MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, JULY 16, 2009,
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, July 16, 2009 at 9:06 a.m.

The meeting was called to order by Chairperson Travis Thompson and, on roll call, those present and absent were as follows: ORDER/ ROLL CALL

PRESENT:
Chairperson Travis Thompson
Director Carol Ignacio
Director Clarissa Hosino
Director Rene Berthiaume
Director Linda Smith
Director Sam Aiona
Director Sherrilee Dodson
Designee Henry Oliva

Chad Taniguchi, Executive Director
Krislen Chun, Deputy Attorney General
John Cregor, Deputy Attorney General

EXCUSED:
Director Kaulana Park
Director Eric Beaver
Director Matilda Yoshioka

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Michael Hee, Private Management Contracts Section Chief
Sandra Miyoshi, Homeless Programs Administrator
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Property Management and Maintenance Services Branch Chief
Rick Sogawa, Acting Contracts and Procurement Officer
Vanessa Lau, Acting Chief Financial Management Advisor
Alan Sarhan, Planner
Taryn Chikamori, Secretary to the Board

OTHERS:
Alan Mark, Faith Action for Community Equity (FACE)
Dirk Aulabayl, Alvarez & Marsal
Elwin Spray, Representative Karen Awana's office
Fetu Kolio, Mayor Wright Homes resident
Jesse Ponce De Leon, Kalakaua Homes resident
June Talia, Kuhio Park Terrace resident
Laren Endo, private resident
Nancy Young, Faith Action for Community Equity (FACE)
Roy Nakamura, Kalakaua Homes resident
Tim Garry, private resident
Tricia Oftana, Office of the Auditor

Chairperson Thompson declared a quorum present. QUORUM

Director Dodson moved, Director Hosino seconded, APPROVAL OF MINUTES REGULAR

That the minutes of the Regular Meeting held on

June 18, 2009 be approved as circulated.

MEETING 06/18/09

Director Berthiaume stated he did not arrive at 9:50 a.m. and would like it removed from the minutes.

The motion was unanimously approved as amended.

Director Dodson moved, Director Hosino seconded,

APPROVAL OF MINUTES SPECIAL MEETING 07/08/09

That the minutes of the Special Meeting held on July 8, 2009 be approved as circulated.

The motion was unanimously approved.

PUBLIC TESTIMONY

Fetu Kolio, Mayor Wright Homes (MWH) resident, stated on July 4, 2009 that some tenant association Board members were playing fireworks on the Hawaii Public Housing Authority (HPHA) property. Mr. Kolio asked whether the manager can approve firework usage on HPHA property.

Jesse Ponce De Leon, Kalakaua Homes resident, stated that Chad Taniguchi, Executive Director, recruited support for his reappointment. Kalakaua Homes residents were not asked to support Mr. Taniguchi. Mr. Ponce De Leon stated he was threatened by another testifier at the last meeting and the Board did not do anything to stop this violence.

Roy Nakamura, Kalakaua Homes resident, stated there has been nothing but violence at Kalakaua Homes. He stated there is a Korean Asian battle and someone got hit on the head with a golf club. Mr. Taniguchi does not do anything for Kalakaua Homes. Mr. Nakamura wants Kalakaua Homes residents polled to see how many residents are afraid to live in their homes.

Nancy Young, Faith Action for Community Equity (FACE), stated she supports Mr. Taniguchi. Mr. Taniguchi has held resident community meetings to listen to residents' concerns.

June Talia, Kuhio Park Terrace (KPT) resident, stated she supports Mr. Taniguchi. She wants to restate that the KPT residents want the units to be redeveloped on a one for one basis. She also apologized for offending anyone at the last meeting.

Alan Mark, FACE, stated he supports Mr. Taniguchi. He stated FACE has worked with many Executive Directors, and not one Director has ever held resident community meetings. Mr. Mark stated that Mr. Taniguchi has had remarkable success, boosted staff morale, and has gained the confidence of the residents of public housing.

Tim Garry, private resident, stated he believes Mr. Taniguchi is doing a good job. Mr. Garry stated he would like to see more privatization. He feels some Board members are not committed to this Board.

Director Aiona moved, Director Dodson seconded,

TO APPROVE THE HAWAII PUBLIC HOUSING AUTHORITY'S GOALS AND OBJECTIVES FOR FY 2009-2010

To Approve the Hawaii Public Housing Authority's Goals and Objectives for FY 2009-2010.

Chad Taniguchi, Executive Director, stated there are six main goals: 1) Public Housing; 2) Section 8 Housing Choice Voucher Program; 3) Homeless Services; 4) Housing Modernization and Development; 5) Fiscal Management; and 6) Administrative and Operational Effectiveness. He stated the goals and objectives were taken from the budget and the Pubic Housing Authority (PHA) Plan. Director Smith stated she is uncomfortable making a decision on something that was

just handed out. She also stated Hawaii Housing Finance and Development Corporation (HHFDC) holds a strategic planning meeting with the Board, key staff, facilitator, and people from the community which includes specific measures for one year, three years, and five years.

Chairperson Thompson created a Goals and Objective task force which included Director Berthiaume, Director Hosino, and Director Smith.

The motion was deferred until the August 20, 2009 Board meeting.

Chairperson Thompson called a recess at 9:42 a.m. and reconvened at 9:50 a.m.

RECESS/ RECONVENED

Director Hosino moved, Director Dodson seconded,

To Approve the Reappointment of Ms. Radiant Chase to the Oahu Eviction Board; Mr. James DeMello and Ms. Eleanor Garcia to the Hilo Eviction Board; and Mr. Ross Oue to the Kona Eviction Board for a Two-Year Term Expiring on July 31, 2011.

TO APPROVE THE RE APPOINT-MENT OF MS. RADIANT CHASE TO THE OAHU EVIC-TION BOARD; MR. JAMES DEMELLO AND MS. ELEANOR GARCIA TO THE HILO EVICTION BOARD; AND MR. ROSS OUE TO THE KONA EVICTION BOARD FOR A TWO-YEAR TERM EXPIR-ING ON JULY 31, 2011

Director Aiona stated he does not know who these people are and feels they make serious decisions. He wants to be assured that these people are qualified and dedicated to make these decisions.

Designee Oliva stated there needs to be a mechanism to evaluate the Eviction Board members.

The motion was unanimously carried.

Director Dodson moved, Designee Oliva seconded,

To Approve the Selection of Makua Alii and Paoakalani Federal Elderly Housing Project(s) for Elderly Only Designation, Subject to the Approval of the U.S. Department of Housing and Urban Development.

TO APPROVE THE SELEC-TION OF MAKUA ALII AND PAOAKALANI FEDERAL ELDERLY HOUSING PROJECT(S) FOR ELDERLY ONLY DES-IGNATION, SUBJECT TO THE AP-PROVAL OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Alan Sarhan, Planner, stated the HPHA had students from the University of Hawaii's (UH) Urban Planning class collect data on its elderly projects. The students were tasked with collecting data from residents and were instructed to review four projects: Makua Alii, Kalanihuia, Paoakalani, and Makamae and narrow it down to two.

Mr. Sarhan stated the students recommended Makua Alii and Paoakalani because these projects: 1) have options for the non-elderly to move without changing neighborhoods; 2) have call buttons in the bathrooms; 3) security systems; and 4) almost all units are studios or one-bedroom units. The non-elderly will not be forced to move, it will be done through attrition and voluntarily with incentives.

Director Berthiaume asked if the students received any feedback if the non-elderly would want to move. Stephanie Fo, Property Management and Maintenance Services Branch Chief, stated the students mainly interviewed the elderly tenants.

Chairperson Thompson asked if a plan has been developed. Mr. Sarhan responded

that the first step is to choose the projects.

Director Hosino stated the problem with these two projects is that they are on the same property. It will be hard to compare the data at the end of the pilot program.

Mr. Sarhan stated the HPHA can add more projects, but cautions if the HPHA designates too many projects, the waiting list for the non-elderly will become longer.

Director Berthiaume questioned whether it was realistic to try to achieve an elderly only project through attrition? Mr. Sarhan stated it will take some time, but the HPHA can develop procedures.

Director Ignacio arrived at 10:15 a.m.

Director Smith moved, Director Aiona seconded,

> To Amend the Motion to add Kalanihuia as an Additional Building to the Elderly Only Designation.

The amendment was unanimously carried.

The amended motion was unanimously carried.

Chairperson Thompson called a recess at 10:15 a.m. and reconvened at 10:47 a.m. — RECESS/ RECONVENED

Director Smith left at 10:47 a.m.

Director Aiona moved, Director Ignacio seconded, — EXECUTIVE SESSION

> To go into executive session at 10:47 a.m. pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(8), and 103D-105 to discuss, deliberate or make a decision on information that must be kept confidential and section 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to the sale of Banyan Street Manor.

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:04 a.m. — RECONVENED

Chairperson Thompson stated the HPHA may proceed with negotiations with one of the proposal that was recommended by Alvarez & Marshal.

Chairperson Thompson reported that the Finance/Audit task force has no report. — TASK FORCE REPORTS/ FINANCE/ AUDIT

Designee Oliva reported that the Human Resources task force has no report. — HUMAN RESOURCES

Director Ignacio reported that the Homelessness task force has no report. — HOMELESS

Director Ignacio stated she would like to suggest that rather than having tenant — TENANT/

association trainings at every project, the HPHA should have one statewide training.

TENANT RELATIONS

Director Hosino stated she attended a meeting at Mayor Wright Homes last night and she heard a complaint that has not been addressed for six months. Director Dodson asked that Mr. Taniguchi have a response to this matter by the next task force meeting.

Director Berthiaume reported that the Mixed Income Projects task force has no report.

MIXED INCOME PROJECTS

Chairperson Thompson stated Director Aiona should be added to the Mixed Income, Homelessness, and the Tenant Relations task forces.

Chairperson Thompson questioned why Kekaha Ha'aheo has a budget to actual percentage of 42%. Ms. Fo stated she will need to check and believes the numbers are not correct and the figures in the report are transposed. Ms. Fo stated the project was under Management, Inc. and Kelfred Chang monitored the contract.

EXECUTIVE DIRECTOR'S REPORT/FY BUDGET TO ACTUAL COMPARISONS

Director Ignacio requested a reasonable plan to bring the 42% up to 100%.

Chairperson Thompson also requested a plan regarding Maui.

Chairperson Thompson requested the fix and fill trend.

PROPERTY MANAGEMENT

Chairperson Thompson asked if the HPHA needs authorization from the Legislature to sell the Hana land. Mr. Taniguchi stated he will verify if the land is affected. Chairperson Thompson stated if the land is affected, then the listing will need to be modified to say sale is contingent by approval of the State Legislature.

Mr. Taniguchi stated Kone Inc. will install the two elevators at KPT by April 2010. Chairperson Thompson requested a schedule of the elevator construction.

ELEVATOR MODERNIZA-TION

Mr. Taniguchi stated that the Section 8 Branch, self certified as a high performer. Chairperson Thompson asked that Mr. Taniguchi report back to the Board when the certification has been approved by HUD. Barbara Arashiro, Executive Assistant, stated the HPHA will have a resolution for the Board to adopt at the August 20th Board meeting.

SECTION 8

Director Berthiaume stated that HUD has approved the 35 new Veterans Affairs Supportive Housing (VASH) vouchers, which now gives the HPHA a total of 105 vouchers.

Director Hosino asked what the difference is between eviction with conditions and a 10-day cure. Ms. Fo stated an eviction with conditions is like being on probation. With a 10-day cure, the tenant has 10 days to fix the problem or they will be evicted.

HEARINGS

Director Ignacio asked why there are 193 singles on the waitlist, if the shelter is a family shelter. Mr. Taniguchi responded it meant individuals or people, and the revision would be made in future reports for clarity.

HOMELESS PROGRAMS

Director Dodson moved, Director Hosino seconded,

EXECUTIVE SESSION

> To go into executive session at 12:04 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4)

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 *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii Public Housing Authority* (Civil No. CV08-00578).

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 1:03 p.m.

REPORT ON REQUEST FROM OCEANIC TIME WARNER CABLE AND THE PROPOSED TERMINATION OF CABLE SERVICES DUE TO SECURITY CONCERNS

Chairperson Thompson stated the Board will be discussing the report on request from Oceanic Time Warner Cable and the proposed termination of cable services due to security concerns.

Ms. Fo stated the HPHA is meeting with Oceanic Time Warner Cable to discuss and resolve issues.

Chairperson Thompson questioned whether there have been conversations with the residents. Ms. Fo stated management will hold a meeting with the residents and distributed flyers translated into various languages.

UPDATE ON TRANSITION TO STATE MANAGEMENT AT ASSET MANAGEMENT PROJECT 38 (KAUAI) AND RECENT MONITORING FINDINGS BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Chairperson Thompson stated the Board will be discussing the update on transition to state management at Asset Management Project (AMP) 38 (Kauai) and recent monitoring findings by the U.S. Department of Housing and Urban Development (HUD).

Chairperson Thompson stated Management, Inc. has written complaint letters to the Inspector General. The Inspector General is investigating the complaints.

Mr. Taniguchi stated HUD has been on site prior to the conversion to state management and has seen the problems.

UPDATE ON THE OFFICE OF THE LEGISLATIVE AUDITOR'S FINANCIAL AND MANAGEMENT AUDIT OF THE HPHA'S MAINTENANCE CONTRACTS, AND MANAGEMENT OF ASSET MANAGEMENT PROJECT 30 (AIEA) AND ASSET MANAGEMENT PROJECT 44

Chairperson Thompson stated the Board will be discussing the update on the Office of the Legislative Auditor's Financial and Management Audit of the HPHA's maintenance contracts, and Management of AMP 30 (Aiea) and AMP 44 (Waianae).

Mr. Sarhan stated there are two Concurrent Resolutions, one from the Senate and one from the House. The HPHA has received a request regarding what documents the auditor needs.

Director Aiona asked if the HPHA has an idea what the focus of the audit will be. Mr. Sarhan stated the focus seems to be on management contracts and unanswered complaints.

Designee Oliva suggested the HPHA provide an overview of HPHA to the auditor.

Mr. Taniguchi stated the HPHA has requested that the Auditor stay away from KPT because of the lawsuit. Krislen Chun, Deputy Attorney General, requested that the Attorney General's office will need to approve all items regarding KPT before releasing the information to the Auditor.

(WAIANAE)

ADJOURNMENT

There being no further items to be discussed,

Designee Oliva moved, Director Aiona seconded,

That the meeting be adjourned at 1:30 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved