MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, OCTOBER 16, 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 Thursday, October 16, 2008 at 9:06 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 Carol Ignacio
Director Clarissa Hosino
Designee Henry Oliva
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona
Director Sherrilee Dodson

Executive Director, Chad Taniguchi
Deputy Attorney General, Krislen Chun

EXCUSED:
Director Eric Beaver

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Arsenio Benigno, General Laborer
Billy Ayers, Research Counseling Assistant
Cindy Yamachika, Office Assistant
Eddie Salamat, General Construction & Maintenance Supervisor
Emma Delon, Office Assistant
Eric Johnston, Building Maintenance Worker
Gary Ito, Purchasing Technician
Gary Nakatsu, Data Processing System Analyst
Larry Hinojosa, Carpenter
Larry Lastimosa, Building Maintenance Worker
Leslie Higa, Inspector
Leslie Koyanagi, Public Housing Specialist
Lois Gongob, Secretary
Mai Garcia, Accountant
Marcel Audant, Acting Construction Management Chief
Sandra Miyoshi, Homeless Program Administrator
Marie Onato, Public Housing Specialist
Mary Jane Hall Ramiro, Public Housing Supervisor
Michael Hee, Contracts Administration Section Chief
Milton Kekiwi, Building Maintenance Worker
Norhana Schumacher, Public Housing Supervisor
Olivia Taum, Office Assistant
Patricia Wong Leong, Office Assistant
Patti Miyamoto, Chief Compliance Officer
Paulette Cadiente, Office Assistant
Priscilla Sula, Office Assistant
Richard Speer, Acting Development Supervisor Section Chief
Rick Sogawa, Acting Contracts & Procurement Officer

Robert Muramoto, Painter
Ross Murakami, General Laborer
Sanford Tomai, Office Assistant
Shirley Kawakami, Secretary
Shirley Tangataevaha, Office Assistant
Stephanie Fo, Acting Property Management and Maintenance Service Brach Chief
Taryn Chikamori, Secretary to the Board

OTHERS:

Awleen Paul, Mayor Wright Homes resident
Bob Nakada, Faith Action for Community Equity (FACE)
Cat Wong, Oahu Housing Network of Oahu (ONO)
Desiree Kihano, Palolo Valley Homes resident
Fetu Kolio, Mayor Wright Homes resident
Fialoa Muliaga, Mayor Wright Homes resident
Gang Tujiwa, Prevent Officer
Jan Ii, Palolo Valley Homes Resident
Jun Yang, Faith Action for Community Equity (FACE)
Kim Langley, Senator Donna Mercado Kim's Office
Nite Kristoph, Palama Settlement
Pauuni Escue, Palama Settlement
Rob Wilkes, MD Strum
Tim Garry, private resident

Chairperson Thompson declared a quorum present. QUORUM

Chairperson Thompson introduced the Board of Directors

Director Dodson moved, Director Hosino seconded, APPROVAL OF MINUTES REGULAR MEETING 09/18/08

That the minutes of the Regular Meeting held on September 18, 2008 be approved as circulated.

Director Smith asked that on page 272 the sentence that states "Director Smith asked that legal check to ensure that the HPHA is allowed to change make the changes under the law." be changed to "Director Smith asked that there be a legal check to ensure that the HPHA be allowed to make the changes under the law."

The motion was unanimously carried as amended.

Director Ignacio moved, Director Hosino seconded, APPROVAL OF MINUTES SPECIAL MEETING 10/06/08

That the minutes of the Special Meeting held on October 6, 2008 be approved as circulated.

The motion was unanimously carried as amended.

Chad Taniguchi acknowledged employees that have been with the State of Hawaii for 10, 20, and 30 years. SERVICE AWARDS

The employees that have been with the State of Hawaii for ten years are: Robert Muromoto, Arsenio Benigno, Larry Hinojosa, Gary Nakatsu, Norhana Schumacher, Paulette Cadiente, and Joanna Chaves.

The employees that have been with the State of Hawaii for twenty years are: Milton Kekiwi, Eric Johnston, Ross Murakami, Mary Jane Hall Ramiro, Mai Garcia, Richard Speer, Leslie Higa, Leslie Suekuni, Mark Redman, Davis

Matsushima, Clarence Akui, Linda Okamoto, and Louise Low.
The employees that have been with the State of Hawaii for thirty years are: Leonardo Inso and Larry Lastimosa.

The employees that were nominated for the Sustained Superior Award are: Carrington Lutrell, Rebeca Pascual, and June Tong.

Director Berthiaume arrived at 9:18 am

Chairperson Thompson called a recess at 9:22 a.m. and reconvened at 9:38 a.m.

RECESS
RECONVENED

PUBLIC TESTIMONY

Fetu Kolio, Mayor Wright Homes resident, stated the Legislature has given Hawaii Public Housing Authority (HPHA) funds for the past two fiscal years and it has not helped resolve the security issues. Police come to the property for drinking but there has not been one trespass citation issued. The security guards are visible, but they turn a blind eye. The security company needs to be held accountable.

Awleen Paul, Mayor Wright Homes resident, stated she is afraid to let her children play outside. When there are fights, the security guards watch and inform the residents that they need to call the police.

Fialoa Muliaga, Mayor Wright Homes resident stated she is also afraid to allow her children to play outside because teenagers are drinking outside. Her daughter was by the window and witnessed one of the teenagers urinating by her door. When the teenagers knock on her window she calls the security guards, but they take about 20-30 minutes to arrive or do not respond at all.

Bob Nakata, Faith Action for Community Equity (FACE), stated that mixed use development is a great way to go. The security problems that are present in the HPHA projects are almost nonexistent at Kukui Gardens, which is a mixed use project.

Tim Garry, private resident, stated that the HPHA should sell Puahala Homes and have it redeveloped as a private community. The HPHA should also take design bids from the public.

Jun Yang, Faith Action for Community Equity (FACE), stated he helps bring community together. Mr. Yang stated that if the HPHA decides to go into mixed use development the residents would like one for one replacement. The residents would also would like the first right of refusal. The residents stated they do not want to lose any public housing units.

Desiree Kihano, Palolo Valley Homes resident, stated it has been one year since the State took over managing Palolo Valley Homes. Back in November 2007, there were only a few lights that did not work; currently there are over 20 lights that do not work. Residents were told that the office would be open 40 hours per week, but there is a sign at the office stating that every Friday in October the office will be closed, an entire week in November and every Friday in December.

Drew Astolfi, Director of FACE, stated he worked with Governor Linda Lingle in getting the funds to repair Kalihi Valley Homes. There were some problems with the repairs and hiring a Developer to help with the mixed use development is the way to go.

Cat Wong, Ohana Network of Oahu (ONO), stated she lives in a mixed use development community and it works well. Residents pay from $600 to $1000.

Van Luong, Legislative Assistant for Senator Daniel Inouye, stated she helped get

the fiscal technical assistance for HPHA. Senator Inouye has requested $400,000 for HPHA for fiscal year 2009.

Chairperson Thompson asked Ms. Luong to express the Board's appreciation to Senator Inouye.

Director Yoshioka asked where the $400,000 will be spent. Ms. Luong stated the appropriation has been drafted for Lanikila Homes in Hilo and Kalihi Valley Homes for rehabilitation but HPHA would be able to use the funds for any project that need rehabilitation.

RECESS RECONVENED

Chairperson Thompson called a recess at 10:25 a.m. and reconvened at 10:30 a.m.

APPROVE THE SALE OF VACANT PARCEL, TMK 1-3-9:009-000, LOCATED AT 2890 HANA HIGHWAY IN HANA, MAUI.

Director Dodson moved, Director Smith seconded,

> To Approve the Sale of Vacant Parcel, TMK 1-3-9:009-000, located at 2890 Hana Highway in Hana, Maui.

Michael Hee, Contracts Administration Section Chief, stated that HPHA acquired 6.8 acres of land in November 1991 with the intent to develop a public housing project. After the land was acquired the community did not support the idea so HPHA decided not to develop the land.

Director Berthiaume asked where the profit from the sale would go. Mr. Hee stated to HPHA.

Director Ignacio asked how long it would take to sale the property. Mr. Hee stated that the Request for Proposal for a broker is ready and HPHA should have a broker in November. Mr. Hee stated a broker in the Hana area informed him that a property of this size and in this area can take about 6 months to one year to sell.

Director Park asked who did HPHA acquire the property from and what is the zoning. Mr. Hee stated HPHA acquired the property from SEB Hana Incorporated and the zoning is agriculture.

Director Park asked whether an appraisal was completed for the Hana parcel. Mr. Hee stated no, but indication is showing that the estimated market value is $600,000.

Chairperson Thompson asked how the real estate broker would be chosen. Mr. Hee stated the broker would be chosen by the lowest bid.

Director Smith asked does Maui have it on the tax rolls and does HPHA have the value. Mr. Hee stated he currently does not have this information.

The motion was unanimously carried.

APPROVE TO ADOPT AMENDMENTS TO THE ADMISSIONS AND CONTINUED OCCUPANCY POLICY TO CLARIFY

Director Yoshioka moved, Designee Oliva seconded,

> To Approve to Adopt Amendments to the Admissions and Continued Occupancy Policy to Clarify that Split-Family Transfers Shall not be Allowed.

Stephanie Fo, Acting Property Management and Maintenance Service Branch Chief, stated the Admissions and Continued Occupancy Policy (ACOP) issued by the U.S. Department of Housing and Urban Development (HUD) identifies split-

family transfers and incentive transfers as resident optional transfers. Making the change in the ACOP would prevent families from by-passing the wait list. In the past, the HPHA did not allow split-family transfers.

THAT SPLIT-FAMILY TRANSFERS SHALL NOT BE ALLOWED

Director Hosino asked in the case of divorce who gets the unit. Patti Miyamoto, Chief Compliance Officer stated that the unit would be settled in the divorce.

The motion was unanimously carried.

Director Dodson moved, Director Ignacio seconded,

To Approve to Authorize the Executive Director to Hire a Consultant to Assist HPHA with Conducting a Preliminary Feasibility Analysis for Mixed Income Redevelopment and to Help Design a Developer Request for Proposals or Request for Qualifications.

APPROVE TO AUTHORIZE THE EXECUTIVE DIRECTOR TO HIRE A CONSULTANT TO ASSIST HPHA WITH CONDUCTING A PRELIMINARY FEASIBILITY ANALYSIS FOR MIXED INCOME REDEVELOPMENT AND TO HELP DESIGN A DEVELOPER REQUEST FOR PROPOSALS OR REQUEST FOR QUALIFICATIONS.

Chairperson Thompson stated that the Deputy Attorney General's opinion is that HPHA has the option to proceed in this direction.

Director Aiona asked how the Board's wishes can be addressed to the consultant. Mr. Taniguchi stated the consultant would recommend which project would be best suited for mixed income development, to be approved by the Board. Then, the HPHA would develop a request for proposal (RFP) and the RFP, would state all the requirements.

Director Smith asked if the specifications in the RFP will require that consultant have an understanding how to develop commercial properties, industrial properties, and mixed use properties. Director Berthiaume stated the task force did not specifically discuss these issues.

Director Smith asked if there have been funds set aside for the consultant. Mr. Taniguchi stated there is a budgeted amount of $300,000 for all consultant services for the year.

Director Smith asked how much of the $300,000 has been spent. Mr. Taniguchi responded about $25,000.

Director Aiona moved, Director Ignacio seconded,

EXECUTIVE SESSION

To go into Executive Session at 11:07 a.m. pursuant to sections 92-4, 92-5(a)(2), and 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's Attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to mixed income development.

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:45 a.m.

RECONVENED

Director Dodson moved, Director Ignacio seconded,

To amend the motion to that the HPHA Board of Directors Authorized the Executive Director to Issue an RFP to Hire an Consultant to Assist HPHA in Reviewing and Updating a Preliminary Feasibility Analysis for Mixed Income Redevelopment and to Help design a Developer Request for Proposals or Request for Qualifications.

The motion was unanimously carried.

The motion as amended was unanimously carried.

RECESS RECONVENED

Chairperson Thompson called a recess at 11:50 a.m. and reconvened at 12:00 p.m.

Chairperson Thompson asked Director Park to join the mixed income use task force. Director Park accepted.

FINANCIAL TASK FORCE REPORT

Chairperson Thompson stated that HUD's Real Estate Assessment Center (REAC) completed an assessment of the HPHA's fiscal performance for the last five years. Chairperson Thompson stated that problem with the assessment is that in the middle of the five years the Housing and Community Hawaii Community Development Corporation of Hawaii (HCDCH) spilt into two agencies.

Mr. Taniguchi introduced Gary Marushige, Chief Financial Management Advisor (CFMA).

Mr. Marushige stated his background is in hospitality sector. He was with Sheraton Hotels for 30 years, and there was a five year break where he worked as a corporate controller at Pacific Beach Hotel. He also was a corporate controller for 6 years on Japan properties that Sheraton owned.

HUMAN RESOURCES TASK FORCE REPORT

Chairperson Thompson stated the Chairperson received a letter of resignation from Patti Miyamoto and her last day is October 29, 2008.

Ms. Miyamoto thanked the Board of Directors.

TENANT/ TENANT RELATIONS/ OPERATIONS TASK FORCE REPORT

Director Hosino stated that after the Asset Management Project resident community meetings there are concerns about retaliation. The meeting is to voice concerns and not personal attacks on people.

Director Hosino stated she is concerned about short payment plans for residents that are delinquent. Many residents need to get a second job to pay and this in turn also increases the overall rent the resident needs to pay.

Director Hosino stated that the residents from HHA Wilikina Apartments (Wilikina) were told that the HPHA will not be communicating with them any more. There should be another meeting scheduled with the Wilikina residents.

Director Ignacio asked: 1) who is ensuring that private and State staff are doing their jobs; 2) what are the consequences if they are not; and 3) who is responsible to follow-up?

Director Ignacio stated that compliant forms are not fully filled out. She would like to see the action taken and where can she find the information.

Ms. Fo stated that Director Ignacio has the form before management took action and that because of confidentiality they do not give the action taken back to the complainant.

Director Ignacio stated that the HPHA needs to respond to the complainant without breaking confidentiality because otherwise the complainant does not know that any action was taken.

Barbara Arashiro, Executive Assistant, stated the owning branch is responsible for administration of the contracts. If the branch wants to terminate a contract,

each branch would contact the Procurement Office.

Director Ignacio stated that someone needs to ensure that the office at Palolo Valley Homes is open 40 hours a week.

Director Smith asked that during the November 2008 Board meeting there be discussion on the pros versus the cons of running Palolo Valley Homes with state employer.

Director Ignacio asked that the Board be provided with the performance evaluations that are done annually on each of the contractors.

Director Dodson said that all the Lahaina grievances are not being heard because they do not have a grievance officer and asked why someone from Oahu can't go to Maui to hear the grievance. Director Dodson also stated the other option is using Mediation Services which she believes is free.

Director Yoshioka stated that she was disappointed at the turn out at the Kauai AMP resident meeting. It should be the Manager's responsibility to get residents out.

Director Yoshioka stated that many of Kauai's complaints were about the manager, but found out that many of these complaints were from residents being evicted, so it turns out that the managers were doing their job.

Director Ignacio stated that the attendance was okay. Unlike Kauai, many of the residents in Hilo had legitimate concerns. Director Ignacio also stated that she told residents that the HPHA will write all the questions comments and concerns with responses within ten working days. She has still not received the written information. There was a follow-up meeting, but it was chaotic because the HPHA went down the list but no one was provided a copy. Director Ignacio stated that if the HPHA is not going to follow-up with responses to the residents, then the HPHA should not have the meetings.

Director Dodson stated that there were two meetings on Maui. At the first meeting, over 100 people attended, but on the recent meetings there was limited participation. There was too much time that the HPHA took talking and not enough time for the residents to talk. There was a written response to past issues, but the HPHA should have passed that out earlier and allowed the residents to discuss the responses.

Director Dodson stated that Wailuku did not have participation. The residents that were there had great things to say about management and staff.

Chairperson Thompson stated that at the Wailuku meeting the facilitator became too involved in the discussion at the Wailuku meeting.

Director Ignacio and Director Dodson stated that they will help find a facilitator on their islands.

Director Ignacio stated she learned a lot from the meetings. For example, residents are not allowed to change their own light bulbs.

Director Ignacio stated that she asked Michael Hee, Contracts Administration Section Chief, to find out who was the plumbing contractor on Lanakila projects because from day one the toilets were being held by paper clips. The HPHA approved the work and paid the contractor before ensuring the work was done properly.

EXECUTIVE DIRECTOR'S REPORT/FISCAL

Rob Wilkes, MD Strum stated that the HPHA is still in a deficit in line with the $4.2 million deficit projected. The federal public housing deficit may be reduced depending on the HUD subsidy. The State family and elderly public housing

programs are still in deficit.

MANAGEMENT OFFICE

Mr. Wilkes stated that in the governmental funds some items are accrual and some items are cash. In the federal low rent all are accrual basis.

Chairperson Thompson stated that the HPHA needs to have a simple way to explain to the State Legislature why the REAC draft report is showing the State projects are running a positive, but the HPHA is reporting that the State projects are in the negative.

Chairperson Thompson asked why one page of the handout shows $7.2 million deficit, but on another page it shows a $4.2 million deficit. Mr. Wilkes stated the $4.2 is what the Board approved and the other is what was reported/inputted on Emphasys. After the Emphasys information is fixed, it will show the $4.2 million deficit.

Director Smith asked if at the next meeting will the HPHA look at the ways the $4.2 million can be addressed. Mr. Marushige stated he is analyzing steps to help cut into the deficit.

FY 2009 BUDGET

Mr. Taniguchi stated that Mr. Hee will be discussing what the HPHA is submitting to Department of Human Services (DHS) for the FY 2009 budget.

Mr. Hee sated that the HPHA is asking for a ceiling increase on the federal public housing projects. The HPHA is also requesting that the $2 million vacant unit fund be converted to a subsidy for the public housing projects. The HPHA is also asking for an increase in the Repair and Maintenance (R & M) fund because R & M is now running the HPHA about $3.5 million annually. The HPHA also asked to change some administrative positions from federal funds to state funds because the federal government is tracking how much time is being spent on federal projects vs. state projects. The HPHA has not submitted the request for state Capital Improvement Program (CIP) funds as of yet.

Director Yoshioka asked if the HPHA will attempt to get a rent increase for the State projects. Mr. Hee stated the HPHA is working on formula for the rent increase.

Director Aiona asked how the HPHA is dealing with the 20% cuts. Mr. Hee stated he needs to look at Homeless Programs. The general fund cuts would be the rent supplement program, security, repair and maintenance. The rent supplement program now supports about 400 families and with the 20% cut the HPHA would be able to service about 270. If the security gets cut, then it may not be worth having security.

Director Ignacio stated that repair and maintenance, and security are the HPHA's problem areas and these are the funds that the HPHA wants to cut. Is it possible to cut more from the rent supplement and leave the R & M and security funds alone?

Director Smith stated that the HPHA can abolish programs, abolish positions or spread it across on various programs.

Director Smith asked how many positions are general funded. Mr. Hee stated the Homeless Programs are general funds and HMS 220 has one general funded position.

HOMELESS PROGRAMS

Mr. Taniguchi stated that the lease for Villages of Maili has not been signed yet because the HPHA is waiting for the land to be turned over to Department of Hawaiian Home Lands (DHHL).

Ms. Arashiro stated that the current admission policy includes that if there are additions to the rental agreement the new family member would need to go through the full screening process. The HPHA wants to know with that being said does the Board feel that more language needs to be added. The only problem that might come up is the background check is for only three years and the Violence Against Women Act covers the victim for more than three years.

ADMINISTRATIVE POLICY IMPLEMENTING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

Director Aiona stated he thinks the wording is fine but it goes back to who is going to enforce the rules. The HPHA can make all the rules, but if no one enforces it then it means nothing.

Mr. Taniguchi stated that the HPHA will bring an amendment for VAWA to a future meeting.

Director Aiona moved, Director Ignacio seconded,

EXECUTIVE SESSION

> To go into Executive Session at 1:50 p.m. pursuant to sections 92-4, 92-5(a)(2), and 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's Attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Contracts and Procurement.

The motion was unanimously carried.

The Board reconvened from Executive Session at 2:08 p.m.

RECONVENED

Director Ignacio asked why residents are not being evicted for non-payment of rent. Mr. Taniguchi stated that the HPHA is evicting residents for non-payment of rent. On Maui on March there were more then 62 people who owed $180,000 and now eight months later there are 17 residents who owe $90,000. Not all of them have been evicted, some may have been leaving because of the "once evicted, no return" policy.

HEARING OFFICE

Mr. Taniguchi stated the consultant is not ready to present the information on the Sale of Banyan Street Manor.

UPDATE ON THE SALE OF BANYAN STREET MANOR

Director Smith stated that because the HPHA has gone through the process already, the HPHA should use the old RFP and make the necessary changes.

Director Smith asked what transaction strategy means. Mr. Hee stated that it means evaluation of the property.

Mr. Hee stated the information was sent this morning to the HPHA, but the HPHA did not get a chance to review the information.

Mr. Hee stated he believes the Board should see the RFP. Chairperson Thompson asked how different it is to the Wilikina RFP. Mr. Hee stated they are very similar. Chairperson Thompson stated go ahead and put the RFP out.

Mr. Taniguchi stated the HPHA will give the Finance Task Force the RFP for information.
Chairperson Thompson stated that some of the items the Board will be looking at as performance measures for the Executive Director will be how Mr. Taniguchi is doing in: 1) Number of vacant units; 2) turn around time; 3) occupancy rates; 4) accounts receivable and collections; 4) homelessness; 5) evictions; 6) management oversight; and 7) security oversight.

Chairperson Thompson requested input on the performance measures to be used

PERFORMANCE

to evaluate the Executive Director and the Executive Assistant. Chairperson Thompson and Mr. Taniguchi will work on the list together.

MEASURES FOR AGENCY AND THE EXECUTIVE DIRECTOR

Chairperson Thompson asked if any Board members have any more items they would like to add to the agency outlook for 2009.

OUTLOOK FOR 2009

Director Ignacio stated that she would like to see evaluations on what actions are taken after people come to the Board meeting and testify.

Mr. Taniguchi stated that on the issue of Mr. Nakamura, both parties were referred for eviction, both parties grieved, and the grievance officer found that both parties should not be evicted. Then the party that Mr. Nakamura was having trouble with threw a computer through a window at the project and is now being referred for eviction.

Chairperson Thompson asked what is happening to the person with the burned unit on Maui. Mr. Taniguchi stated that Ione Godsey, Public Housing Supervisor is working on evicting the tenant.

Director Smith asked that in a future meeting can the Board discuss more of the Agency Outlook 2009.

Director Smith left at 2:45 p.m.

There being no further items to be discussed,

ADJOURNMENT

Director Aiona moved, Director Hosino seconded,

That the meeting be adjourned at 3:07 p.m.

MATILDA YOSHIOKA
Secretary

Approved