MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON WEDNESDAY, AUGUST 16, 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, August 16, 2007 at 9:02 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, Chairman
Director Eric Beaver
Director Anne Marie Beck
Director Rene Berthiaume
Director Sherrilee Dodson
Director Clarissa Hosino
Director Carol Ignacio
Director Kaulana Park
Director Linda Smith
Designee Henry Oliva

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

EXCUSED: Director Matilda Yoshioka

STAFF PRESENT:
Barbara Arashiro, Procurement Officer
Shirley Befitel, Special Assistant, Personnel
Joanna Chaves, Public Housing Supervisor
Dexter Ching, Section 8 Subsidy Programs Branch Chief
Derek Fujikami, Building Engineer
Lili Funakoshi, Hearings Officer
Michael Hee, Acting Property Management Brach Chief
Glori Inafuku, Acting Compliance Officer
Charles Itliong, Chief Accountant
Sandra Miyoshi, Homeless Programs Administrator
Gary Nakatsu, Data Processing System Analyst
Richard Speer, Project Engineer
Dionicia Piiohia, Clerk Typist/OED
Taryn Chikamori, Secretary to the Board

OTHERS:
Ira Calkins, Inner Governmental Research
Larry Jones, MDStrum Housing Services, Inc.
Frank Kingery, Tetra Tech
Juan Patterson, MDStrum Housing Services, Inc.
Nhi Tran, Legal Aid

Chairperson Travis Thompson declared a quorum present and welcomed two new Board members: Ms. Sherrilee Dodson, Executive Director for Habitat for Humanity on Maui, and Mr. Rene Berthiaume, Chairman of the State Rehabilitation Council in Honolulu. QUORUM

Director Ignacio moved, seconded by Director Park, APPROVAL OF MINUTES REGULAR MEETING 7/18/07

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

The motion was unanimously carried.

Chad Taniguchi, Executive Director introduced Taryn Chikamori Secretary to the Board and thanked and acknowledged Deesha Piiohia for her excellent work as acting Board Secretary since the agency split in July 2006.

REPORT OF THE EXECUTIVE DIRECTOR PROGRAM/ PROJECT UPDATES

ENERGY PERFORMANCE CONTRACT

Mr. Taniguchi introduced Mr. Frank Kingery of Tetra Tech. Mr. Kingery stated that he represents the Department of Business Economic Development and Tourism (DBEDT) and is assigned to provide technical assistance in energy savings to the Hawaii Public Housing Authority (HPHA).

Chairperson Thompson referred to Exhibit M and asked who David Birr is. Mr. Kingery stated that Mr. Birr is a contractor hired by DBEDT and a national expert on energy contracts for public housing authorities.

Mr. Taniguchi added that Mr. Birr was at the HPHA Board meeting two months ago and available for questions before HPHA went forward with the Request for Proposal (RFP) process. The RFP will be issued for the energy services contractor. The contractor selected will provide an investment grade audit to federal and state public housing buildings and units including the School Street buildings. The company will investigate the utility elements and recommend how HPHA can be more energy efficient. The agency will then decide if and where changes are to be made. The U.S. Department of Housing and Urban Development (HUD) will continue to provide the utility subsidy on a slowly declining basis if energy savings retrofits are financed through the contractor; if HPHA directly finances retrofits the HUD utility subsidy will be substantially less. Thus, HUD is promoting energy performance contracting via energy services companies.

Mr. Kingery stated utilities savings would be used to pay for all private cost for financing equipment design, installation, operation and maintenance. If the utilities savings are insufficient to pay the financing the contractor guarantees to make up the difference.

Chairperson Thompson asked if HPHA would pay for the audit cost up front. Mr. Taniguchi responded that some companies may propose not to charge for the audit regardless of whether HPHA chooses to go forward with energy retrofits or not; others may propose to charge for the audit only if HPHA does not enter into future energy retrofits.

Director Smith stated former Board Member Charles Ridings suggested that HPHA look into ways HPHA can save energy costs by contracting with companies that were willing to, at no cost to the public housing entity, put in energy saving devices then enter into an agreement with the public housing entity to share the savings. Mr. Taniguchi stated that is the same model we are pursuing.

Director Smith suggested Scott Kami of Budget and Finance come to a future meeting to explain the fiscal obligation to the State.

Director Beaver stated the Board is concerned about funds to pay for an audit, equipment and other costs and asked if there are tax benefits or a Hawaiian Electric Company rebate program from which HPHA can benefit. Mr. Kingery stated energy services companies are adept at identifying and using such programs.

Director Berthiaume asked whether energy savings can be used for other operating costs. Mr. Kingery stated energy savings will primarily go to paying down the service contract.

Mr. Taniguchi stated the RFP will go forward as previously agreed with the Board. There will be two more decision-making points for the Board to accept or reject a proposal to go forward with 1) an investment grade energy audit, and 2) future energy retrofits to be financed by the energy services company. Until those decision-making points, HPHA will not be financially obligated.

ELEVATORS

Mr. Taniguchi stated that repairs of seven of nine broken elevators have been completed. Two remaining elevators at Kuhio Park Terrace (KPT) are being worked on. Currently, one freight elevator in each tower is working and HPHA is seeking to repair at least one more passenger elevator in each tower. In Terrace A the passenger elevator is working, however the air conditioning and telephone are still not operable. Therefore, HPHA is not running it. The elevator in Terrace B has a new problem with the drive.

Director Beaver asked who is responsible to insure that the elevator maintenance was being done. Mr. Taniguchi stated that the local elevator contractor is responsible, but HPHA has contracted an elevator consultant who is monitoring the elevator contractor to see that the maintenance is being done right. Director Beaver suggested HPHA develop a level of expertise in-house. Mr. Taniguchi agreed and stated after all elevators are modernized (newly rebuilt), it may not be necessary to retain the elevator consultant as HPHA staff understand the basics of preventive maintenance measures.

VACANT UNITS

Mr. Taniguchi stated 336 vacant units needing repair in July. In some cases, renovated, rent ready vacant units are being vandalized and need to be fixed again before occupancy.

Mr. Taniguchi stated on Oahu 26 vacancies were filled in July. In contrast, under Urban Management KPT had roughly a 100 units to fill in the past, and their staff of two administrative staff filled them quickly by doing final verifications of waitlist names provided by the HPHA central applications office. Now KPT is nearly full with only few vacancies.

Director Smith asked if other management companies offered to do the same service of completing final verifications at the Management Unit level. Mr. Taniguchi said that as a result of KPT's success all state and privately operated management unit managers discussed being assigned the task of filling units by doing final certifications and agreed this should be done. The staffs need training. The staff at one management unit (Hilo) refused to accept this task on the basis of too much work. Mr. Taniguchi stated is up to management to determine work priorities, and filling units is the primary administrative priority because it serves people on the waitlist, brings in rental income, and maintains units through occupancy.

Director Beaver asked what the process is if a staff member does not comply. Designee Oliva stated that supervisors need to document non-performance. If disciplinary action is required, then so be it.

RECESS RECONVENED

The Chairperson declared a recess at 10:19 a.m. The meeting reconvened at 10:28 a.m. Designee Oliva left the meeting at 10:30 a.m.

EVICTIONS

Mr. Taniguchi stated HPHA needs to evict the people who don't pay their rent or violate the rules. Management Units have initially identified 21 residents to be evicted for non-payment of rent and 11 residents to be evicted for rules violations. Mr. Taniguchi believes the great majority of the residents want to have housing projects filled with rent paying, rule abiding citizens.

Director Beaver asked that $2.7 million dollars is still owed by evicted residents, how much of that is still collectable. Mr. Taniguchi stated these are only minimally collectable, and we need to contact the people who don't pay their rent the first month.

Director Beaver asks if there is a distinguishable difference between vacated and non vacated residents in terms of collect ability. Ms. Lili Funakoshi, Hearing Officer, responded that fifty percent of residents in occupancy who come before the Board for eviction make payments rather than be evicted.

Director Hosino asked under current administrative rules what happens if a resident does not pay rent the first month. Ms. Funakoshi responded if rent is not paid by the 7th business day of the month, management will send out a notice on about the 15th day of the month for the tenant to meet with management on their rent. If they don't attend the meeting, HPHA starts the eviction process.

REAPPOINTMENT OF MS. LUDIVINA TAKAHASHI AND MR. GARY MACKLER TO THE KAUAI EVICTION BOARD TWO-YEAR TERM EXPIRING ON AUGUST 31, 2009

Chairperson Thompson entertained a motion to take out of order:

> Item IV. D, Reappointment of Ms. Ludvina Takahashi, and Mr. Gary Mackler to the Kauai Eviction Board for a Two-Year Term Expiring on August 31, 2009.

Director Beaver moved, seconded by Director Hosino,

> The motion was unanimously carried.

Chairperson Thompson then entertained a motion to consider:

> Item IV. D, Reappointment of Ms. Ludivna Takahashi, and Mr. Gary Mackler to the Kauai Eviction Board for a Two-Year Expiring on August 31, 2009.

Director Park moved, seconded by Director Hosino.

Ms. Funakoshi stated Ms. Takahashi and Mr. Gary Mackler are already serving as members of the Board and are willing to serve another term.

> The motion was unanimously carried.

CONTINUATION OF EXECUTIVE DIRECTORS REPORT

WORKORDERS

Chairperson Thompson commented on the emergency and routine work orders that in January it went from 3000 to 900 work orders. Mr. Michael Hee, Acting Property Management and Maintenance Branch Chief explained that one problem is that work orders are sometimes completed but the completion is not entered into the computer database. Chairperson Thompson stated HPHA must enter completions into the database or determine what is the number of work orders completed, but not entered in the database.

MEETINGS WITH MANAGEMENT UNITS

Mr. Taniguchi stated Kauai is a high performing area and recognized Ms. Sandra Kouchi as a dedicated and effective Manager who has high expectations of residents and staff. Based on statistics and observations, Hilo and Maui are low performing units and needs to work towards higher performance with more central office support and guidance.

Chairperson Thompson recommended that HPHA recognize "model employees" such as Ms. Kouchi.

COMMUNITY ORGANIZING

Mr. Taniguchi stated public housing residents were informed of HPHA's core values and work priorities via a flyer in their last rent bill. Similar community organizing messages will be included in future rent bills.

APPLIANCE CONTRACT COST ANALYSIS

Mr. Taniguchi reported the Procurement office had conducted an analysis of the master appliance contract and compared it with purchasing from retail big box stores. When delivery and disposal are factored in, the master appliance contract provides equal or superior value.

APPROVAL OF RESOLUTION NO. 09 APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION FOR FISCAL YEAR ENDING JUNE 30, 2007

Chairperson Thompson entertained a motion to take out of order:

> Item IV. A Approval of Resolution No. 09 Approving Section 8 Management Assessment Program (SEMAP) Certification for Fiscal Year Ending June 30, 2007.

Director Smith moved, seconded by Designee Oliva,

The motion was unanimously carried.

Chairperson Thompson entertained a motion to consider:

> Item IV. A Approval of Resolution No. 09 Approving Section 8 Management Assessment Program (SEMAP) Certification for Fiscal Year Ending June 30, 2007.

Director Beaver moved, seconded by Director Hosino,

Mr. Taniguchi stated HPHA self-certified as accumulating 116 points out of the 145 point maximum. Problems have been identified along with proposed remedies to better the scores next year.

The motion was unanimously carried.

RESOLUTION NO. 09

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION

WHEREAS, the Board of Directors of the Hawaii Public Housing Authority, in compliance with the U.S. Department of Housing and Urban Development (HUD) management performance requirements for Fiscal Year 2007, has reviewed the Section 8 Management Assessment Program (SEMAP) Certification, herein attached, and

WHEREAS, The Section 8 Management Assessment Program (SEMAP) provides policies and procedures for HUD's use in identifying Public Housing Agency management capabilities and deficiencies, and

WHEREAS, HUD will utilize and allow the Section 8 Management Assessment Program (SEMAP) to practice accountability, monitoring, and risk management.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority hereby approve the SEMAP Certification for FY ending June 30, 2007.

The UNDERSIGNED, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 16, 2007.

Travis Thompson, Chairperson

CONTINUATION OF EXECUTIVE DIRECTORS REPORT

Director Smith asked if all the contracts for fiscal year 2007-2008 are completed. Ms. Sandra Miyoshi, Homeless Programs Administrator, responded all contracts have been signed but some of them have a new requirement in regards to insurance which is still being worked on. Of the $13.8 million that was appropriated and released, $11 million has been awarded to provider contracts. The remainder went to outreach and loan programs.

HOMELESS PROGRAMS

Mr. Ira Calkins, public citizen, stated homeless veterans should have a priority in seeking affordable housing.

PERSONNEL

Mr. Taniguchi stated because of projected budget deficits, HPHA is not filling all the vacant positions. HPHA is recruiting for the Executive Assistant (Deputy Executive Director), Fiscal Officer in Fiscal Management Office, and Chief Financial Management Advisor.

Director Smith asked why we are spending time reviewing position descriptions for standard positions such as painter and clerk typist. She suggested requesting samples from other agencies. Ms. Shirley Befitel, Personnel Special Assistant, stated specific job descriptions are different for each office. Mr. Taniguchi stated HPHA would consider using standard job descriptions for similar jobs, then providing specific job duties by separate document to each specific employee at a specific location, and would report back to the Board.

APPROVAL OF RESOLUTION NO. 10 APPROVING THE PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS) MANAGEMENT OPERATIONS CERTIFICATION FOR FISCAL YEAR ENDING JUNE 30, 2007

Chairperson Thompson entertained a motion to take out of order:

> Item IV. B, Approval of Resolution No. 10 Approving the Public Housing Assessment System (PHAS) Management Operations Certification for the Fiscal Year Ending June 30, 2007.

Director Smith moved, seconded by Director Beaver,

The motion was unanimously carried.

Chairperson Thompson entertained a motion to consider:

> Item B, Decision Making: Approval of Resolution No. 10 Approving the Public Housing Assessment System (PHAS) Management Operations Certification for the Fiscal Year Ending June 30, 2007.

Director Beaver moved, seconded by Director Park.

Mr. Taniguchi stated PHAS is the assessment system that HPHA uses in operating the federal public housing. There are four indicators measured by the HUD: physical, financial, management, and resident assessment. HPHA anticipates reaching 70 points for 2007 which is a stand performer.

Mr. Taniguchi added in order to pass the financial assessment, HPHA needs to have the unaudited general ledger in by August 31, 2007.

Director Beaver asked why does HPHA not anticipate getting some points in the vacant unit turn around category for 2008. Mr. Taniguchi stated HPHA is pushing to get most or all vacant units repaired in FY 2007-2008. If this is done, HUD will count this against HPHA for 2008, but in 2009 a passing score can be anticipated.

Chairperson Thompson called for a vote on this motion.
The motion was unanimously carried.

RESOLUTION NO. 10

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS) MANAGEMENT OPERATIONS CERTIFICATION

WHEREAS, the Board of Directors of the Hawaii Public Housing Authority, in compliance with the U.S. Department of Housing and Urban Development (HUD) management performance requirements for Fiscal Year 2007, has reviewed the Public Housing Assessment System (PHAS) Management Operations Certification, herein attached, and

WHEREAS, the Public Housing Assessment System (PHAS) provides policies and procedures for HUD's use in identifying Public Housing Agency management capabilities and deficiencies, and

WHEREAS, HUD will utilize and allow the Public Housing Assessment System (PHAS) to practice accountability, monitoring, and risk management.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority hereby approve the PHAS Management Operations Certification for FY ending June 30, 2007.

The UNDERSIGNED, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 16, 2007.

Travis O. Thompson, Chairperson

ADOPTION OF HAWAII PUBLIC HOUSING AUTHORITY'S STATEMENT OF PROCUREMENT POLICY

Chairperson Thompson entertained a motion to take out of order:

> Item IV. C Adoption of Hawaii Public Housing Authority's Statement of Procurement Policy.

Director Ignacio moved, seconded by Director Hosino,

The motion was unanimously carried.

Mr. Taniguchi stated that the summary has been approved by HUD.

Chairperson Thompson entertained a motion:

> To Adopt the Hawaii Public Housing Authority's Statement of Procurement Policy.

Director Beaver moved, seconded by Director Hosino,

The motion was unanimously carried.

CONTINUATION OF EXECUTIVE DIRECTORS REPORT

GENERAL LEDGER

Mr. Charles Itliong, Chief Accountant, stated the general ledger is 98% completed and 2% is missing some dates that needs to be entered into the system. Mr. Taniguchi stated he believes HPHA will have the general ledger done by August 31, 2007. Also HPHA hired a consultant and a Certified Public Accountant (CPA) to assist with completing reports on this matter. The CPA's comment was that there is almost a zero chance that we will be turning in an accurate unaudited ledger but it will be possible to submit the unaudited report and the auditor can help to correct it.

PUBLIC COMMENT

Mr. Calkins stated we ask the Attorney General to look into why the state inspectors have not been inspecting the elevators. Also on the agenda, HPHA needs to add a section for the public to speak. He suggested that HPHA look into direct deposit for tenants to pay their rent. Mr. Hee commented that the Fiscal Management Office (FMO) staff is exploring that idea now.

RECESS RECONVENED

The chairperson declared a recess at 12:26 p.m. The meeting reconvened at 12:55 p.m.

EXECUTIVE SESSION

Chairperson Thompson entertained a motion that the Board meet in Executive Session.

Director Beaver moved, seconded by Director Hosino,

> That the Board meet in Executive Session at 1:02 p.m.

The motion was unanimously carried.

Director Smith left the meeting at 1:20 p.m.

RECESS RECONVENED

The Board moved out of Executive Session and into recess at 2:00 p.m. The meeting reconvened at 2:35 p.m.

TRAINING

Chairperson Thompson stated that the Board proceed into the Board training session provided by MDStrum Housing Services, Inc. Mr. Larry Jones and Mr. Juan Patterson briefly gave an overview of HPHA's standing in the Asset Management Program and where improvements can be made.

ADJOURNMENT

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

Director Berthiaume moved, seconded by Director Hosino,

That the meeting be adjourned at 3:30 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA
Secretary

Approved: SEP 20 2007