MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, NOVEMBER 15, 2007,
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, November 15, 2007 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:
Director Travis O. Thompson, Chairperson
Director Anne Marie Beck
Director Rene Berthiaume
Director Sherrilee Dodson
Director Clarissa Hosino
Director Kaulana Park
Director Linda Smith
Designee Henry Oliva

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

EXCUSED:
Director Eric Beaver
Director Carol Ignacio
Director Matilda Yoshioka

STAFF PRESENT:
Barbara Arashiro, Acting Contracts & Procurement Officer
Shirley Befitel, Personnel Supervisor
Dexter Ching, Section 8 Subsidy Program Branch Chief
Michael Hee, Contract Administration Section Chief
Derek Fujikami, Building Engineer V
Derek Kimura, Property Management and Maintenance Services Branch Chief
Clifford Laboy, Program Specialist
Chu Lee, Fiscal Management Officer
Patti Miyamoto, Chief Compliance Officer
Sandra Miyoshi, Homeless Programs Branch Administrator
Alan Sagayaga, Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS:
Lui Falafine, Urban Real Estate
Nhi Tran, Legal Aid
Karen Awana, State House Representative
Junior Atisanoe, Department of Human Services (DHS) and Puuwai Nui

Chairperson Thompson declared a quorum present.

QUORUM

Director Park moved, seconded by Director Beck,

APPROVAL OF MINUTES REGULAR MEETING 10/18/07

> That the minutes of the Regular Meeting held on October 18, 2007 be approved as circulated.

Director Berthiaume requested that he be removed from the tenant/tenant relations task force.

Director Hosino stated that on page 163 she did not state "this will be a policy

change but public housing is not working because HPHA is not providing wrap around services." Director Smith stated that it was Director Ignacio who stated that.

Director Hosino also requested that on page 164 her statement regarding how rent and utilities will be paid to be amended to "Director Hosino asked a question regarding payment of rent in light of income and utilities cost."

The motion was unanimously carried with the above amendments.

TASK FORCE REPORTS/ FINANCIAL/ AUDIT/ASSET MANAGEMENT

Chairperson Thompson stated that the Financial/Audit Task Force and the Asset Management Task Force will be consolidated into one Task Force.

HUMAN RESOURCES

Designee Oliva stated the task force has met and rated the 4 deputy Executive Director candidates interviewed. The task force has started but not completed the reference checks.

Chairperson Thompson asked how long will it be before someone is hired. Designee Oliva responded in about a month.

HOMELESS-NESS

Director Park stated the task force looked at resources that can be used in the plan to end homelessness. The task force also asked that neighbor islands be included in the homelessness plan. Director Park asked if the Governor signed into law mandating budget funds for language interpreter. Director Smith stated there was a statute that was enacted for language access but there was no appropriation with the statute and each department is responsible for putting together a language access plan.

Mr. Junior Atisanoe of Department of Human Services stated that he and Mr. Chad Taniguchi, Executive Director, walked through the Kau'iokalani project in Waianae and saw units where renovations need to be done and would like this to be the pilot project. The Puuwai Nui project is capable of renovating and clean up.

Director Dodson stated Puuwai Nui can get furniture from hotel renovations. A place to store all the furniture is needed. Director Berthiaume stated Puuwai Nui can contact Nanakuli Housing Corporation which may have storage space for the furniture.

Mr. Atisanoe stated he expects a state liaison to supervise all work.

Director Smith asked that if there are 17 vacant units at Kau'iokalani, how many of these would be repaired. Mr. Atisanoe stated 6-7 units will be repaired. He also stated that the Assets Management Project (AMP) management asked if Puuwai Nui could paint the entire project.

Director Smith asked whether Puuwai Nui volunteers repair units they understand that they may not get the units they repair. Mr. Atisanoe stated that the Puuwai Nui members understand that the wait list will be followed.

Director Park stated that there is another organization willing to help if the pilot goes well and they are also able to help on neighbor islands.

Chairperson Thompson asked that the Board of Directors be updated on this project.

Mr. Taniguchi requested help from the Attorney General's office on liability and

General Nalani Wilson-Ku is up to date on this and is ready to help HPHA in any way.

REPORT OF THE EXECUTIVE DIRECTOR/ VACANT UNITS

Director Berthiaume asked of the 83 ready units how is HPHA doing in getting tenants in to these units. Mr. Taniguchi stated there were 2 changes to make the process faster 1) is only one housing location choice when called at the top of the waitlist, 2) moving certification to the AMP.

Director Beck offered to help Mr. Taniguchi create a format to show the Board how HPHA is progressing with Goals and Objectives.

ELEVATORS

Mr. Taniguchi stated that there are 2 elevators not working at Kuhio Park Terrace (KPT). One elevator can't be fixed and the other runs but needs to run at 250 feet per minute instead of 200 feet per minutes.

Chairperson Thompson asked that on the repair of nonfunctioning elevators the report state how many floors each project has.

Director Hosino asked if there is an emergency plan in place if all the elevators go down at Kalanihuia and other projects. Mr. Clifford Laboy, Program Specialist, stated if funds are available HPHA can try to contract with the security agencies to help. HPHA is setting up medical emergency procedures with the fire department.

Mr. Taniguchi stated he will check with the consultant, Mr. Gordon Ernst, if he believes any of the elevators will fail before HPHA's elevator modernization schedule.

Director Beck stated her concern is the exhibit is showing that elevators are at 100% but what is being stated is that the elevators are not at 100%. Mr. Taniguchi stated he will add a column with the number of times and days the elevators were down in a month since July 1, 2007.

RECESS RECONVENED

The Chairperson declared a recess at 10:21 a.m. The meeting reconvened at 10:32 a.m.

REPORT OF THE EXECUTIVE DIRECTOR/ COLLECTING RENT

Mr. Taniguchi stated HPHA's goal is to get more rent collected. Approximately 15%-20% of HPHA's residents are behind on rent.

Director Park asked what is the policy on collecting rent and how are they being enforced. Mr. Taniguchi stated it is a statutory policy which requires HPHA to send a letter to the tenant, then schedule a meeting and make a payment plan and if HPHA still can not collect the rent then refer for eviction. The projects with high balances are because the managers are not referring tenants for evictions fast enough.

Director Park asked what is being done in preventive measures such as financial literacy classes or training. Mr. Taniguchi stated that Director Ignacio has the Clean and Green program on Hawaii island. Tenants are clean because they know how to take care of the house and green because the tenant has money to pay the rent. Mr. Taniguchi has requested that Ms. Sandra Miyoshi, Homeless Programs Branch Administrator, request Temporary Assistance for Needy Families (TANF) funds from DHS to fund the clean and green program for HPHA. Another option that HPHA is looking into is having a non-economic screening criteria which can include past rent history. The U.S. Department of Housing and Urban Development (HUD) allows non-economic screening criteria.

TRANSLATION AND WORKSHOPS

Director Smith asked because Pacific Gateway is a public funded entity do they still charge HPHA for translations. Mr. Taniguchi responded yes they do. Ms. Patti Miyamoto, Chief Compliance Officer, stated that HPHA is looking into other entities that can translate documents for HPHA at a cheaper cost.

VACANT PROPERTIES

Chairperson Thompson requested a decision making on the sale of Hana after the Deputy Attorney General reviews all documents on the purchase of Hana. Director Smith also requested that an option be included that states HPHA has the option to go to the Legislature to ask for authority to sell the land for renovation of existing public housing projects.

PROCURE-MENT

Director Smith asked what are the end dates on the Urban Real Estate contracts. Mr. Lui Falafine, Urban Real Estate, responded that Palolo Valley Homes and Banyan Street Manor ended 10/31/07, HHA Wilikina Apartments Project (Wilikina) and management units 41 and 44 will end on November 30, 2007.

Chairperson Thompson asked what HPHA is going to do regarding the end of these contracts. Ms. Barbara Arashiro, Acting Contracts & Procurement Officer, stated for management units 41 and 44 HPHA is in the process of negotiating new contracts. Banyan Street Manor and Wilikina are in short term contracts with R and L Properties (Robert and Lui Faleafine).

STATUS OF PALOLO VALLEY HOMES

Director Dodson asked if HPHA is doing a Request for Proposal (RFP) for Palolo Valley Homes managing units. Mr. Taniguchi stated that the managing unit will stay under state management. Director Dodson asked in the last meeting HPHA said they would look into the possibility of doing an RFP for a managing unit. Mr. Taniguchi stated HPHA did look into this and decided that HPHA wants to go keep it under state management.

Director Berthiaume asked because the state is taking over management is there a resident manager. Mr. Taniguchi stated there is no resident manager.

RECESS RECONVENED

The Chairperson declared a recess at 11:16 a.m. The meeting reconvened at 11:22 a.m.

Chairperson Thompson asked for a "For Information" regarding Palolo Valley Homes next month.

SECTION 8 PROGRAMS

Mr. Taniguchi stated that HPHA is at 93% utilization for the calendar year. The reason HPHA did not reach 100% is because HPHA did not know until June 2007 that HPHA was getting $2 million more. According to the past practice of HUD, HPHA may be able to use the money in the next calendar year.

APPROVAL OF ESTABLISHING THE RENT SUPPLEMENT PROGRAM MAXIMUM SUBSIDY AT $230.00 PER MONTH

Chairperson Thompson entertained a motion to take out of order:

> Decision Making: Approval of establishing the rent supplement program maximum subsidy at $230.00 per month.

Director Smith moved, seconded by Director Dodson,

The motion was unanimously carried.

Director Park moved, seconded by Director Hosino,

> To discuss Decision Making: The approval of establishing the rent supplement program maximum subsidy at $230.00 per month.

Mr. Taniguchi stated the legislature provides $900,000 and the Board has been concerned that HPHA does not spend it all. The problem has been that HPHA cannot process the applications fast enough. The legislature gave the right to the housing authority to increase the income maximum from 50% to 90% of median income. The increase is $160 a month to $230.00 a month and in a years time HPHA will be able to spend the $900,000. If HPHA keeps the amount at $160.00 and adds more families it would take 13 months to spend the $900,000.

Chairperson Thompson asked why do it take 6-8 weeks to process applications. Mr. Dexter Ching, Section 8 Subsidy Program Branch Chief, responded because HPHA needs to check if the applicant meets the criteria, owes money to the agency, is currently renting, and HPHA needs to get information from the employer, the landlord, and etc.

Director Smith asked why can't HPHA raise the amount to $230.00 and add more families. Mr. Ching stated that if HPHA keeps the amount at $160.00 there will not be enough people on the waitlist to use all the funds.

Director Park asked what is being done to make the eligibility process faster. Mr. Taniguchi stated that HPHA has been working with Bank of Hawaii (BOH) to provide a process analysis that will provide suggestions on making the process faster.

Director Smith moved, seconded by Director Park,

> To amend the approval of establishing the rent supplement program maximum subsidy at $230.00 per month and add as many additional families as possibly until all funds are spent.

The motion was unanimously carried.

Chairperson called for a question on the:

> Approval of establishing the rent supplement program maximum subsidy at $230.00 per month and add as many additional families as possibly until all funds are spent.

The motion was unanimously carried.

TO APPROVE THE HIRING OF AN EXECUTIVE ASSISTANT/ EXECUTIVE SESSION

Director Dodson moved, seconded by Director Hosino,

> To discuss Decision Making: Approval of the hiring of an Executive Assistant and that the Board of Directors meets in Executive Session at 11:45 a.m.

The motion was unanimously carried.

The Board moved out of Executive Session at 12:40 p.m.

Director Smith moved, seconded by Director Dodson,

> To confirm the 1st and 2nd place candidates to the Executive Assistant position which authorizes the Board to interview one or more candidates.

The motion was unanimously carried.

TO APPROVE THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) STEP-UP

Director Smith moved, seconded by Designee Oliva,

> To discuss Decision Making: Approval of the U.S. Department of Housing and Urban Development (HUD) Step-up apprenticeship Program.

Director Berthiaume stated the Step-up Apprenticeship Program was created to provide employment and training for residents of the public housing. Originally the program was for maintenance and repairs but because of the programs success it has been expanded to other fields for example clerical, child care, transportation, and etc. The funds for this program would be from existing funds. The residents would also need a case management. HPHA needs to be the sponsoring agency. Some of the benefits would be residents has a job to pay rent, because residents worked on the units they would take better care of the unit. The wages need to be worked out with The Department of Labor and Industrial Relations (DLIR).

Director Beck asked where the administrative costs would come from. Director Berthiaume stated HPHA can request TANF funds.

Director Beck asked does HPHA have the staff to run this program. Mr. Taniguchi stated HPHA would have to move staff around.

Chairperson Thompson asked for more information. Director Bethiaume asked what information is needed. Director Dodson, Chairperson Thompson and Designee Oliva stated 1) can HPHA staff run the program, 2) discussion with the union, 3) budget implications, 4) and a timeline of getting the program started.

Director Smith moved, seconded by Designee Oliva,

> To withdraw Approval of the U.S. Department of Housing And Urban Development (HUD) Step-up Apprenticeship Program.

The motion was unanimously carried.

Director Park moved, seconded by Director Dodson,

> To defer approval of the U.S. Department of Housing And Urban Development (HUD) Step-up Apprenticeship Program.

The motion was unanimously carried.

TO APPROVE THE INTERNAL OPERATING BUDGET FOR FY '07-'08

Designee Oliva moved, seconded by Director Hosino

> To discuss Decision Making: Approval of Internal Operating Budget for FY 2007-2008.

Mr. Taniguchi stated HPHA has a $10,369,401 deficit.

Chairperson Thompson asked Deputy Attorney General Taira can HPHA spend money in excess of what it has. Deputy Attorney General Taira suggested going into executive session.

EXECUTIVE SESSION

Director Hosino moved, seconded by Director Park,

> That the Board of Directors meets in Executive Session at 1:10 p.m.

The motion was unanimously carried.

The Board moved out of Executive Session at 1:33 p.m.

Director Smith asked for clarification on the Section 8 and the Homeless Programs budget. Ms. Miyamoto explained for the Section 8 budget with asset management 20% of the administrative funds can be put into the public housing budget and according to Ms. Miyoshi, Homeless Programs, requested more funds because new homeless facilities were added.

RECESS
RECONVENED

Director Dodson asked if she and Director Beck did not vote on the budget because of conflict in interest would it be okay. Chairperson declared a recess was declared at 1:40 p.m. The meeting reconvened at 1:42 p.m.

Deputy Attorney General Taira stated that the action can not be passed unless 7 of the Directors vote affirmative to make the Authority valid.

Chairperson Thompson asked what the conflict is. Director Dodson stated in the Homeless Program Budget there is a Grant-in-Aid (GIA) for Habitat for Humanity for the amount of $225,000 and a Capital Improvement Program (CIP) for Habitat for Humanity for the amount of $300,000. She does not know if their agencies will be benefiting from this because it was may have been requested by their state agency. Director Dodson reported that both she and Director Beck will be benefiting from the CIP. Director Smith stated that the GIA and CIP were given by the Legislature and not by HPHA's request.

Chairperson Thompson stated that based on the conclusion that the CIP was a legislative appropriation and not requested by HPHA, would the Board consider this not a conflict for the purpose of voting.

Director Dodson asked if any Board member has a problem with herself and Director Beck voting. The Board was polled and no Board member had a problem with them voting on this issue.

Chairperson Thompson asked does this budget also reflect the $1.6 million that HPHA owes to Budget and Finance (B & F). Mr. Taniguchi stated no, so the total deficit is about $12 million.

Director Dodson moved, seconded by Director Hosino,

> To amend to approve the Budget realizing there is a deficit and proposing that the deficit be made up by increasing revenue and decreasing cost and by asking the legislature for an appropriation to make up the deficit.

The motion was unanimously carried.

Director Dodson asked that Ms. Miyoshi confirm that the GIA and the CIP was not requested by HPHA but the legislature. Ms. Miyoshi stated that is correct.

Chairperson called for a question on the original motion as amended:

The motion was unanimously carried

Director Park left the meeting at 2:00 p.m.

TASK FORCE REPORT/ TENANT/ TENANT RELATIONS

Director Hosino stated there are many concerns with 5 public housing projects. The first 3 relate to the manager with retaliation, intimidation, harassment, and making changes without the approval of HPHA. She also stated that HPHA should be more considerate, responsible, and addressing the problems with due process.

Director Dodson asked that the task force meet monthly to discuss these problems so the task force can help Mr. Taniguchi resolve and follow up on the progress of the resolution to the problems.

Director Hosino asked can the Resident Advisory Board (RAB) can have drug testing. Deputy Attorney General Taira stated that legally HPHA can not require drug testing.

Director Smith asked how the RAB is selected. Mr. Alan Sagayaga, Program Specialist stated nomination papers are sent to the residents, and then HPHA creates a ballot and then the residents vote. HPHA then checks to ensure that the member is in good standing with HPHA by requirement of HUD.

Director Hosino asked why there is not a state housing resident on the RAB. Ms. Arashiro stated because the purpose of RAB was to comment on the PHA 5 year annual plan which only covers federal public housing. Deputy Attorney General Taira stated it may take more research by HPHA but she thinks because this is a federally mandated requirement, the requirement might be that the RAB member be from the federal projects.

Chairperson Thompson requested that item V. A. Goals and Objectives, V. B. Improving Employee Morale, V. C. Preferences for Federally-Assisted Housing Projects and Site-Based Waiting List, V. D. Exploration of Tax Credit Financing be deferred to next month.

Mr. Taniguchi introduced Ms. Chu Lee, Fiscal Officer who started today.

ADJOURNMENT

There being no further items to be discussed, Chairperson Thompson entertained a motion to adjourn.

Director Dodson moved, seconded by Director Berthiaume,

That the meeting be adjourned at 2:34 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved: