changes our preferences or there's a substantive change, yes, we have to start all over and we have to take it back to the RAB again.

Ms. Miyamoto stated that there is a timing issue because the PHA plan for the next fiscal year is due to HUD April 16, 2007. We need the time to take it out to public hearing, get all the approvals and be able to submit to HUD on that date.

The Chair stated that it would be better from a governance and leadership point of view to keep moving with what we have and to take time to think this through carefully.

Director Beaver asked if there is flexibility to the eligibility rules. Ms. Miyamoto stated that some eligibility requirements are dictated by HUD and cannot change. And some are imposed by the authority and we can be flexible with those.

Ms. Leong clarified that eligibility for federal public housing is governed by federal regulation. That wouldn't necessarily apply to the individual homeless shelters. There are definitely State basic minimums set out by the federal regulations which the Board is not able to change. Drug usage, if you owe money, if you have been previously evicted, et cetera. There is no flexibility there because that's by federal regulation. So now you can possibly add some rules, as long as it's not in violation of those federal regulations or any other law.

Regarding the homeless preference, Director Smith suggested that those doubling

up with families or friends then move into one of our emergency or transitional shelters for 30 days, be given a chit to make them eligible for public housing. Then they can move back in with family and friends. She didn't know if it was a good idea but was offering it for discussion. Ms. Miyoshi believes that their stay and their continued participation in the program at the shelter would probably be a better alternative than returning into the doubling up situation where they are jeopardizing their families' leasehold. Ms. Miyamoto added that the City and County of Honolulu has an occupancy standard for overcrowding and we cannot exceed the City ordinance. There are no occupancy standards on the neighbor islands. The Chair commented that we do not want to change that today.

Director Smith asked what the public housing eligibility requirements are for those with criminal records.

Ms. Pamela Dodson, Executive Assistant, clarified that those with criminal records are not denied automatically. She explained that it depends on the type of record they have. They cannot have committed fraud, bribery or any other criminal act in connection with any federal housing program here or on the mainland. They cannot be using a controlled substance. The Admin states that if it's been over three years since an applicant has been arrested for a crime, the applicant is eligible for public housing.

Ms. Leong clarified that those admin rules are based on the federal regulations, so they mirror them and that under the federal regulations, if you're in a rehabilitation facility and have completed rehab, that does not disqualify you from applying for public housing. Once you're in public housing, drug usage is a basis for eviction. This has gone all the way up to the United States Supreme Court. Lawyers call it the "One Strike Law." The court has gone so far as upholding a case in which a mother was evicted because her son was dealing off property.

The Chair asked the Board if they wanted to propose an amendment. Director Smith stated that the she wants to go out with this proposal the way it's written and allow the public hearing process to air some of these issues, as well as suggestions. There might be additional resources out in the community to sort through the ramifications, but she feels comfortable moving forward as written in this For Action.

There being no further discussion, the Chair called for a motion.

The motion was unanimously carried.

RECESS
RECONVENED

The Chair call for a recess at 10:16 a.m. The Chair called the meeting back to order and the meeting reconvened at 10:30 a.m.

REPORT OF THE TASK FORCE COMMITTEES

FINANCE COMMITTEE

Director Thompson reported that the Finance section has the largest personnel vacancy percentage within the Agency. The committee had discussions with the Interim ED to look at options to hire public accountants or consultants. There will be a meeting with the Auditor to go over the audit report and to look at what our options are to getting some people within the finance organization to provide services.

OPERATIONS COMMITTEE

Director Beaver said that he and Director Ignacio met with Mr. Ho and Ms. Miyamoto to get a sense of all the operations and found that there are vacancies in property management, but the number one concern was the lack of an accounting staff. Ms. Miyamoto commented that an accountant from Account Temp was hired for temporary service. Director Beaver expressed concern and discussed hiring an 89-day hire because reports are due soon. Ms. Miyamoto explained that the accountant positions are in recruitment for the lower level accountants, but not the higher level accountant like the chief accountant and supervisor over a unit.

Director Thompson stated that it's a serious concern and requested that we have to get some support from within the State.

Director Beaver stated that the committee discussed whether we could get help in-house within the State or contract that out. Ms. Miyamoto added that the Department of Human Services (DHS) will be coming in overtime to assist us and we're paying for that overtime. Not at the higher accounting level but for example, to address things like helping the staff getting payments out within 30 days. But we still need the higher level positions and talking to DHS staff, they don't have anyone who can assist us in that capacity. Ms. Miyamoto spoke to the Department of Account and General Services (DAGS) from the Audit Division, because they helped us in the past. There is one individual that could help us, but he's on an assignment and not available.

Director Ignacio wanted to relate to the Board the commitment the Operations Committee made to Ms. Miyamoto and Mr. Ho to support the decisions that they made regarding getting units repaired and wanted to make sure that we said it on the record.

INFORMATION TECHNOLOGY COMMITTEE

The Chair stated that the Information Technology Committee has not yet met and will get together regarding Emphasys.

PERSONNEL COMMITTEE

Designee Oliva reported that personnel activity needs to ramp up. He met with a number of individuals and the task group met to assess the situation. Mr. Ed Nose, Personnel Officer, gave the committee an update of how Personnel functioned previously at the Agency and brought us to where it is today. Designee Oliva explained to the Board the evolution of the Personnel section of the PHA. He said that the purpose of the meeting was to look at hiring positions, come up with a rough timetable for filling positions, but it was more complicated than that. And from today's reports, we realize that nothing is going to happen unless we get the bodies to do the work.

Designee Oliva handed out a sheet identifying the priority positions in the Agency and stated that there are a number of vacant positions. The committee is asking the operating departments to report back to inform them of the exact status of those positions. The committee made a number of assignments to the people who were at the meeting and to others who were not at the meeting to obtain information that would be relevant in looking at our next steps to fill the positions.

Director Thompson added that there are 90 vacancies and 41 names on this priority list. Designee Oliva reported a vacancy rate at 21 percent, however, when you separate the 19-hour Tenant Aides, the vacancy rate is 14 percent.

Director Beaver asked which 15 positions were filled last month. Ms. Befitel said the Public Housing Specialists, Supervisors for Section 8, Maintenance Staff, Tenant Aides were recruited to various positions.

Designee Oliva commended the Kauai Manager for the extraordinary effort made in filling their tenant aide positions. The committee wants to know whether the other Management Units (MU) are going to fill their tenant aide positions or not, and what is being done to recruit or get information out so tenants are aware that these positions are available.

Director Ignacio asked if Tenant Aides could support the projects in cleaning and other types of work. Mr. Ho explained that the management unit supervisors have been actively going out to the tenants requesting for Tenant Aides who get paid $7.25 an hour. Ms. Befitel added that managers can recruit at various public housing, not necessarily at their own project.

HOMELESS COMMITTEE

Director Smith reported that there are four things going on. First, the housing policy study done by SMS Research. Ms. Miyoshi commented that the study was

put on the website today. Director Smith explained that the study addresses the homeless issue and gives us a snapshot of the "hidden homelessness". These are either the "at risk" or the doubled up situation sharing accommodations. Director Smith briefly explained the report.

The standard figure used in the State of Hawaii is 6,000 individuals, who are unsheltered on any one day. Director Smith mentioned the Governor's Leeward coast meeting where the Administration shared information about the Onelau'ena shelter in the Kalaeloa area and the Waianae Civic Center, which is ready to be opened. The U.S. Vets will be the service provider for that facility, which will accommodate approximately 300 individuals. People are feeling that we're beginning to make progress in that geographic area. On Kauai there is a structure being worked on that will be the first major facility. Director Yoshioka commented that this is the first in over ten years.

Director Smith stated that Ms. Miyoshi is tracking various bills which appropriates funding for more homeless and transitional shelters on the neighbor islands, as well as support for what we're doing here on Oahu. We need to work with Ms. Miyoshi and her staff to gather information from the database on how many shelters and units we have, how many occupants, who the service provider is, and the dollar amounts involved so we can present it to the Board on a regular basis to see the progress. Ms. Miyoshi stated that she has hard copies available.

The Chair asked when the next Finance committee meeting is. Director Thompson said February 22, 2007. Operations and Personnel have not scheduled a meeting yet. Homeless will meet the second week of March. The Chair stated that the reason is because there is great urgency to all of this and the task forces' involvement is greater and it's going to drive accountability.

The Chair asked if the REAC report will meet the deadline. Ms. Miyamoto said it will and to assist us with this, she is looking at a few Certified Public Accounting (CPA) firms locally and that our independent auditor KMH is helping. She added that Mr. Choy from KMH thinks that if a CPA firm were to dedicate two full-time CPA types or accountants for two weeks, it can be done because they have to do the financial data schedule to go into the financial statements for the audit.

The Chair suggested starting sooner and to go forth with twice as many resources as needed to make sure, absolutely failsafe, foolproof, that it gets done. Ms. Miyamoto is working on it and hopes to have someone on board next week.

REPORT OF THE EXECUTIVE DIRECTOR PROGRAM/ PROJECT UPDATES

Ms. Miyamoto reported that the Section 8 program is continuing to utilize the budget given to the Agency by HUD and is reaching a point where we will start turning people away because we are maximizing the funds. Mr. Dexter Ching, Section 8 Subsidy Programs Branch Chief, explained that in the past, we have taken in "ports," participants from the other PHA's coming into our state, and were putting them on our program expenditures. He added that we are going to be administering the mainland transfers now. In February, we overspent about 8 percent of our budget and if the trend continues, it's going to impact the bottom line at the end of the calendar year. They have literally stopped issuing vouchers. Mr. Ching noticed that because of the rising cost of rents, people are falling out of the program. Also, the inspection unit reported an increase of phone calls from landlords looking for tenants, which is unusual.

Director Smith asked if we find a place for those ports. Mr. Ching explained that we have an option to administer the program. We bill the other PHA the cost that we're spending and in return, we get part of their administrative fees. We inform the PHA of our payment standard being as high as it is, then they inform the family if they can or cannot transfer. We have the same jurisdiction for porting out and if it's going to cost us more, we will inform the family that they cannot move or to look for another place that's cheaper. Or unless the receiving PHA will absorb that family, then that will be no cost to us. He explained that last month, there were three ports from other jurisdictions.

Director Yoshioka asked if the Fair Market Rents (FMR) are high. Mr. Ching said Hawaii and about 14 other states are at 50 percent where most states are at 40 percent FMR. HUD recognized that Hawaii has a higher rental market so they upped Hawaii to 50 percent. He added that in the Section 8 program, rents are stabilized. Regarding the rent supplement program, we're utilized approximately 70 percent of our funding and we'll be 100 percent by the end the fiscal year.

Ms. Miyoshi reported that the ED's Report has a list of all the new homeless shelters, their capacity and whether they are State owned or privately owned. Also, the Grants In Aid assigned to the HPHA via Act 100 are contracted out. All funds have been released by the Governor and allotted by DAGS. The specific allocation to all the rural Counties has been approved for release. They submitted a plan and we're doing a Memorandum of Understanding (MOU) on what the money will be used for. The City and County of Honolulu has prepared a partial proposal for $1.5 million so that leaves $500,000 in the pot. They will get a proposal for that to Ms. Miyoshi before the end of the fiscal year so we don't lapse that money.

Ms. Miyoshi's section is working on three programs, the Stipend, Outreach and the Grant program. Those are the three primary statutory programs, in which the Governor's budget request is double the amount from the previous budget. We are reviewing incoming proposals and will allocate an amount to each one and prepare contracts. At the end of the Legislative session, we will know how much money to allocate to those agencies and the contract will begin August 1, 2007. We have another Notice of Funding Availability. HUD is delayed in putting out their competitive application process, because they haven't announced the results of last year's. But we will be putting together a proposal to compete with the rest of the nation for federal funds for the rural counties. Honolulu competes for their share of that pot. The statewide point in time count was completed and the results will be ready the first week of March. The study on the At Risk and the Hidden Homeless was also completed.

Director Thompson asked what the status was for the funds on Maui. Ms. Miyoshi said that Maui's proposal of $400,000 was approved for release by the Governor but they want to change the plan to purchase a property instead of renovating a property. A request for an amendment needs to be made on their proposal, but at this time there is no risk of lapsing or losing funds. Director Thompson requested that he be kept informed of this.

Ms. Miyamoto informed the Board that she received an email notification from HUD that the physical inspection for the fiscal year 2006 has been waived. HUD gave the Agency the same score from 2005. There will be no physical inspection, so based on the 2005 score, we passed the physical inspection. The financial one is pending, and management operations based on our self-certification and the resident survey also passed. If we don't get the financial information in, that will make us a troubled PHA, but there are no sanctions for being substandard in that one area. But we will make the effort to get that information in. Ms. Miyamoto added that it is all subject to HUD doing a confirmatory review for the management operation, because that is self-certified. They come in and check our records and want to see everything to make sure we reported it correctly.

The Chair asked why HUD would waive the physical inspection. Ms. Miyamoto explained that the federal regulations allow that you if you have a certain score that's passing, they can waive the inspection.

Mr. Ho reported that the Central Maintenance Section staff is turning around vacant units in Hilo, at Mayor Wright Homes, Kalihi Valley Homes and will be going to Maui and Waimea. There are about 139 units ready and the Application office is working to fill those units. There are approximately 270 homes that's Type A, B and C's; A's and B's are about 170 and C's 100. He added that 10 of the 17 management units (MU's) reported zero discrepancies for emergency work orders and those emergency work orders were completed within 24 hours.

RECESS
RECONVENED

The Chair called for a recess at 10:25 a.m. due to lack of quorum. The meeting reconvened at 10:30 a.m.

Mr. Ho praised the Managers on their accomplishments. The Annual Unit Inspections (AUI) are 68 percent completed and he is confident to be at 100 percent by June 30, 2007. The re-exams are at 93.3 percent, we need to obtain 95 percent. Mr. Ho is confident that they will meet that goal. Mr. Gary Nakatsu will get Emphasys up to par with the Public Housing Information Center (PIC) by next Tuesday. Ten Banyan Street units will be renovated and the Consultant knows that the deadline is September 30, 2007. The Wilikina Request for Proposal (RFP) for a consultant will be sent to the Attorney General's office.

Director Smith commented that she spoke to some people about volunteering to be the consultant once the RFP is out, but there is so much work out there and everyone is busy that she couldn't get anyone to do it for free.

The Chair said that he wanted to make sure that the consultant we're looking for is a consultant that will put the deal together and advise us on all the steps to get a deal done. Mr. Ho agreed. He reported on a meeting he attended at the Kalihi/Palama Neighborhood Board on January 17th where they were concerned about crime and safety. Mr. Ho met with the Weed & Seed, our security company, the resident association, Board Members, and the MU staff on January 25th to come up with a plan of action, which they all approved. That plan of action is to open up the back gate of Mayor Wright Homes on Pua Lane, make some modifications by adding lights and a cattle gate. The next meeting is next Wednesday evening and he will put the word out as to what we have done

Mr. Edmund Morimoto presented a chart showing all the current Construction Management Section (CMS) projects. The end dates on the list are incorrect and will be corrected next month. The list will be separated by projects, islands, and state when each one was completed.

The Chair commented that the CMS log is informative and good, and another example of accountability, and keeping focused on targets and meeting targets.

Ms. Lili Funakoshi, Hearings officer, reported on how many hearings were heard, in January, how many were evicted, how many evicted with conditions, and how many hearings were continued.

Director Ignacio asked Ms. Funakoshi to explain what is meant by "Others." Ms. Funakoshi explained that "Others" mean non-rent violations and it could be drugs, or reexamination, or pets, or any type of thing. A ten-day cure is where the Board can make a decision to allow the tenant to cure the violation within ten days from the date they receive the written order of eviction. If they do not cure the violation, then they will be evicted.

Director Beaver asked what conditions would be attached to an eviction. Ms. Funakoshi explained that if the tenant has cured their violation by the time they get to the eviction hearing, and the Board is reluctant to order their eviction, even though they have violated the rental agreement, they will put them on probation saying "You must comply with paying your rent on time for a conditional period of 12 months, and within that 12-month period effective March 1, 2007, if you breach, then you will be evicted." The tenant does not come back to the Board for another hearing, they will just be evicted.

It was explained to the Directors that the number of hearings fluctuated because of the absence of the Hearings Officer and during the holiday months, it has been the PHA's policy to not hold hearings for non payment of rents.

Director Ignacio asked to explain why back rents are allowed to run up to $5,000 and how did that happen. Mr. Ho explained the rent collection policies where the MU supervisor's responsibility is to get the eviction letters out as soon as tenants

haven't paid the first month's rent, then wait for 14 days, if no response, an appointment is made with the resident. If there is still no response within 30 days, an eviction notice is sent.

Ms Leong addressed the legal side because she handles the eviction appeals. She explained that the statute is clear as to what the procedures are. It's very clear that you give them the first notice, X number of days they either have the right to respond and/or exercise their right to grievance. Then you have X number of days, if they do grieve, then you go to this or that, if they don't grieve, the second notice of a continuing violation is sent. As long as management continues to follow that time line, you're still going to be looking at a bare minimum of four months, start to finish.

Mr. Gary Nakatsu, Information Technology Office, reported that the agency got HUD approval to split the Emphasys contract into three phases. There were service packs that they had developed to keep us compliant with HUD. That contract is ready to go, it's signed, and we need their corporate resolution which we should receive today. We are also going to execute a purchase order for three months that will give us time to negotiate the third phase which is a second contract to take us to project-based accounting. He stated that we are going to explore having Emphasys expand their role to fulfill some of the duties of a finance officer. Emphasys will send a price quote.

The Chair stated that it is a good approach. Mr. Nakatsu will need some input form the Finance Committee to see if that matches up with their expectations.

Ms. Befitel reported that we are recruiting for the Accounting positions and hopes to get a list by next week, and will start interviewing Accounting 4, 3, 2's and clerks within two weeks. Also we have internal applicants throughout DHS, and we will see if we can get listings from outside through DHRD in two weeks, so we can start the interview process.

Director Thompson asked if it was possible that some candidates for the Executive Director position may be qualified to be the Chief Financial Officer or other positions in the PHA. Director Beaver commented that he would need to review the resumes.

RECESS

The Chair called for a five-minute recess.

EXECUTIVE SESSION

Director Beaver moved, seconded by Director Smith,

> That the meeting be recessed at 12:07 p.m. and at 12:12 p.m., the Board entered in Executive Session.

The motion was unanimously carried.

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ADJOURNMENT

Director Thompson moved, seconded by Director Beaver,

> That the meeting be adjourned at 12:55 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA

Approved: MAR 26 2007