MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, AUGUST 20, 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, August 20, 2009 at 9:00 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
Designee Henry Oliva
Director Carol Ignacio
Director Clarissa Hosino
Director Eric Beaver
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona
Director Sherrilee Dodson

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

EXCUSED:
Director Kaulana Park

STAFF PRESENT:
Barbara Arashiro, Executive Assistant
Alan Sarhan, Planner
Charlene Nakamoto, Housing Compliance and Evaluation Specialist
Marcel Audant, Acting Construction Management Branch Chief
Mark Buflo, Budget Analyst
Norhana Schumacher, Acting Section 8 Program Branch Chief
Rene Blondin-Nip, Hearings Officer
Rick Sogawa, Acting Contracts and Procurement Officer
Glori Inafuku, Housing Compliance and Evaluation Specialist
Sandra Miyoshi, Homeless Programs Administrator
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Property Management and Maintenance Services Branch Chief
Taryn Chikamori, Secretary to the Board

OTHERS:
Bob Nakata, Faith Action for Community Equity (FACE)
Connie Mitchell, Institute for Human Services (IHS)
Fetu Kolio, Mayor Wright Homes resident
Holly Holowach, Weinberg Village
John Sabas, Carl Smith Ball
Jonathan Kwon, Urban Housing Communities
Jun Yang, Faith Action for Community Equity (FACE)
June Talia, Kuhio Park Terrace resident
Kanani Bulawan, Waianae Community Outreach
Kent Anderson, Family Promise
Leonard Lester, Mayor Wright Homes resident
Leslie Uyehara, Kalihi Palama Health Center
Leva Alualu, Kuhio Homes resident
Lusi Noa, Safe Haven resident

Makani Maeva, Pacific Housing Advisors
Marci Lopes, Director of Domestic Violence Shelter
Matelina Fuiava, Kalihi Valley Homes resident
Max Gray, H-5
Moana Hampton, Kalihi Valley Homes resident
Nora Oliphant, Kalakaua Homes resident
Pamela Menter, Partners in Care (PIC)
Robert Bates, Safe Haven resident
Rosa Paleafi, Kuhio Park Terrace
Roy Nakamura, Kalakaua Homes resident
Ruth Layton, Safe Haven resident
Scott Wall, United Self Help
Senator Michelle Kidani, State Senator
Sophina Placemia, Waianae Community Outreach
Tim Garry, private resident
Utu Langi, H-5
Wendy Moranha, Department of Budget and Finance

Chairperson Thompson declared a quorum present. QUORUM

Director Dodson moved, Director Ignacio seconded, APPROVAL OF MINUTES ANNUAL MEETING 07/16/09

That the minutes of the Annual Meeting held on July 16, 2009 be approved as circulated.

The motion was unanimously approved as amended.

Director Dodson moved, Director Ignacio seconded, APPROVAL OF MINUTES REGULAR MEETING 07/16/09

That the minutes of the Regular Meeting held on July 16, 2009 be approved as circulated.

The motion was unanimously approved as amended.

PUBLIC TESTIMONY

Pamela Menter, Partners in Care (PIC), stated the Hawaii Public Housing Authority's (HPHA) Homeless Programs Branch (HPB) will be losing $16 million in federal funds if the five employees in the HPB are laid off. With this reduction in force (RIF), the State will only be saving $300,000 and will leave four employees to manage 35 contracts.

Connie Mitchell, Institute for Human Services (IHS), stated she would like to see the RIF in the HPB reviewed. Abolishing 57% of the HPB will substantially cripple the office from generating timely and accurate reports and there will be no one to manage the Homeless Management Information System (HMIS), which is a requirement of the U.S. Department of Housing and Urban Development (HUD).

Kanani Bulawan, Waianae Community Outreach, stated if the Board will be removing Chad Taniguchi, Executive Director, she would like to recommend Sandra Miyoshi, Homeless Programs Administrator as an interim Executive Director. Ms. Miyoshi is committed to housing the under privileged. Ms. Bulawan stated if there is a RIF in the HPB, the State will be saving funds but the HPB will be losing a lot more in federal funds.

Holly Holowach, Weinberg Village, stated she is supporting the HPB. The HPB work load has doubled in the past few years but the staff has not. The HPB will lose $16 million in federal funds because four out of the five people being RIFed handles the federal funds. The HPB is responsible for 35 contracts and 46 homeless sites.

Fetu Kolio, Mayor Wright Homes (MWH) resident, stated security submitted a

complaint to management on April 18, 2009 regarding a family member of a tenant association Board member drinking on the property. Mr. Kolio was informed by security that this person was no longer allowed on the property. On May 20, 2009, she was on the property and Mr. Kolio went to speak to management regarding this matter. Management informed him that there was no complaint on file. There has been a history of complaints and feels that management enforces the rules on some but not others.

Ruth Layton, Safe Haven resident, stated she was attacked when she was homeless. Safe Haven gave her a safe place to live and gave her her self esteem back.

Robert Bates, Safe Haven resident, stated he was homeless for eight years and was a junkie. He has been clean for four months now because of Safe Haven and the HPB staff.

Lusi Noa, Safe Haven resident, stated she has been a Safe Haven resident for six months. She became homeless due to post-traumatic stress. The HPB is necessary to continue homeless services.

Leonard Lester, Mayor Wright Homes resident, stated he witnessed a family member of a tenant association Board member drinking and swearing. The following Monday he went to management and the management made a joke out of the situation. Mr. Lester asked what the HPHA policy is and was the situation handled properly.

Chairperson Thompson informed Mr. Lester that there will be an investigation and he will receive a response from the HPHA.

Moana Hampton, Kalihi Valley Homes resident, stated because her adult child has been convicted of a crime, the rest of her family should not be punished by being evicted for his actions.

Matelina Fuiava, Kalihi Valley Homes resident, stated she believes that if an adult child in the household is convicted of a crime, then the family should not be evicted for the child's actions. The person who committed the crime should be the only one to be evicted.

Nora Oliphant, Kalakaua Homes resident, stated flyers that were supposed to be put up by management are not being posted. There are old flyers still on the bulletin board. Residents are missing important information because the flyers are not being posted.

Roy Nakamura, Kalakaua Homes residents, stated the managers at Kalakaua Homes need to be fired. Flyers are not being put up on the bulletin board in a timely manner and residents are missing meetings.

Scott Wall, United Self Help, stated one-third of homeless people have mental illness. Homeless people cannot recover on the street. They need to recover in a shelter so they can work and become tax paying citizens.

Marci Lopes, Director of Domestic Violence Shelter, stated she supports the HPB. Her shelter is completely filled. She feels there will be a rise in domestic violence and homelessness because of the economic situation. She stated she relies on the HPB staff to find transitional homes for her residents.

Kent Anderson, Family Promise, stated the HPB is not the best place for the State to save the $300,000. The HPB will lose 50% of their staff and will lose $16 million in federal funds. This cut will jeopardize many of the non-profit homeless shelters, which will in turn create more homeless people.

Director Smith asked if he was told that the Board made the decision to RIF the HPB staff? Mr. Anderson responded no, but usually the Executive Director and the Board make the decision collectively.

Director Smith asked if he is aware of the furlough plan that would avoid the RIF and if he is supportive of that plan? Mr. Anderson responded he is aware of the furlough plan and supports anything that will keep people employed. Max Gray, H-5, stated he supports the HPB. The HPB staff supports H-5. He does not support the cuts and the HPHA should reconsider these cuts.

Bob Nakata, Faith Action for Community Equity (FACE), stated he supports the rehabilitation of Kuhio Park Terrace (KPT). He wants to see a one for one replacement and this should not be negotiable. He also supports Mr. Taniguchi and stated it is rare to find someone who cares for the residents.

Chairperson Thompson stated the Board has always said it would be a one for one replacement.

Leva Alualu, Kuhio Homes resident, stated she is happy to hear that the KPT rehabilitation will be a one for one replacement and supports the rehabilitation. Ms. Alualu stated she supports Mr. Taniguchi as the Executive Director.

Director Dodson asked where did she hear that the rehabilitation would not be a one for one replacement? Ms. Alualu responded there has been talk between residents.

June Talia, Kuhio Park Terrace resident, stated she supports Mr. Taniguchi; he has done a lot for the residents. Living in public housing for 24 years, she has never met any other Executive Director like Mr. Taniguchi.

Jun Yang, Faith Action for Community Equity (FACE), stated he supports Mr. Taniguchi. Mr. Taniguchi has gone to the projects to speak to the residents. Mr. Yang stated he is happy to hear the rehabilitation will be a one for one replacement.

Director Smith asked whether FACE informed the residents that the units will not be a one for one replacement? Mr. Yang stated he spoke to leaders of the community and informed them that the units may not be a one for one replacement.

Director Smith stated she is not surprised that misinformation was passed by FACE. FACE should speak to the HPHA before passing any information on to the residents or people in the community.

Mr. Yang stated Urban Housing Development requested a meeting with FACE and Douglas Bigley informed FACE that there will not be a one for one replacement.

Director Beaver asked if after speaking to Mr. Bigley, did FACE try to contact the HPHA Board of Directors? Mr. Yang responded no, FACE has been working with the Executive Director.

Utu Langi, H-5, requested that the HPB be spared from the cuts. With the loss of the HPB staff, the homeless service providers will suffer.

Director Smith stated the Board did not participate in the RIF process and did not issue RIF notices to staff in the HPB. She stated she hopes the layoffs do not occur. She feels furloughs will be the best process, so that no one loses their jobs. The HPB was affected by the RIF because the RIF had to be from positions that are funded by the state general funds and the HPB is one of the few places in HPHA that is funded by state general funds.

Jonathan Kwon, Urban Housing Communities, stated their proposal included a one for one replacement.

Makani Maeva, Pacific Housing Advisors, stated their KPT rehabilitation proposal also included a one for one replacement as required by the Request for Proposal (RFP).

Tim Garry, private resident, stated that Mr. Taniguchi is doing a good job. He does not want the Board to lose focus on self-sufficiency.

Chairperson Thompson called a recess at 10:24 a.m. and reconvened at 10:34 a.m.

RECESS/ RECONVENED

Director Beaver moved, Director Hosino seconded,

> To Reappoint Ms. Ludvina Takahashi and Mr. Gary Mackler to the Kauai Eviction Board, Mr. George DeMello to the Hilo Eviction Board, and Mr. Mark Nishino to the Maui Eviction Board for Two-Year Terms Expiring on August 31, 2011

TO REAPPOINT MS. LUDVINA TAKAHASHI AND MR. GARY MACKLER TO THE KAUAI EVICTION BOARD, MR. GEORGE DEMELLO TO THE HILO EVICTION BOARD, AND MR. MARK NISHINO TO THE MAUI EVICTION BOARD FOR TWO-YEAR TERMS EXPIRING ON AUGUST 31, 2011

Director Yoshioka asked how often does the HPHA ask the Board members for their resumes? Renee Blondin-Nip, Hearings Officer, responded for new appointments and for reappointments only if there is a change in their resume.

Director Yoshioka stated she supports the reappointment of Ms. Takahashi and Mr. Mackler, but she is concerned that Ms. Takahashi's resume has not been updated.

Director Hosino questioned if the members are notified that they are up for reappointment and if these members are asked if they still want to serve on the Board? Ms. Blondin-Nip stated the HPHA usually notifies the member or the member will inform the HPHA that they no longer want to serve on the Board.

Director Hosino stated she was told by one of the members that they were never notified or asked if they wanted to continue serving on the Board.

Director Beaver moved, Director Yoshioka seconded,

> To amend the motion to Reappoint Ms. Ludvina Takahashi and Mr. Gary Mackler to the Kauai Eviction Board, Mr. George DeMello to the Hilo Eviction Board, and Mr. Mark Nishino to the Maui Eviction Board for Two-Year Terms Expiring on August 31, 2011 Subject to the Condition That the Board Member Expresses Their Willingness to Continue to Serve on the Eviction Board

The amended motion was unanimously carried.

The motion as amended was unanimously carried.

Director Beaver moved, Director Berthiaume seconded,

> To Adopt Board Resolution No. 19, Relating to the Statement of Procurement Policy Governing the Federal Capital Fund Stimulus Grant

TO ADOPT BOARD RESOLUTION NO. 19, RELATING TO THE STATEMENT OF PROCUREMENT POLICY GOVERNING THE FEDERAL CAPITAL FUND STIMULUS GRANT

Rick Sogawa, Acting Contracts and Procurement Officer, stated the reason for this "For Action" is to comply with the American Recovery and Reinvestment Act (ARRA) capital funds from HUD. The main difference is to include the federal requirements which are currently not in the HPHA's procurement policy.

Chairperson Thompson stated he understood that HUD requires approval of procurement actions. In the attachment, it states, "we self certify this procurement policy and HPHA's procurement system complies with all applicable federal regulations and as such HPHA is exempt from prior HUD review and approval of individual procurement action." Mr. Sogawa stated under the corrective action order the HPHA is required to get HUD approval for contracts over $25,000. It was

also required that the HPHA get approvals for all solicitations, but since then the HPHA received a letter stating the HPHA does not need approval for the solicitations that are under $25,000. Mr. Sogawa stated that he will need to consult with HUD.

Director Yoshioka questioned if the Attorney General's (AG) office reviewed the changes. Krislen Chun, Deputy Attorney General, stated the AG's office has not been asked to review the document.

Director Smith questioned if the State Procurement Office (SPO) reviewed and approved the changes. Mr. Sogawa stated the HPHA will be sending the Board approved document to SPO as "For Information" only.

Director Aiona asked how many more employees will the HPHA be hiring because of the stimulus funds. Mr. Taniguchi stated the HPHA does not plan to hire any new staff; most of the stimulus funds will be used on contracts.

Director Smith suggested that a provision be added which states that the changes that are being instituted, pursuant to the ARRA, lapse at the point when ARRA is no longer in effect.

Chairperson Thompson stated the action will be deferred until the September 17, 2009 Board meeting.

Director Dodson moved, Director Berthiaume seconded,

To Adopt Board Resolution No. 20, Approving the Section 8 Management Assessment Program (SEMAP) Certification of Standard Performer for the Fiscal Year Ending June 30, 2009

TO ADOPT BOARD RESOLUTION NO. 20, APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION OF STANDARD PERFORMER FOR THE FISCAL YEAR ENDING JUNE 30, 2009

Norhana Schumacher, Acting Section 8 Program Branch Chief, stated the HPHA has self-certified as a standard performer (83%). For indicator #1, Selection from the Wait List, the HPHA is taking zero points because the computer would not re-sequence the list; the problem has since been fixed. For indicator #6, HQS Enforcement, the HPHA took zero points because there was no controls on how to follow up on failed inspections; the HPHA has since put in controls to follow up with failed inspections. For indicator #13, Lease-up, the HPHA has taken the 20 points because the HPHA needed to have at least 98% of the Budget Authority and the HPHA has received a 98.76%. For indicator #15, Deconcentration Bonus, the HPHA took zero points because these are only bonus points and will not have any affect on the rating.

Director Smith asked after the HPHA self-certifies, will the HPHA submit the certification to HUD. Ms. Schumacher responded she and Mr. Taniguchi will submit it to HUD electronically.

The motion was unanimously carried.

Director Smith moved, Director Aiona seconded,

To Approve the Hawaii Public Housing Authority's Request to the Governor for a Waiver to Fill Federally Funded Staff Positions

TO APPROVE THE HAWAII PUBLIC HOUSING AUTHORITY'S REQUEST TO THE GOVERNOR FOR A WAIVER TO FILL FEDERALLY FUNDED STAFF

Mr. Taniguchi stated the HPHA is asking Governor Lingle to allow the HPHA to fill the budgeted federally funded positions. The HPHA has 96% of its staff federally funded and 4% state funded. The HPHA needs these positions filled to help with federal mandates. The HPHA will help the state deficit by giving its share of its $20 million state funds without having to furlough or layoff anyone.

Director Dodson asked if the fringe benefits are from state funds. Mr. Taniguchi responded all the HPHA federally funded positions are fully federally funded, including the fringe benefits. POSITIONS

Director Dodson asked because these positions are civil service, wouldn't the employee be part of the collective bargaining unit. Mr. Taniguchi responded the staff would be treated the same as any other civil service employee.

Director Dodson asked isn't the State asking us to reduce spending but the HPHA wants to hire 41 new people? Mr. Taniguchi responded because 96% of the HPHA is federally funded, furloughs, layoffs or pay cuts would not help the state deficit.

Director Dodson stated if these employees are in collective bargaining unit then doesn't the contract affect all employees whether the positions are federally funded or state funded. Mr. Taniguchi responded yes, but the HPHA would be losing federal funds.

Mr. Taniguchi stated that he hopes with the Board's and Governor's approval, the HPHA would not need to furlough, layoff or take pay cuts.

Director Dodson stated the furlough or pay cuts have nothing to do with Governor Lingle; it has to do with the unions. Mr. Taniguchi responded yes, but the University of Hawaii, Judiciary and Department of Education are being asked to reduce the deficit in their own way while some may furlough or layoff, some are also cutting program funds. The HPHA is asking the Governor to consider allowing the HPHA to make the cuts the best way to suit the agency.

Director Dodson asked Mr. Taniguchi if he wants the Board to approve an increase in workforce and decrease programs. Mr. Taniguchi responded yes.

Director Ignacio questioned which programs will be cut. Mr. Taniguchi responded of the $20 million state general funds the HPHA has, $15 million for the HPB, $4 million for public housing, and $1 million for the State Rental Supplement Program. Of the $20 million, a total of $1.6 million would be cut, each department would cut their budget by 8%.

Chairperson Thompson stated he is concerned about the Board injecting themselves in the middle of union negotiations. Mr. Taniguchi should speak to the Department of Human Services (DHS) regarding this matter. Mr. Taniguchi stated he has gone to DHS and they are unable or unwilling to help in this matter.

Director Smith stated there are a number of agencies in the same situation and they each submitted a request to fill on a case-by-case basis. Then it goes to Budget and Finance (B &F) and Governor's office for approval. Other agencies that have been given approval were given approval with the caveat that the advertisement must say this vacancy could be subject to a bumping action under a RIF and no hiring action should be consummated until November 13, 2009.

Mr. Taniguchi questioned if the HPHA can start hiring before November 13, 2009. Director Smith responded that the HPHA can do the advertising, set up the panel, interview, etc. but the person cannot start until November 13, 2009.

Director Yoshioka asked if the $16 million the testifiers talked about is state funds or federal funds. Ms. Miyoshi responded the HPB receives $16 million in federal funds statewide which is contingent on the HPHA having a HMIS system.

Director Ignacio asked if the federal funds can be used to pay the staff. Ms. Miyoshi responded once the HPB receives the funds, the funds become state funds so the HPHA would not be able to use the funds to pay for these positions.

Director Smith moved, Director Aiona seconded,

To Amend the Motion to Direct the Executive Director

to Use the Process That is Currently in Place to Fill Vacant Federally Funded Positions

Chairperson Thompson stated the Board is willing to help on a case by case basis.

The amended motion was unanimously carried.

The motion as amended was unanimously carried.

Chairperson Thompson called a recess at 12:00 p.m. and reconvened at 12:15 p.m.

RECESS/ RECONVENED

Director Yoshioka moved, Director Beaver seconded,

To Approve the Selection of a Development Partner for Hawaii Public Housing Authority's Mixed Income/ Mixed Finance Redevelopment Project at Kuhio Park Terrace and Kuhio Homes

TO APPROVE THE SELECTION OF A DEVELOPMENT PARTNER FOR HAWAII PUBLIC HOUSING AUTHORITY'S MIXED INCOME/MIXED FINANCE REDEVELOPMENT PROJECT AT KUHIO PARK TERRACE AND KUHIO HOMES

Mr. Taniguchi stated the redevelopment is for two high rises at KPT and the low rises at Kuhio Homes, all together there are 748 units. Prior to choosing KPT for the redevelopment, the HPHA went to all 16 Asset Management Projects (AMP) to inform the residents that the HPHA was discussing the possible redevelopment at the projects. In September, the residents of KPT were generally supportive of the concept. In February, the Board authorized the HPHA to go out with a RFP. In March the HPHA went back to KPT to inform them of the actions taking place. There was a seven member evaluation committee; three were government employee and four non-government employees.

Mr. Sogawa stated the step one, qualification, deadline was April 1st. The HPHA received four proposals. The committee met on May 11th and 13th to review the proposals. All four proposals were selected to proceed to the step two, technical proposal, which were due on July 13th. Only two technical proposals were submitted. On August 4th, the companies presented there oral presentations and on August 11th, the best and final offer was due. The committee met on August 12th to review the best and final offer. The committee submitted their selection to the Board.

Mr. Kwon stated Urban Housing Development is excited to partner with the HPHA.

Designee Oliva arrived at 12:30 p.m.

Ms. Maeva, Pacific Housing Advisors, stated her company is partnered with Michaels Development Company from New Jersey. Michaels Development Company owns 40,000 housing units, about 15,000 units are public housing. The Michaels Development Company has partnered with 12 public housing agencies for redevelopment. The management company that Michaels Development Company works with has about 32 years in management. The management company was the first group to provide social services to all the properties they oversee. Pacific Housing Advisors owns about 4,000 affordable units.

Director Beaver moved, Designee Oliva seconded,

EXECUTIVE SESSION

To go into executive session at 1:27 p.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

Redevelopment of Kuhio Park Terrace and Kuhio Homes

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 1:45 p.m.

Chairperson Thompson stated the Board of Directors approved the selection of Michaels Development Company as the development company partner for HPHA's Mixed Income/Mixed Finance Redevelopment Project at Kuhio Park Terrace and Kuhio Homes.

EXECUTIVE SESSION

Director Dodson moved, Director Hosino seconded,

> To go into executive session at 1:46 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.

The Board reconvened from Executive Session at 1:51 p.m.

Chairperson Thompson stated the Board received an update on the KPT lawsuit.

TO ACCEPT THE AUDITED FINANCIAL STATEMENTS FOR BANYAN STREET MANOR, LOCATED AT 1122 BANYAN STREET, HONOLULU, HAWAII FOR FISCAL YEAR 2007 AND FISCAL YEAR 2008

Director Beaver moved, Director Ignacio seconded,

> To Accept the Audited Financial Statements for Banyan Street Manor, located at 1122 Banyan Street, Honolulu, Hawaii for Fiscal Year 2007 and Fiscal Year 2008

Mr. Taniguchi stated the 2007 and 2008 audit is ready to send to HUD. Frank Castro, HUD, has been informed that the audit does not include an opinion. Mr. Castro informed the HPHA that he understands that there will be no opinion, but the HPHA has met the deadline of having a completed audit. The auditor will be working with EAH in putting all the records in order.

Director Beaver asked how long have the records not been properly maintained. Mr. Taniguchi responded when the HPHA hired Holsinger Associates, P.C. for the audit, the HPHA was informed that there would be no opinion in the audit because the records were not properly kept.

Chairperson Thompson asked who in the HPHA is in charge of the over site of Banyan Street Manor. Mr. Taniguchi stated Michael Hee, Private Management Contracts Section Chief, has over-site of Banyan Street Manor.

Chairperson Thompson stated that a one year management agreement for 2008 with Urban Real Estate was $237,555 and the HPHA's gross rent revenue was $152,000.

Director Beaver asked if the previous auditing agency rendered an opinion and management has not changed. Mr. Taniguchi responded the previous auditor did render an opinion and management has changed from Urban Management to EAH.

Director Beaver asked what is done when a management company is not doing what they are supposed to be doing. Mr. Taniguchi responded management is changed.

Director Ignacio asked if staff are monitoring the contractors better. Mr. Taniguchi

responded yes, the monitors are now going to projects monthly to check on management companies.

Director Ignacio requested for a corrective action plan.

Director Beaver requested that a monthly corrective action plan be submitted to the Finance Task Force.

Chairperson Thompson called for a vote on the original motion.

Ayes: Chairperson Thompson
Director Yoshioka
Designee Oliva
Director Aiona
Director Beaver
Director Berthiaume
Director Dodson
Director Ignacio
Director Smith

Nays: Director Hosino

The motion carried.

EXECUTIVE SESSION

Designee Oliva moved, Director Aiona seconded,

> To go into executive session at 2:03 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(2) to consider employment related matters where consideration of matters affecting privacy are involved and section 92-5(a)(4) to confer with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the Decision of the Executive Director to Discontinue Employment of Seven Employees of the Hawaii Public Housing Authority and Whether the Decision Should be Affirmed or Rescinded.

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 3:44 p.m.

Chairperson Thompson stated the Board has decided not to extend the seven employees for a term past September 30, 2009.

ADJOURNMENT

There being no further items to be discussed,

Director Aiona moved, Director Dodson seconded,

> That the meeting be adjourned at 3:45 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved