MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, OCTOBER 18 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, October 18, 2007 at 9:00 a.m.

ORDER/ ROLL CALL

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

PRESENT:
Director Travis O. Thompson, Chairperson
Director Eric Beaver
Director Anne Marie Beck
Director Rene Berthiaume
Director Sherrilee Dodson
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, Sandra H. Ching

STAFF PRESENT:
Barbara Arashiro, Acting Contracts & Procurement Officer
Derek Kimura, Property Management and Maintenance Services Branch Chief
Derek Fujikami, Building Engineer V
Sandra Miyoshi, Homeless Programs Branch Administrator
Michael Hee, Contract Administration Section Chief
Glori Inafuku, Acting Compliance Officer
Clifford Laboy, Program Specialist
Taryn Chikamori, Secretary to the Board
Patti Miyamoto, Acting Fiscal Management Officer

OTHERS:
Lui Falafine, Urban Real Estate
Darlene Hein, Waikiki Health Center
Doran Porter, Affordable Housing Alliance
Nhi Tran, Legal Aid
Darren Ueki, Hawaii Housing Finance Development Corporation
Karen Awana, State House
Junior Atisanoe, DHS
Melissa Agoo, W.A.R.A. President
Utu Longi, Next Step Manager
Mike Rodrigues, Palolo Valley Homes
Thone Vongsy, Palolo Valley Homes
Vang Sayathongheua, Palolo Valley Homes
Doo Thi Tran, Palolo Valley Homes
Rose Hiep Tran, Palolo Valley Homes
Done Saxapheth, Palolo Valley Homes
Obra Morris, Palolo Valley Homes
James Solomon, Palolo Valley Homes
Vernon Wise, Palolo Valley Homes
Bounkouom Khamphoilavonh, Palolo Valley Homes
Vanh Ackharath, Palolo Valley Homes
Lemy Huynh, Palolo Valley Homes
Desiree Kihano, Palolo Valley Homes

Bai Singharath, Palolo Valley Homes
Winfred Hazard, Palolo Valley Homes
Almita Jordu, Palolo Valley Homes
Sioniata Chokwan, Palolo Valley Homes
Kachiory Betiru, Palolo Valley Homes
Sinae, Palolo Valley Homes
Paztara Relalopei, Palolo Valley Homes
Nepouto Niffang, Palolo Valley Homes
Buihi Hoang Thuy, Palolo Valley Homes
Lucy Sefo, Palolo Valley Homes
Auala Sefo, Palolo Valley Homes
Koreena Sefo, Palolo Valley Homes
Cesilva Sefo, Palolo Valley Homes
Isano Lucky, Palolo Valley Homes
Treena Sefo, Palolo Valley Homes
Fale Tuitele, Palolo Valley Homes
Iudry Niffang, Palolo Valley Homes
Rain Katry, Palolo Valley Homes
Alan Sos, Palolo Valley Homes
Rano Lilo, Palolo Valley Homes
Sano Lilo, Palolo Valley Homes
Delphne Nisa, Palolo Valley Homes
Jan Ii, Palolo Valley Homes
Sotera Lukas, Palolo Valley Homes
Tehani Mi, Palolo Valley Homes
Alicia Mi, Palolo Valley Homes
John Tuitele, Palolo Valley Homes
Bobbie Castillo, Palolo Valley Homes
Tashiana Castillo, Palolo Valley Homes
Linda Yamamoto, Palolo Valley Homes
Lemy Huynh, Palolo Valley Homes
Joseph Binejal, Palolo Valley Homes
Halepuna H., Palolo Valley Homes
Lisa H., Palolo Valley Homes
Katnx R., Palolo Valley Homes
Kachiory Betiru, Palolo Valley Homes
John Tuitele, Palolo Valley Homes

Chairperson Thompson declared a quorum present.

QUORUM

Director Park moved, seconded by Director Smith,

APPROVAL OF MINUTES REGULAR MEETING 9/20/07

> That the minutes of the Regular Meeting held on September 20, 2007 be approved as circulated.

The motion was unanimously carried.

Chairperson Thompson asked to hear from the public.

PUBLIC TESTIMONY

Ms. Desiree Kihano, Palolo Valley Homes, said their concern is the State is taking over the managing unit. Since Urban Real Estate took over from the State five years ago crime has gone down.

Director Beaver asked what the $74,000 supplemental contract covers.
Ms. Barbara Arashiro, Acting Contracts & Procurement Officer, stated the original contract was for 3 years at $910,000. Supplemental contract is for a 3 month period. The contract was extended for 3 months because Urban Real Estate informed Hawaii Public Housing Authority (HPHA) that they will no longer manage public housing.

Director Smith asked when is Urban Real Estate dissolving as a company and is it possible for HPHA to extend the contract again. Ms. Arashiro responded that Urban Real Estate is not dissolving as a company, but Urban Real Estate has stated that they are not interested in extending any contracts with HPHA.

Chairperson Thompson stated the Board will be looking into all options and HPHA will get back to Ms. Kihano. Mr. Taniguchi stated that HPHA will meet with the Palolo Valley Homes community on October 23, 2007 at Palolo.

Chairperson Thompson proposed to the Board to amend the agenda to move up task force reports/Public Housing Operations.

The motion was unanimously carried.

TASK FORCE REPORT/PUBLIC HOUSING OPERATIONS

Director Yoshioka stated that the Public Housing Operations committee looked at operating concerns for three main areas Homelessness, Section 8, and Public Housing. There are budget deficit concerns for public housing.

RECESS RECONVENED

The Chairperson declared a recess at 9:36 a.m. The meeting reconvened at 9:44 a.m.

TASK FORCE REPORT/ FINANCE/ AUDIT

The Finance Audit Task Force noted that the report to the U.S. Department of Housing and Urban Development (HUD) Financial Data Systems was submitted on time for the October 15, 2007 deadline. Once the report is reviewed by the HUD and returned to HPHA, HPHA has 15 days to correct errors or refine inputs.

HUMAN RESOURCES/ PERSONNEL

Designee Oliva stated the Human Resources/Personnel Task Force reviewed 68 applications for the Executive Assistant position, interviewed 4 applicants Task Force recommendations will be brought to the next Board of Directors meeting.

HOMELESS-NESS

Director Park stated that Ms. Sandi Miyoshi, Homeless Programs Branch Chief, is still fine tuning the state plan on homelessness the Homelessness Task Force will give their suggestions.

ASSET MANAGEMENT

Chairperson Thompson stated the Asset Management Task Force is looking into selling vacant and/or underused properties.

TENANT/ TENANT RELATIONS

Director Beck, Director Dodson along with Director Hosino will be the new Tenant/Tenant Relations Task Force.

Director Hosino, Mr. Chad Taniguchi, Executive Director, and Mr. Derek Kimura, Property Management and Maintenance Services Branch Chief, attended the Kauhale Nani Association meeting. The issues raised were discrimination, harassment, intimidation, and retaliation by the private manager. HPHA will investigate the situation and get back to the association within several weeks.

Director Hosino stated Kalakaua Homes had mediation and she received a letter stating that the tenants are not pleased and felt they were intimidated into signing the mediation agreement.

REPORT OF THE EXECUTIVE DIRECTOR

Director Beck asked why the cost of ($300,000 per unit) to demolish and rebuild up to 20 units at Lanikila (Big Island) so high. What can be done to decrease this?

Mr. Derek Fujikami, Building Engineer V, stated this is currently what HPHA is seeing in ground up construction, including tear down. This includes water, sewer, parking lots, and sustainability which include solar, high efficiency lighting, etc.

Mr. Taniguchi invited the Board of Directors to review the plans and specifications and provide input. Director Beaver volunteered to review the specs.

Designee Oliva asked about the process of the competitive bids. Mr. Fujikami stated in this case HPHA the lowest bid would be accepted. If prospective bidders have questions they can ask them before submitting a bid.

Designee Oliva stated that there needs to be a process where the prospective bidders can come to the table and have the opportunity to present their ideas and listen to the issues that HPHA is having.

VACANT UNITS

Director Smith requested that HPHA provide to the Board how many units are rent ready. Mr. Taniguchi stated that HPHA provided the report format to the Operations Task Force and will be provided to the Board next month.

Director Ignacio asked why the turn around time is so long. Mr. Taniguchi stated the maintenance supervisors need to organize and supervise staff work better. Mr. Clifford Laboy, Mr. Ron Asato, and Mr. Gerald Tambalo are creating a packet and training the supervisors on work order assignments.

RECESS RECONVENED

The Chairperson declared a recess at 10:48 a.m. The meeting reconvened at 11:04 a.m.

APPROVAL TO EXPLORE VARIOUS ALTERNATIVES TO MAINTAIN AND MANAGE ITS ASSETS, SUCH AS A SALE OF PUBLIC HOUSING PROPERTIES FOR REDEVELOPMENT INTO AFFORDABLE HOUSING PROPERTIES

Director Dodson moved, seconded by Designee Oliva,

> To approve the HPHA staff to explore various alternatives to maintain and manage its assets, such as a sale of public housing properties for redevelopment into affordable housing properties.

Mr. Taniguchi stated a private entity came to HPHA and discussed using tax credits to buy public housing projects and convert them to affordable housing projects. If an investment group bought a project they could bring in funds for improvements that would last 30 years, but this would take the units out of the public housing inventory during that time period.

Mr. Darren Ueki, Hawaii Housing Finance and Development Corporation (HHFDC), stated that there are 4 different types of finance tools. Hula Mae, Low Income Housing Tax Credit, Rental Assistance, and Rental Housing. These programs finance acquisition of existing projects, rehabilitation and preservation of existing affordable housing. HPHA would be turning over the project to a private entity, but retain ownership of the land to insure long-term affordability. The private entity would use tax credit funds for. The project would not be public housing during the 30 years.

Director Dodson moved, seconded by Designee Oliva,

> To withdraw the HPHA staff to explore various alternatives to maintain and manage its assets, such as a sale of public housing properties for redevelopment into affordable housing properties.

Director Beaver moved, seconded by Director Hosino,

> To amend the agenda for a discussion of exploration of various alternatives to maintain and manage HPHA asset, such as a sale of public housing properties for redevelopment into affordable housing.

The motion was unanimously carried.

BOARD POLICY FOR TENANTS AT PUAHALA HOMES

Director Dodson asked for the numbers of families that might be displaced in such examples, and how will the displaced families be dealt with.

Chairperson Thompson stated that the Asset Management Task Force should look into this and bring it before the Board.

Director Dodson moved, seconded by Director Beck,

> To approve the removal of two buildings numbers 11 and 14, containing 14 living units at Puahala Homes from the state public housing inventory for the use by the Homeless Programs Branch as a transitional homeless shelter for a period not to exceed two years.

Mr. Taniguchi stated the projected need when the Next Step Shelter in Kakaako closes in June 2008 is for a 40-90 individuals and about 15-30 families.

Ms. Darlene Hein, Waikiki Health Center Program Director, stated that the Next Step shelter applicants are at the top of the waitlist. The idea with transitional housing is to make the transition into housing go smoothly. Also, the units that are being requested are the less desirable units.

Mr. Doran Porter, Affordable Housing Alliance, stated that he agreed with Ms. Hein.

Mr. Utu Longi, Next Step Shelter Manager, stated the children in the Next Step Shelter have a sense of shame and deserve a home.

Director Yoshioka asked Ms. Sandra Miyoshi, Homeless Programs Branch Administrator, about how Lihue Court on Kauai (transitional component) is working. Ms. Miyoshi responded that it's working very well.

Director Ignacio stated this will be a policy change but public housing is not working because HPHA is not providing wrap around services, accountability, and expectations, so families fail.

Chairperson Thompson asked whether all the families need to be clustered together. Ms. Hein stated that you want to cluster the families because it makes it easier to give services to the families.

Director Hosino stated HPHA should not uproot the 7 current families because they could be a good influence on the transitional families.

Ms. Hein stated that the Next Step Shelter is willing to speak, educate and inform the residents and community.

Director Park asked if families can afford the rent. Ms. Hein stated it's 30% of their income and yes they can handle it because 30% of nothing is nothing. Mr. Taniguchi stated that HPHA does not expect to collect nothing from the regular tenants. HPHA has an average rent collection from tenants.

Chairperson Thompson asked when the 2 years starts. Director Smith stated July 2008.

Director Dodson moved, seconded by Designee Oliva,

> To amend the motion to approve the removal of 14 units at Puahala Homes from the state public housing inventory for the use by the Homeless Programs Branch as a transitional homeless shelter for a period not to exceed two years.

The motion was unanimously carried.

Director Hosino asked a question regarding payment of rent in light of income and utilities cost. Ms. Hein stated the homeless program has donations, and funding from the state that will be paying for the utilities.

Mr. Taniguchi stated what HPHA would be saying that the people in Next Step will have priority and HPHA will be bypassing the waitlist. These units are not undesirable; Puahala Homes is one of the most desirable places in Honolulu public housing inventory. When Mr. Norman Ho offered the units he offered it for 1 year or less because at that time HPHA did not have funds to fix and fill the units within one year. HPHA currently has the funding to fix these units. Ms. Miyoshi and Mr. Taniguchi went to a meeting at Partners in Care and posed the question where can the Next Step families be placed. Institute for Human Services (IHS) was one possibility. Partners in Care's main reaction was to help HPHA fix the 400 vacant units and fill them for those on the public housing waitlist. Those on the waitlist may not be the families in the Next Step Shelter but HPHA will be doing more to end the homelessness. Also, if Next Step stops taking new families right now then they should by June 30, 2008 have no remaining families in Next Step.

Ms. Hein states they can stop taking families and Next Step has a plan to reduce the numbers, but the problem is still going to be homelessness. The problem is families transitioning into public housing.

Chairperson Thompson called for a vote on the motion:

> To approve the removal of 14 units at Puahala Homes from the state public housing inventory for the use by the Homeless Programs Branch as a transitional homeless shelter for a period not to exceed two years.

Aye: Chairperson Thompson
Director Beaver
Designee Oliva
Director Smith
Director Dodson
Director Ignacio
Director Berthiaume
Director Beck
Director Yoshioka
Director Park

Nay: Director Hosino

The motion was carried.

Director Beaver moved, seconded by Director Dodson,

That the Board meets in Executive Session at 12:49 p.m.

The motion was unanimously carried.

EXECUTIVE SESSION

The Board moved out of Executive Session at 1:37 p.m.

Chairperson Thompson declared a recess at 1:38 p.m. The meeting reconvened at 1:48 p.m.

RECESS RECONVENED

Director Beaver moved, seconded by Director Beck,

To approve a rent increase for the Ke Kumu Ekahi low income housing tax credit project.

TO APPROVE REQUEST A RENT IN CREASE FOR THE KE KUMU EKAHI LOW INCOME HOUSING TAX CREDIT PROJECT

Mr. Taniguchi stated HPHA has not increased the rent for 7 years and HPHA is losing money. The increase will still be affordable.

Director Smith asked what the nature of this project is. Mr. Hee stated this is a tax credit project. Nansay Hawaii and Ke Kumu Limited Partnership leased the project to HPHA to manage. At the end of the tax credit project, HPHA has the first right to buy the project.

Director Smith asked what the income median is. The tax credit limit maximum for a two bedroom is $841 including utilities, the utilities is $120, so rent is $721.

Director Smith requested more information and to defer on this action.

Director Beaver moved, seconded by Director Beck,

To withdraw the motion to approve to approve a rent increase for the Ke Kumu Ekahi low income housing tax credit project.

Director Smith moved, seconded by Director Ignacio,

To defer the request a rent increase for the Ke Kumu Ekahi low income housing tax credit project.

The motion was unanimously carried.

Director Dodson moved, seconded by Director Yoshioka,

To approve the internal operating budget for FY '07-'08.

TO APPROVE THE INTERNAL OPERATING BUDGET FOR FY '07-'08

Chairperson Thompson stated the finance task force reviewed the budget. The total deficit for the year will be $8.9 million. We also owe budget and finance $1.6 million. The total deficit will be $10.5 million.

Director Smith stated HPHA's budget of $64.4 million comes from rent from State and Federal properties, HUD for subsidies, state for operation costs, and then there are the other programs like Homeless, Section 8, etc. and HPHA's deficit will be $8.9 million.

Mr. Taniguchi stated there is a big jump in the 2008 administrative salaries when

compared with 2005, 2006, and 2007. Because the difference is not explainable he recommended the budget not be approved until next month.

Chairperson Thompson called for a vote on the motion:

To approve the internal operating budget for FY '07-'08

The motion was unanimously not carried.

The Chairperson declared a recess at 2:41 p.m. The meeting reconvened at 2:51 p.m.

RECESS RECONVENED

Director Beaver discussed getting community support to fix up units. Mr. Junior Atisanoe, Department of Human Services (DHS) and Puuwai Nui, stated Puuwai Nui has 60 volunteer construction workers with no budget. In the Waianae shelter there are 312 people who need homes and 62% of them have jobs. The shelters are at 98% full. When you compare Next Step who needs housing, Puuwai Nui needs housing too but they can pay rent, utilities and can renovate the units with no labor costs. They also have already gone through the financial classes, substance abuse classes, etc.

FOR INFORMATION/ U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) STEP-UP

Director Smith asked because Mr. Atisanoe is a state worker what is standing in the way of Puuwai Nui going into the public housing projects and start fixing them. Mr. Atisanoe stated the Board; he is just waiting for the authorization.

Director Berthiaume stated the Step-Up program can be the authorization. The program covers many of the legal barriers with wages, procurement, authorization, and etc.

Chairperson Thompson asked Director Berthiaume to come up with a "For Action".

There being no further items to be discussed, Chairperson Thompson entertained a motion to adjourn.

ADJOURNMENT

Director Dodson moved, seconded by Designee Oliva,

That the meeting be adjourned at 3:14 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved: