MINUTES OF THE ANNUAL MEETING
OF THE HHA WILIKINA APARTMENTS PROJECT, INC.
HELD AT 1002 N. SCHOOL STREET, BLDG. L
ON THURSDAY, JULY 20, 2006,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the HHA Wilikina Apartments Project, Inc., met for their Annual Meeting at 1002 N. School Street, Building L, on Thursday, July 20, 2006 at 2:59 p.m.

The meeting was called to order by the Chairman 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 Clarissa Hosino
Director Carol Ignacio
Director Charles Ridings
Director Charles A. Sted
Director Linda Smith
Director Matilda Yoshioka

Executive Director Stephanie Aveiro

EXCUSED: Director Eric Beaver
Designee Henry Oliva

STAFF PRESENT: Deputy Attorney General, Nalani Willson-Ku
Pamela Dodson, Executive Assistance
Michael Hee, Contracts Administration Section Chief
Patti Miyamoto, Compliance Officer
Dionicia Piiohia, Clerk Typist/OED

OTHERS: Patricia Deliz, Wilikina Apartments, Tenant
Lusia Wieckowicz, Wilikina Apartments, Tenant/ITOR

Chairman Thompson declared a quorum present.

QUORUM

Director Ridings moved, seconded by Director Yoshioka.

APPROVAL OF MINUTES ANNUAL MEETING 7/21/2005

That the minutes of the Annual Meeting held on July 21, 2005 be approved as circulated.

The motion was unanimously carried.

Director Ridings moved, seconded by Director Sted.

APPROVAL OF MINUTES SPECIAL MEETING 7/1/2006

That the minutes of the Special Meeting held on July 1, 2006 be approved as circulated.

The motion was unanimously carried.

Chairman Thompson opened the floor for nominations for Chairperson.

ELECTION OF OFFICERS

ELECTION OF CHAIRPERSON

Director Sted moved, seconded by Director Smith

That Director Thompson be nominated as Chairperson.

The motion was unanimously carried.

Director Thompson thanked everyone.

ELECTION OF VICE CHAIRPERSON

Director Ridings moved, seconded by Director Hosino

That Director Yoshioka be nominated as Vice-Chairperson.

The motion was unanimously carried.

ELECTION OF SECRETARY

Director Ridings moved, seconded by Director Sted

That Director Smith be nominated as Secretary.

The motion was unanimously carried.

ELECTION OF TREASURER

Director Smith commented that she did not recall a position for a treasurer.

Ms. Stephanie Aveiro, Executive Director commented that Hawaii Public Housing Authority Board's Treasurer is the Executive Director. The By-Laws of HHA Wilikina Apartments Project, Inc. (Wilikina) does not state that the treasurer is the Executive Director.

Chairman Thompson entertained a motion to include the treasurer responsibility to make it secretary/treasurer.

Director Sted commented that this is a corporate officer, and that one person can serve in multiple offices.

Director Sted moved, seconded by Director Ridings

That Director Smith serve as the treasurer

The motion was unanimously carried.

Mr. Hee will revise the By- Laws and create a Secretary/Treasurer position.

STATUS REPORT ON WILIKINA

Mr. Hee gave a report on Wilikina. That it is a Section 8 New Construction project that has a monthly subsidy which comes from the U.S. Department of Housing and Urban Development (HUD). Subsidy contracts were negotiated with the original owners and the rates were set by HUD. The rates were based on expenses including mortgage and operating cost. At the time we acquired the project, the original contracts were expiring. The original contracts were generally 20 year contracts and HUD and the U.S. Congress had no plans to extend the contracts. When we bought the project, a 1 year extension was offered and 2 years later HUD began offering 5 year contracts. The project has a substantial reserve. The project has 119 units, which also includes a resident manager unit and an office.

The project requires extensive repairs and the total estimated cost is $8 million. The reserve fund cannot cover the cost. The previous Board suggested that the project be sold. There are non-profit companies that are interested in the project so we are thinking of doing a Request for Proposal (RFP) or Request for Quotations (RFQ). The Hawaii Housing Finance Development Corporation

(HHFDC) is doing an RFP format for their properties and we want to piggy back on their efforts, using their expertise. In the meantime, we need to do some repairs in order to get the subsidy contract extended from HUD.

Ms. Aveiro said that HUD sent a dissatisfactory report and if the repairs are not done, HUD will not extend the contracts.

Director Ignacio asked when the contract is due and what the cost is on repairs.

Mr. Hee said that the contract expired and we'll get an extension retroactive back to the expiration date. There is enough money to do minimum repairs required by HUD.

Director Ignacio suggested to do the repairs and put the project out for an entity to pick it up in an as is condition.

Director Ignacio asked what is done about collecting back rents and how long are the tenants behind in their rent.

Mr. Hee explained that the state law changed as of July 1, 2006 where we can take these people directly to court. Our eviction process was originally set up for public housing and because of the language, the law was extended to these projects. Further clarification was required and we are working with the Attorney General's office to get that finalized. Some tenants vary in their payments, some 18 months. When the eviction laws were changed, we needed to redo the administrative rules.

Director Ridings suggested that when someone is evicted and owes money, the agency should file a lien with the Department of Taxation in addition to the collection agency.

Chairman Thompson said that in summary, the agency should proceed with the necessary repairs and give a status report at the next Board meeting. Secondly, to proceed with exploring the potential sale of the units. Also, with a briefing as to what the cost benefits are, and to look at the issues regarding any funds received from the sale.

Mr. Hee said if we were to sell to a non profit and keep all the affordability requirements, the re-numeration back to the agency may not be the market value of the property because of these covenants that we put into it. The assets will probably be used by the purchaser to do the renovation.

Ms. Aveiro said that we should do what we can to get back that subsidy contract. Resolve that issue.

Chairman Thompson added that it would be easier to sell the project if the subsidy is in place.

APPROVE BOARD MEETING SCHEDULE FOR 2006

Chairman Thompson asked to discuss the Board meeting schedule for 2006.

Ms. Aveiro added that the Chairman requested the board meet more than just the Annual Board meeting so a quarterly schedule was made.

Chairman Thompson said that the September 21st meeting would be the appropriate time for a Wilikina meeting.

Ms. Averio said that the Board will go to Kona for the December meeting.

Director Sted moved, seconded by Director Ignacio

That the approval of the calendar for the remainder of 2006

with the change that the December meeting will be in Kona

The motion was unanimously carried.

ANNOUNCE-MENTS

There being no announcements, Chairman Thompson asked that the meeting be adjourned.

Director Ignacio had a question as to how the public can be on the agenda or make comments to items on the agenda.

Deputy Attorney General, Nalani Wilson-Ku explained that the agenda is published 6 days prior to a scheduled meeting. So members of the public who have an interest on a subject matter that is being discussed can attend, and provide their comments.

Ms. Aveiro said that the Chairman is good about recognizing the public to speak on an agenda item. If someone wants to be on the agenda, there is an actual Hawaii Revised Statute (HRS) that says to provide it in writing at least 20 days before the meeting and people can do that as well.

Director Ignacio said that it was helpful and thanked all.

ADJOURN-MENT

Director Ignacio moved, seconded by Director Smith

That the meeting be adjourned at 3:25 p.m.

The motion was unanimously carried.

LINDA SMITH
Secretary

Approved: JAN 18 2007