MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON FRIDAY, FEBRUARY 29, 2008,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their continued Special Meeting at 1002 N. School Street, on Friday, February 29, 2008 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:
Chairperson Travis Thompson
Director Eric Beaver
Director Rene Berthiaume
Director Sherrilee Dodson
Director Carol Ignacio
Director Clarissa Hosino
Director Linda Smith
Director Matilda Yoshioka

Executive Director, Chad Taniguchi
Deputy Attorney General, Diane K. Taira
Deputy Attorney General, Krislen Chun

EXCUSED:
Director Anne Marie Beck
Director Kaulana Park
Designee Henry Oliva

STAFF PRESENT:
Barbara Arashiro, Acting Contracts & Procurement Officer
Dexter Ching, Section 8 Subsidy Program Branch Chief
Derek Fujikami, Building Engineer V
Derek Kimura, Property Management and Maintenance Services Branch Chief
Chu Lee, Fiscal Officer I
Sandra Miyoshi, Homeless Programs Branch Administrator
Lili Funakoshi, Hearings Officer
Taryn Chikamori, Secretary to the Board

QUORUM

Chairperson Thompson declared a quorum present.

Chairperson Thompson stated Anne Marie Beck is resigning from the Board effective March 31, 2008.

APPROVAL OF MINUTES REGULAR MEETING 01/24/08

Director Smith moved, Director Berthiaume seconded,

> That the minutes of the Regular Meeting held on January 24, 2008 be approved as circulated.

The motion was unanimously carried.

Director Ignacio moved, Director Hosino seconded,

> That the Board change the order of the agenda to go directly to decision making.

The motion was unanimously carried.

Director Beaver moved, Director Yoshioka seconded,

The appointment of Mr. Robert G. Hill to the Maui Eviction Board for a Two-Year Term Effective March 1, 2008 through February 28, 2010.

APPOINTMENT OF MR. ROBERT G. HILL TO THE MAUI EVICTION BOARD FOR A TWO-YEAR TERM EFFECTIVE MARCH 1, 2008 THROUGH FEBRUARY 28, 2010

Lili Funakoshi, Hearings Officer, stated Mr. Hill use to be on the hearing eviction Board and is currently with the police department. He could not be renewed before because he moved to Lanai. He currently lives on Maui.

Director Dodson stated she personally knows him and he is a great person.

Director Smith asked when he previously served. Ms. Funakoshi stated in the late 1990s and early 2000s.

Director Berthiaume asked to be on the Maui eviction Board do you have to live on Maui or anywhere in Maui County. Ms. Funakoshi stated anywhere in Maui County but because of his job it would have been hard for Mr. Hill to commute back and forth.

Director Ignacio asked can Mr. Hill make hard decisions. Ms. Funakoshi stated yes.

Chairperson Thompson called for a vote.

The motion was unanimously carried.

Director Beaver moved, Director Yoshioka seconded,

The reappointment of Mr. Darren Gionson to the Oahu Eviction Board for a Two-Year Term Effective February 1, 2008 through January 31, 2010.

REAPPOINTMENT OF MR. DARREN GIONSON TO THE OAHU EVICTION BOARD FOR A TWO-YEAR TERM EFFECTIVE FEBRUARY 1, 2008 THROUGH JANUARY 31, 2010

Director Smith asked to attach resumes for reappointments.

Director Berthiaume asked what his back ground is? Ms. Funakoshi stated he is a resident and is currently attending college to get his masters. He is interested in being a drug abuse counselor.

Director Ignacio asked how HPHA gets people to be on the hearings board. Ms. Funakoshi stated the resident applicants must submit a letter of interest and resume to the property manager and must be in good standing with HPHA. Then the hearings office will review the applicant and submit a "For Action" to the Board.

Chairperson Thompson asked does HPHA have an excess pool of hearing Board members. Ms. Funakoshi stated Oahu has an excess pool. Oahu's hearing board meets every Tuesday and first and last Friday of every month. The neighbor islands meet every Thursday or when a location is available.

Director Smith asked if an eviction board applicant is hesitant because of retaliation please let the Board know. Ms. Funakoshi stated she will inform the Board and she discloses to eviction board applicants the possibility of resident retaliation against eviction board members.

Chairperson Thompson called for a vote.

The motion was unanimously carried.

Chairperson stated the first report that will be discussed will be the Finance/Audit/Asset Management Task Force.

TASK FORCE REPORT/

FINANCE/ AUDIT/ ASSET MANAGEMENT

HPHA has been assured that the audit would meet the U.S. Department of Urban Housing and Development (HUD) deadline of March 31, 2008. The audit will be critical of HPHA's financial management practices. The financial information required by the state has not been submitted. In the audit it states "the deficiencies subscribed in the company's scheduled findings and questions costs to be significant deficiencies in internal control of financial reporting" and there are 11 of them. The audit also states "a material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control" and there were three of them. There will need to be a response in case.

EXECUTIVE SESSION

Director Beaver moved, Director Ignacio seconded,

> To move into Executive Session pursuant to HRS 92-5 to consult to with the Board's attorneys on questions and issues pertaining to the Board's powers, duties and privileges, immunities and liabilities.
>
> The motion was unanimously carried. The Board met in Executive Session at 12:36 p.m.

The Board moved out of Executive Session at 12:40 p.m. Director Park left at this time.

Chairperson Thompson asked if it is possible to outsource the financial duties to Department of Accounting and General Services (DAGS)/Budget and Finance (B & F)/Hawaii Housing Finance and Development Corporation (HHFDC) or another public housing agency like St. Paul.

Mr. Taniguchi stated HUD was asked to help fund and find a consulting firm for HPHA's finance department for HPHA for 6-12 months.

Chairperson asked HPHA to bring a "For Action" to the Board at the next meeting to explore outsourcing HPHA's financial services.

Mr. Taniguchi stated that HPHA put out two Request For Proposals (RFP) with no response. HPHA is currently seeking a financial consultant sole sourcing. HUD is help paying and agreed on the scope of work. Director Smith asked for a copy of the scope of work.

Director Ignacio asked if information is going to the Legislature without the task force's review. Director Beaver stated yes, but in all fairness to Mr. Taniguchi the Legislature calls for a hearing with only two day's advance notice. Director Smith asked that the task force be consulted before any information is given to the Legislature. Mr. Taniguchi stated HPHA has been telling the Legislature that these are preliminary numbers.

HUMAN RESOURCES

Vice-Chairperson asked does the Human Resources task force have a report. Director Yoshioka stated none at this time.

TENANT/ TENANT RELATIONS

Chairperson Thompson asked if there is a report from the Tenant/Tenant Relations task force. Director Hosino stated none at this time because she did not share her report with the task force.

HOMELESS-NESS PUBLIC HOUSING OPERATIONS

Chairperson Thompson asked if there is a report from the Homelessness task force. Director Ignacio stated none at this time.
Chairperson Thompson asked if there is any report from the Public Housing Operations task force. Director Yoshioka stated the task force discussed the morale of staff. The task force recommended an employee recognition system, which is being implemented. The task force recommended HPHA staff create a tracking system for complaints.

Mr. Taniguchi stated staff has contacted the Governor's office because they have a great tracking system. The task force also recommended a time study by the staff members and supervisors involved in specific areas where workload is heavy. for employees. Chairperson Thompson recommended that staff talk to the unions regarding the time study.

Director Yoshioka asked if HPHA has a target date for the employee recognition. program. Mr. Taniguchi stated March.

REPORT OF THE THE EXECUT-IVE DIRECTOR VACANT UNITS

Mr. Taniguchi stated arrangements have been made with Junior Atisanoe's volunteers at Waianae but because the change in private management companies, new arrangements need to be made.

ELEVATORS

Mr. Taniguchi stated the design for the elevators at Kuhio Park Terrace (KPT) has been done and being bid out. Someone intentionally set fire to some items by the tower A elevators. The wires and circuits became wet and Kone cannot fix the elevators until the wires and circuits are replaced. Kone stated they cannot fix the elevators in tower B. HPHA may ask Thyssenkrupp Elevator to come in and fix them.

Chairperson Thompson asked isn't Thyssenkrupp Elevator the company HPHA had problems with.

EXECUTIVE SESSION

Director Smith moved, Director Yoshioka seconded,

> To move into Executive Session pursuant to HRS 92-5 to consult to with the Board's attorneys on questions and issues pertaining to the Board's powers, duties and privileges, immunities and liabilities.
>
> The motion was unanimously carried. The Board met in Executive Session at 1:29 p.m.

The Board moved out of Executive Session at 1:35 p.m.

Chairperson Thompson stated that HPHA should be careful when using Thyssenkrupp Elevator.

Chairperson Thompson stated that the elevator report only shows back history; he would like to see the most recent month so progress can be seen.

FILLING VACANT UNITS

Mr. Taniguchi stated the delinquencies had decreased but the report does not show history. This will be added to reports in the future.

Mr. Taniguchi stated the number of vacant units are currently higher now than in the past because many units are contracted out to be fixed. In the future there may be a higher number of vacant units due to a higher number of evictions.

Chairperson Thompson requested the number of evictions versus number of

tenants that vacated before being evicted.

Director Ignacio asked is the turn around time 137 days. Mr. Taniguchi stated yes and it will not be getting any better soon because of the C units being brought back on line.

Chairperson called a recess at 1:10 p.m. and reconvened at 1:12 p.m.

RECESS
RECONVENED

Mr. Taniguchi stated the lease up time has been getting faster, from 66 days per units in FY 2007 year to 38 days in the first six months of FY 2008. Director Dodson asked does HPHA have people ready to move into the units. Mr. Taniguchi stated the Asset Management Projects (AMPS) need to have pools of people ready to move in.

Derek Kimura, Property Management and Maintenance Services Branch Chief, stated the asset management concept will give the managers incentive to fill the units faster because if they don't fill their units then they do not get income for their expenses. Director Ignacio stated HPHA should not wait for asset management to start. The AMPS should be expected to start filling faster now.

Mr. Taniguchi stated Central Maintenance (CM) is responding to work order requests from the Oahu AMPS and Mr. Kimura is creating a schedule for one month's work at a time. Mr. Taniguchi stated for neighbor islands a portion of the $3 million vacant unit repair appropriation is used to do repairs.

Chairperson Thompson asked if by the end of June 2008 HPHA will have about 100 vacant units. Mr. Taniguchi stated HPHA will have 144 vacant units and what ever else becomes vacant from now until June 2008 that do not get turned around quickly.

Director Hosino asked as an example at Kalanihuia there is a vacant unit that has been rent ready from October 2007 and is still vacant, why is that? Mr. Taniguchi asked Mr. Kimura to check on the status of this unit.

Director Smith asked if people on the waiting list are no longer able to have three choices in where they want to live, why people are not getting in faster. Mr. Taniguchi stated he will check on this but he believes the placements are going faster.

Director Beaver asked when the Board can get information on lease up time. Mr. Taniguchi stated by Friday, March 7, 2008.

BUDGET

Mr. Taniguchi stated Governor Lingle and Director Smith submitted an emergency appropriation for $10 million. He stated the bill passed out of the House Finance committee but the Senate Ways and Means committee is asking for more documentation. The Senate Ways and Means is holding the bill until the House Finance bill crosses over. Mr. Wayne Chu, DAGS, has been asked to help get the information for the Senate Ways and Means committee.

Chairperson Thompson asked how funds that were not spent will affect HPHA. HPHA will be encumbering all the funds by end of the fiscal year.

ADJOURNMENT

There being no further items to be discussed,

Director Beaver moved, Director Hosino seconded,

That the meeting be adjourned at 2:14 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved