

HAWAII PUBLIC HOUSING AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON WEDNESDAY, JULY 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 Wednesday, July 18, 2007 at 9:45 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, Chairman
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

EXCUSED: Director Eric Beaver

STAFF PRESENT: Barbara Arashiro, Procurement Officer
Shirley Befitel, Special Assistant, Personnel
Joanna Chaves, Public Housing Supervisor
Dexter Ching, Section 8 Subsidy Programs Branch Chief
Jean Daguio, Accountant
Derek Fujikami, Building Engineer
Lili Funakoshi, Hearings Officer
Michael Hee, Contract Administration Section Chief
Charles Itliong, Chief Accountant
Clifford Laboy, Program Specialist
Patti Miyamoto, Acting Property Management &
Maintenance Branch Chief
Edmund Morimoto, Construction Mgmt. Section Chief
Gary Nakatsu, Data Processing System Analyst
Dionicia Piiohia, Secretary to Board
Lili Funakoshi, Hearings Officer
Michael Hee, Contracts Administration Section Chief
Dionicia Piiohia, Clerk Typist/OED

OTHERS: Aileen Befitel, Governor's Office
Michael Flores, U.S. Dept. of Hsg. & Urban Dev. (HUD)
Larry Jones, MDStrum Housing Services, Inc.
Juan Patterson, MDStrum Housing Services, Inc.
William Sabalbuero, HUD
Mei Tong, HUD

Chairperson Travis Thompson declared a quorum present.

QUORUM

Director Smith moved, seconded by Designee Oliva,

That the minutes of the Regular Meeting held on
June 21, 2007 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
6/21/07

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There being no further discussion,

The motion was unanimously carried.

Director Smith moved, seconded by Director Yoshioka,

That Director Travis Thompson be nominated as Chairperson.

The motion was unanimously carried.

ELECTION OF
BOARD
OFFICERS
CHAIRPERSON

Director Smith moved, seconded by Director Yoshioka,

That Director Eric Beaver be nominated as Vice-Chairperson.

The motion was unanimously carried.

ELECTION
OF VICE-
CHAIRPERSON

Director Smith moved, seconded by Designee Oliva,

That Director Matilda Yoshioka be nominated as Secretary

The motion was unanimously carried.

ELECTION OF
SECRETARY

Director Hosino moved, seconded by Designee Oliva,

That the Board approve Resolution No. 8 expressing
appreciation to Ms. Pamela Y. Dodson.

The motion was unanimously carried.

RESOLUTION
NO. 8
EXPRESSING
APPRECIATION TO
MS. PAMELA
Y. DODSON

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Director Smith moved, seconded by Designee Oliva,

That the Board approve the reappointment of Mr. James E. Demello, Mr. Robert Palea, Ms. Eleanor Garcia and Ms. Juliette Tulang to the Hilo Eviction Board for a two-year term expiring on July 31, 2009.

Director Taniguchi commented that the Evictions Boards are necessary and the appointees are qualified.

Director Smith asked if the tenants support these individual members to the eviction board. Ms. Lili Funakoshi, Hearings Officer, stated yes, and that these members are reappointments to the eviction board.

The motion was unanimously carried.

Director Park moved, seconded by Designee Oliva,

That the Board approve the reappointment of Ms. Radiant Chase, Mr. Earl Mente, Ms. Joyce R. Nakamura, Ms. Jane Moana Gray, Ms. Sylvianne Young, Mr. Solomon Kuresa, Jr. and Mr. Wayne Fujikane to the Oahu Eviction Board for a two-year term expiring on July 31, 2009.

Director Smith stated that Ms. Chase is not identified as an additional two-year term and asked for clarification. Ms. Funakoshi clarified that it is an additional two-year term.

Chairperson Thompson commented that he appreciates these individuals who are willing to serve in this important function of the HPHA.

The motion was unanimously carried.

Director Yoshioka moved, seconded by Designee Oliva,

That the Board approve the reappointment of Ms. Hannah M. Wilson, Mr. Wayne Gocke and Mr. Ross Oue to the Kona Eviction Board for a two-year term expiring on July 31, 2009.

Ms. Funakoshi commented that these board members are willing to serve and that they are an important part of the eviction process. Some members are backups for the other outer island board.

The motion was unanimously carried.

Mr. Taniguchi commented that the Hearings office will be handling more evictions in the future and that the project managers will be consistently monitoring tenants who are delinquent in their rents and who are not in complying with the rules. These tenants will be forwarded to the Hearings office for eviction.

REAPPOINTMENT OF MR. JAMES E. DEMELLO, MR. ROBERT PALEA MS. ELEANOR GARCIA AND MS. JULIETTE TULANG TO THE HILO EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

REAPPOINTMENT OF MS. RADIANT CHASE, MR. EARL MENTE, MS. JOYCE R. NAKAMURA, MS. JANE MOANA GRAY, MS. SYLVIANNE YOUNG, MR. SOLOMON KURESA, JR. AND MR. WAYNE FUJIKANE TO THE OAHU EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

REAPPOINTMENT OF MS. HANNAH M. WILSON, MR. WAYNE GOCKE AND MR. ROSS OUE TO THE KONA EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JULY 31, 2009

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Designee Oliva moved, seconded by Director Smith,

That the Board approves the revision to Chapter 8 of the Section 8 Housing Choice Voucher (HCV) Program Administrative Plan.

Mr. Dexter Ching, Section 8 Subsidy Programs Branch Chief, reported that the Section 8 Program is requesting to amend the Administrative Plan which currently does not address situations when no comparable units can be found within the immediate district and/or zip code area. The policy was established with a letter dated September 11, 2002 from the U.S. Department of Housing and Urban Development (HUD). This letter will be incorporated into the Section 8 Administrative Plan.

The motion was unanimously carried.

Mr. Taniguchi presented the Hawaii Administrative Rule (HAR) §17-2028-22 Eligibility for Admission and Participation (a)(1)(F). The rule explains the applicant's eligibility for participation in the program. The applicant shall not have been evicted since March 1, 1985 from a public housing program administered by the corporation or its predecessor. This issue was brought up at the June 5, 2007 public hearing for amendments to the administrative plan. An individual felt that a five year ban would be more appropriate. The Legal Aid Society suggested changing the rule to a more reasonable prohibition. Staff has been in contact with the Deputy Attorney General and the Legal Aid Society.

Director Becker asked if there are any other reasons why someone could not return to public housing. Ms. Joanna Chaves, Public Housing Supervisor, explained drug and other felony convictions ban residents. Tenants are given chances to cure their problems before eviction. If tenants move out before eviction and improve themselves, they can reapply for public housing. The staff unanimously supported the current eligibility rule as being effective to encourage the proper behavior by tenants.

The Chairperson called for a motion to go into Executive Session to consider current assets.

Designee Oliva moved, seconded by Director Yoshioka,

That the Board meets in Executive Session at 10:10 a.m.

The motion was unanimously carried.

* * * * *

The Board moved out of Executive Session and the Chairperson called the meeting back to order at 10:12 a.m.

Mr. Taniguchi referred to an addendum to the Executive Director's Report. He introduced Aileen Befitel, Governors office who is working with Mr. Derek Fujikami, Building Engineer, on a daily basis regarding the elevators. Of the nine nonworking elevators, three have been fixed, four will be fixed next month, and two at Kuhio Park Terrace (KPT) are scheduled for complete modernization. Twenty-eight (28) elevators are scheduled for major modernization and 7 for minor modernization.

Chairperson Thompson stated that the two major high rises at KPT are at one-third capacity and encouraged completing repairs sooner.

Director Smith stated that \$15 million was projected for elevator repairs, but HPHA received \$5 million from the Legislature. Mr. Taniguchi stated that based on the

APPROVAL OF THE REVISION TO CHAPTER 8 OF THE SECTION 8 HOUSING CHOICE VOUCHER (HCV) PROGRAM ADMINISTRATIVE PLAN

HAWAII ADMINISTRATIVE RULES §17-2028-22 ELIGIBILITY FOR ADMISSION AND PARTICIPATION (a)(1)(F)

EXECUTIVE SESSION

RECONVENED

REPORT OF THE EXECUTIVE DIRECTOR PROGRAM/PROJECT UPDATES

ELEVATORS

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elevator consultant's recent assessment HPHA needs a total of \$10 million. Of the separate \$20 million Capital Improvement Program (CIP), \$5 million is being designated for elevator modernization. Director Smith requested a summary of what CIP projects will not be funded if \$5 million of the \$20 million in CIP funds are used for elevators.

Mr. Taniguchi briefly reviewed the projects and estimated costs for repair and maintenance and CIP projects. Chairperson Thompson thanked the staff for the more readable version.

CONSTRUCTION AND REPAIR PROJECTS

Chairperson Thompson asked how this plan would be managed and if there were enough resources. Mr. Taniguchi stated that several more people need to be hired, but the projects can be done with the Construction Management Section (CMS) combined into one unit with Mr. Fujikami as the lead person. Mr. Edmund Morimoto is heading the planning function. Chairperson Thompson has concern that these projects are critical and suggested getting help internally or externally if needed.

Ms. Aileen Befitel, Governor's office commented that the elevators need to be well maintained. Director Smith thanked Ms. Befitel for her help in working with the staff.

Mr. Taniguchi stated that fixing vacant units is the HPHA's priority and reported that the total 588 vacant units are to be fixed and for modernization.

Chairman Thompson stated that the 346 vacant units and the 242 modernization units should be kept separate for progress tracking.

Chairman Thompson stated that the original number of 415 units was the baseline to measure the progress of repairing units and should be first focused on, and then focus on the modernizations and the Lanakila project.

Mr. Taniguchi reported that the HUD Chicago office sent a letter to see if public housing is needed anymore at Kalihi Valley Homes (KVH), or if public housing stock that has remained unoccupied for a long period of time should be converted from public housing to some other use. The Chicago HUD office wants to know why some KVH units were not demolished.

RESPONSE TO HUD REGARDING KALIHI VALLEY HOMES

Mr. Michael Hee, Contracts Administration Section Chief, commented that the KVH units slated for demolition were used to relocate tenants while their units were being renovated. While HUD sees any long-term vacant units as candidates for conversion, HPHA is gathering documents to justify the vacancy in light of a change in community opinion to preserve units rather than demolish them for open space.

Director Yoshioka asked what happened to the request to HUD to take KVH off the demolition list. Mr. Hee stated that the approval is in process. Mr. Taniguchi will ask the HUD Honolulu office to contact the Chicago HUD office to inform them of the change in local community opinion.

The Chairperson stated that HPHA's basic mission is to provide housing and explain to HUD that we are carrying out our mission because we need housing.

Mr. Taniguchi reported that HPHA will start incorporating the new administrative rules, (the one choice instead of three for new residents) with notices to be mailed to see who is still on the waiting list. The management units (MU) will coordinate with hearings to evict tenants for non payment of rents and not following rules. Mr. Taniguchi added that 22 candidates applied for the Property Management and Maintenance Section Branch Chief.

ADMINISTRATIVE RULES

Mr. Taniguchi asked if there were any suggestions on community organizing to upkeep their projects. Chairperson Thompson suggested awarding or presenting the tenants or staff with a certificate of commendation for what they accomplish on their project. Director Hosino added that awards could be given for volunteering their

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time and service and that the Resident Associations would appreciate it too.

Chairperson Thompson stated that for time management, the Board did not have time to review the addendum to the Executive Director's Report but has questions on the original report that they received.

Chairperson Thompson stated that the Executive Director's Report will continue after the Training and declared a recess at 11:42 a.m. At this time, Director Smith left the meeting. The Chairperson called the meeting back to order at 11:59 p.m.

RECESS

RECONVENED

Mr. Juan Patterson of MDStrum Housing Services, Inc., introduced Mr. Michael Flores of HUD who introduced his staff, Mei Tong and William Sabalburo. Mr. Flores shared information on a conference on Public Housing Administration Reform Initiatives that focused on issues under the public housing program. Mr. Flores stated that the administrative reform on how to implement the upcoming asset management (AM) and operations under the present system were discussed, and that many agreed with the implementation. He added that Mr. Patterson will explain about the funding available for the public housing authorities and Ms. Tong will cover funding for HPHA.

BOARD
TRAINING
PROVIDED BY
MDSTRUM
HOUSING
SERVICES, INC.

Mr. Flores commended Mr. Taniguchi for the summary of the HPHA presented at the legislative hearing on July 16, 2007. Mr. Taniguchi's willingness to accept the responsibilities and to work with anyone willing to provide assistance is commendable. Deputy Attorney General Diane Taira added that Mr. Taniguchi's speech was important and professional and that many tenants acknowledged Mr. Taniguchi and his efforts for visiting the projects. Mr. Larry Jones of MDStrum Housing Services, Inc., agreed because he visited the projects and staff with Mr. Taniguchi and has seen their responses.

Mr. Patterson presented the training for the PHA to adopt the AM program. He explained what AM will consists of the objectives, HUD's requirement, the Board's fiduciary responsibility, HUD's requirement for conversion to AM, what cost centers mean, property and project groupings, various funding, project based budgeting, accounting and operations, supporting cost centers, organization issues, financial management, information technology systems, performance monitoring and evaluation systems, review of project performance, risk management-compliance, AM decisions and implementation schedule.

Chairperson Thompson stated that HPHA needs to keep track of state funds and federal funds so the tasks involved are doubled, with more complexity and less pay than other state agencies. Also, HPHA does not have sufficient resources and has been trying for two to three years to catch up. He is meeting with the Governor to discuss the problems the agency is encountering.

Mr. Patterson stated the general ledger needs to get done for the last fiscal year by putting people in place that can do the budgeting and accounting. He added that the HPHA needs to submit the financial data schedule by August 30, 2008 under the financial assessment sub system and is required to submit the overall financial statement along with AM project statements to HUD. Ms. Tong clarified that the July 2007 to June 2008 is a trial period.

Chairperson Thompson thanked Mr. Patterson for the training and stated that HPHA is making progress with the housing mission and trying to comply with AM.

The Chairperson declared a recess at 1:52 p.m. Director Smith arrived at this time. The meeting reconvened at 2:07 p.m.

RECESS

RECONVENED

Chairperson Thompson commented that based on the AM presentation, he asked Mr. Taniguchi for a cost analysis of the project cash flow for the Board to present to the Governor.

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Director Smith stated that the budget is submitted the first week of December, and request for supplemental budget is in September. She suggested the emergency and supplemental funds be done as soon as possible.

Director Hosino asked what the status is on the private management contracts. Mr. Taniguchi will send the information to the Board.

Mr. Taniguchi would like to have the various section staff introduce themselves to the Board of Directors at the coming Board meeting. The CMS staff were introduced to the Board.

Chairperson Thompson asked what the progress is on the general ledger (GL). Mr. Taniguchi stated that the deadline to HUD is August 30, 2007 and if we don't meet that date, after every 15 days we lose one point up to four points. Mr. Taniguchi feels that HPHA will meet the deadline. He then introduced Mr. Charles Itliong, Chief Accountant and Jean Daguio, Accountant.

Director Smith asked how we are addressing the GL account. Mr. Itliong stated that they have been transferring the old system into the new system and have found 20 to 30 items per month that do not match and are being researched.

Chairperson Thompson asked that the new 2007 Budget Utilization chart in the Section 8 Subsidy Programs Branch, Exhibit A, be better explained. Mr. Taniguchi agreed to make future reports more reader friendly.

Director Smith commented that a letter from HUD regarding the homeless program Emergency Shelter Grant program found some discrepancies. Ms. Barbara Arashiro, Procurement Officer stated that a response letter will be sent out today. HUD had concerns on the contract for Kauai Economic Opportunity, Inc. so the contract was amended and it will be executed.

Chairman Thompson commented on the vacant positions, there were 39 no actions and approximately 31 have position descriptions being reviewed and he would like to know why HPHA is reviewing the position descriptions for a Clerk Typist. Mr. Taniguchi will respond.

Director Yoshioka asked how often eviction hearings are done. Mr. Taniguchi stated that Oahu holds them twice a month and the outer islands one time a month.

Chairman Thompson asked when the agency does write offs. Mr. Michael Hee, Contract Administration Section Chief, stated that write offs are handled at the management level. Once the tenant vacates, a final bill is sent to them and they need to respond in so many days and if no response, they are sent to various collection agencies. The results go back to the management section to be reviewed, then to the Attorney General's office for permission to write off. Mr. Hee stated that the MUs are working on the write offs.

Chairman Thompson asked why the appliances brought through the bulk contract cost so much. Ms. Arashiro stated that it depends on each unit size, but they come with the energy star rating. HPHA bid the appliances out. HPHA will do a cost analysis to determine value of one bulk contract.

Director Smith commented that the Public Housing Assessment System (PHAS) totals are by MUs and asked if there is a grand total for the emergency work orders within 24 hours. Chairman Thompson asked how HUD measures the agency, by total or units. Mr. Taniguchi stated that staff will get back to the Board with the totals.

Director Smith commented that the Real Estate Assessment Center (REAC) physical inspection follow-up received a passing score of 71.

Director Becker asked if the \$668,493.00 is for the renovations of bathroom

CONTINUA-
TION OF THE
REPORT
OF THE
EXECUTIVE
DIRECTOR
PROGRAM/
PROJECT
UPDATES

HAWAII PUBLIC HOUSING AUTHORITY

facilities for the Waipahu bath house showers for the homeless in Waipahu. Ms. Arashiro said yes.

Mr. Taniguchi stated that he just received an emergency call regarding the Waipahu bath-house. It appears the money was not encumbered in time. He will take necessary action.

Director Hosino asked about crime and safety. Mr. Taniguchi stated the Mr. Cliff Laboy, Program Specialist, has done a lot of networking and is working with the police, residents at the projects, and has reactivated the resident patrols. He is exploring the zero tolerance policy for tenants and smaller fines for rules violation.

Chairman Thompson asked if these drafts were provided to the Legislature. Mr. Taniguchi said yes. Chairman Thompson commended Mr. Laboy for doing good work on the documents.

Director Smith asked Mr. Laboy if he had any observations or comments regarding reducing crime and improving safety. Mr. Laboy stated that many things need to be done simultaneously in trying to solve the problems. Some residents feel that they went through some plans before and nothing was done. The Chairman asked if there a plan to show what we are doing and how we measure our progress. Mr. Laboy stated that he researched the crime statistics at the HPHA projects and is working with the Honolulu Police Department, with the State Sheriff, and will now go to the residents and inform them of the plan.

Chairman Thompson asked if there were any reports from the Task force Committees.

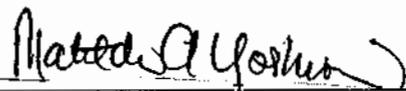
Director Hosino commented that the group has not met and that she has attended meetings at the MUs with Mr. Taniguchi and staff. She is pleased the way the meetings are conducted and the changes being made.

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

Director Park moved, seconded by Director Yoshioka,

That the meeting be adjourned at 3:22 p.m.

The motion was unanimously carried.


MATILDA YOSHIOKA

Approved: AUG 16 2007

REPORT OF
TASK FORCE
COMMITTEES

ADJOURNMENT

RESOLUTION NO. 08

EXPRESSING APPRECIATION TO MS. PAMELA Y. DODSON

WHEREAS, Ms. Pamela Dodson was appointed as the Executive Assistant for the Housing and Community Development Corporation of Hawaii (predecessor to the Hawaii Public Housing Authority) on December 3, 2003; and

WHEREAS, Ms. Dodson continued to serve as the Executive Assistant for the Hawaii Public Housing Authority (HPHA) from its inception on July 1, 2006 until July 9, 2007; and

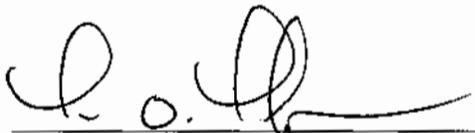
WHEREAS, in addition to serving as the Executive Director's trusted "right-hand woman", Ms. Dodson oversaw the Property Management and Maintenance Branch with over 6,400 public housing and other subsidized developments and served as the spokesperson for the HPHA; and

WHEREAS, while petite in stature, due to her genuine concern for the less fortunate, no task was too large for Ms. Dodson to take head on. During her tenure, she worked closely with the managers, staff and residents to resolve various issues; and

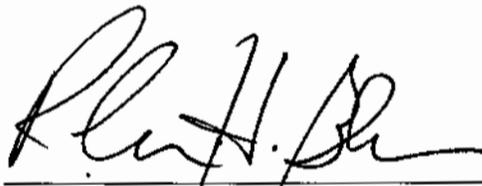
WHEREAS, Ms. Dodson gained the respect and admiration of Board members, employees and residents, alike; now, therefore,

BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 08 Expressing Appreciation to Ms. Pamela Y. Dodson on this 18th day of July 2007; and

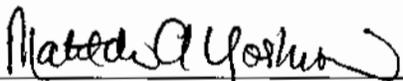
BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to Ms. Dodson along with expressions of gratitude for her commitment and tireless efforts to assist the citizens of the State of Hawaii.



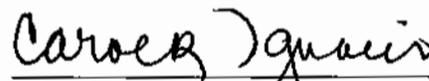
Travis O. Thompson, Chairman



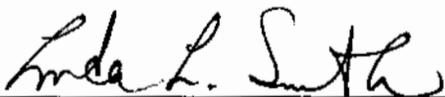
R. Eric H. Beaver, Vice Chair



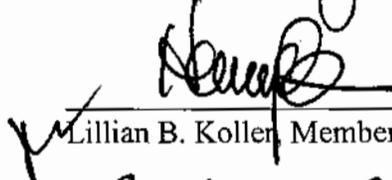
Matilda A. Yoshioka, Secretary



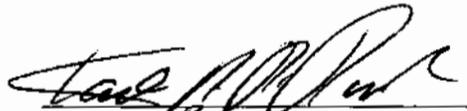
Carol R. Ignacio, Member



Linda L. Smith, Member



Lillian B. Koller, Member



Kaulana H.B. Park, Member



Clarissa P. Hosino, Member



Ann Marie Beck, Member

