MINUTES OF THE SPECIAL MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, OCTOBER 6, 2008,
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 Monday, October 6, 2008 at 1:05 p.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 Carol Ignacio
Director Clarissa Hosino
Director Eric Beaver
Director Kaulana Park
Designee Henry Oliva
Director Matilda Yoshioka
Director Sam Aiona

Deputy Attorney General, Krislen Chun

EXCUSED:
Director Linda Smith
Director Rene Berthiaume
Director Sherrilee Dodson
Chad Taniguchi, Executive Director

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Gary Marushige, Chief Financial Management Advisor
Sandra Miyoshi, Homeless Program Branch Administrator
Stephanie Fo, Acting Property Management and Maintenance Services Branch Chief
Taryn Chikamori, Secretary to the Board

OTHERS:
Diane Taira, Deputy Attorney General
Russ Saito, Department of Accounting and General Services, State Comptroller
Tim Garry, private resident

QUORUM

Chairperson Thompson declared a quorum present.

There was no approval of minutes.

Chairperson Thompson introduced the new Chief Financial Management Advisor, Gary Marushige.

There was no public testimony.

APPROVAL TO ENTER INTO LEASE AGREEMENT WITH DEPARTMENT OF HAWAIIAN HOME LANDS

Director Beaver moved, Director Ignacio seconded,

> To Approve to Enter into Lease Agreement with Department of Hawaiian Home Lands for Six Acres of Land in Ma`ili for Use as Homeless Transitional Shelter for Families, with Ancillary Services, including a Preschool.

FOR SIX ACRES OF LAND IN MA`ILI FOR USE AS HOMELESS TRANISTIONAL SHELTER FOR FAMILIES, WITH ANCILLARY SERVICES, INCLUDING A PRESCHOOL

Chairperson Thompson stated the information is same as what was already covered with the exception of the lease. Barbara Arashiro, Executive Assistant, also clarified that the current "For Action" indicated that the HPHA's Board would enter into the lease, rather than the Executive Director.

Director Beaver asked what the parcel is zoned as. Director Park stated the zoning is agriculture two.

Director Beaver asked how an "economic unit" is defined in the lease. Diane Taira, Deputy Attorney General, stated that an economic unit is defined as something that is contiguous, that may or may not generate income.

Chairperson Thompson stated that the language regarding withdrawals is not clear and asked whether it was possible to change the language. Ms. Taira stated this is language commonly found in Department of Hawaiian Home Land (DHHL) leases because by the law the DHHL needs the ability to withdraw land to provide homesteads.

Director Beaver stated that paragraph 3 included that the HPHA is entitled to compensation if the DHHL withdraws land, in an amount equal to the proportionate value of the leases' improvement and asked if someone can give an example. Ms. Taira stated there is a formula, used to calculate the value of the improvements, but she does not know the exact formula at this time.

Director Beaver stated this is a ten year lease and there is an option for an extension. He questioned whether the end of ten years the State would have spent $11.5 million and the DHHL will get the property and all the structures. Russ Saito, State Comptroller Department of Accounting and General Services (DAGS), confirmed that the property and structures would be turned over to the DHHL but no the HPHA funds was used.

Chairperson Thompson asked if the funds are available for the service contract. Mr. Saito responded that funds are available and that the HPHA is very close to contracting a service provider.

Director Beaver asked because of the slowing economy whether the funds are still going to be available. Mr. Saito confirmed funds were available from this year's money.

Chairperson Thompson quoted the By-Laws that has been established by the Legislature as stating "it is a public purpose to help the unsheltered homeless population with those who have a night time primary residence that is a public or private place not ordinarily used as a regular sleeping accommodation" and the Legislature has mandated "that the authority shall perform the function of developing and maintaining public housing and ensuring that more homeless persons and families are being served and transitioned in to permanent housing."

Director Beaver asked what the budget is for the service provider. Sandra Miyoshi, Homeless Program Branch Administrator, stated the budget is $820,000 a year.

Director Aiona asked for a status on the conveyance of title. Mr. Saito was hopeful that the Federal government would complete the transfer by the end of the month.

Director Yoshioka asked what happens if the budget gets cut in future years. Ms. Miyoshi stated that previous budget cuts were equally split by all service providers.

Director Hosino asked what happens if the developer finds prehistoric and historic remains. Mr. Saito stated that the survey has already been completed and no remains have been found.

Director Beaver asked was the HPHA involved in the development of the property. Director Park stated that Ms. Miyoshi has been part of the entire process from the beginning.

Director Beaver asked who is responsible for the maintenance of the building. Mr. Saito stated that maintenance is a condition in the contract with the service provider.

Director Beaver asked will the service provider contract reflect items from the lease. Mr. Saito responded that the contract is currently being written with appropriate lease provisions.

Director Yoshioka stated she is concerned that the DHHL will be getting $11.5 million worth of construction for free at the end of ten years.

Director Ignacio stated she wished the HPHA had: 1) the option to extend was on the lease; and 2) the "For Action" and lease was brought earlier to the Board.

Chairperson Thompson called for a vote.

The motion was carried.

Aye:	Chairperson Travis Thompson Director Eric Beaver Director Carol Ignacio Designee Henry Oliva Director Matilda Yoshioka Director Hosino Director Aiona
Abstained:	Director Kaulana Park

REPORT ON SALE OF HPHA OWNED PROPERTY LOCATED IN HANA, MAUI

Chairperson Thompson stated that the Board discusses the "For Information" Report on Sale of the HPHA Owned Property Located in Hana, Maui.

Barbara Arashiro, Executive Assistant, stated an Invitation for Bid (IFB) will be going out on October 15, 2008 and a Real Estate Broker Contract's tentative start date is December 15, 2008.

Chairperson Thompson stated the sooner the broker can start the better. Director Ignacio asked if the broker could start on November 15, 2008 instead. Ms. Arashiro stated she will follow-up on the timeline.

OUTLOOK 2009

Chairperson Thompson stated he would like the Outlook for 2009 moved to next Board meeting.

ADJOURNMENT

There being no further items to be discussed,

Director Aiona moved, Designee Oliva seconded,

That the meeting be adjourned at 1:45 p.m.

MATILDA YOSHIOKA
Secretary

Approved