MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, JUNE 19, 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, June 19, 2008 at 9:00 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
Designee Henry Oliva
Director Carol Ignacio
Director Clarissa Hosino
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Sam Aiona
Director Sherrilee Dodson

Executive Director, Chad Taniguchi
Deputy Attorney General, Sandra Ching

EXCUSED:
Director Rene Berthiaume
Director Eric Beaver

STAFF PRESENT:
Allan Sagayaga, Program Specialist
Barbara Arashiro, Chief Contracts & Procurement Officer
Clifford Laboy, Program Specialist
Derek Fujikami, State Housing Development Administrator
Derek Kimura, Property Management and Maintenance Services Branch Chief
Dexter Ching, Section 8 Subsidy Program Branch Chief
Douglas Pedro, General Construction Maintenance Supervisor
Glori Inafuku, Housing Compliance Officer
Lili Funakoshi, Hearings Officer
Michael Hee, Contracts Administrator Section Chief
Michelle Kim, Contract Specialist
Patti Miyamoto, Chief Compliance Officer
Rick Sogawa, Contract Specialist
Sandra Miyoshi, Homeless Programs Administrator
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Public Housing Supervisor VI
Taryn Chikamori, Secretary to the Board
Tyler Ono, Building Maintenance Worker II

OTHERS:
William Sabalburo, U.S. Department of Housing and Urban Development, Hawaii Field Office
Deborah Hernandez, U.S. Department of Housing and Urban Development, Headquarters
Desiree Kihano, Palolo Valley Homes resident
Juan Patterson, MD Strum
Jun Chung, U.S. Department of Housing and Urban Development, Hawaii Field Office

Larry Jones, MD Strum
Mei Tong, U.S. Department of Housing and Urban Development, Hawaii Field Office
Michael Flores, U.S. Department of Housing and Urban Development, Hawaii Field Office
Paula Blunt, U.S. Department of Housing and Urban Development, Headquarters
Rob Wilkes, MD Strum
Tim Garry, private resident

Chairperson Thompson declared a quorum present.

QUORUM

Director Park moved, Director Hosino seconded,

That the minutes of the Regular Meeting held on May 15, 2008 be approved as circulated.

The motion was unanimously carried.

APPROVAL OF MINUTES REGULAR MEETING 05/15/08

Chairperson Thompson introduced Paula Blunt, U.S. Department of Housing and Urban Development (HUD) General Deputy Assistant Secretary for the Public and Indian Housing.

INTRODUCTION OF SPECIAL GUESTS

Ms. Blunt stated she has been with HUD for 20 years and prior to that she was with the Washington D.C. public housing department. Her graduate thesis was on Rehabilitation of Public Housing Beyond Bricks and Mortar. Ms. Blunt introduced Deborah Hernandez, HUD Deputy Assistant Secretary for Field Operations.

Ms. Hernandez stated that the Congressional Delegation indicated that HUD needed to help Hawaii Public Housing Authority (HPHA). HUD has awarded a technical assistance contract specifically in the financial management area. Ms. Hernandez stated she met with Chad Taniguchi, Executive Director, and the management team and the team is making the first step by taking a hard look at what changes need to made in the agency to keep HPHA out of deficit. HPHA are moving in the right direction. The contractor will be ensuring that the financial policy and procedures are in place and the staff is trained to do their jobs. The corrective action to the deficit will take time; it didn't happen overnight and will not go away overnight. Ms. Hernandez asked for questions.

Director Smith arrived at 9:18 a.m.

Chairperson Thompson stated that due to salary restraints HPHA has been unable to hire competent people in the financial management area

Director Yoshioka asked throughout the nation are there many public housing agencies (PHAs) going through the same situation as HPHA. Ms. Blunt stated it is not the exception but it is also not the trend. Ms. Hernandez stated due to trouble in key areas there are about 200-300 PHAs in "troubled" status, which is not a lot when you consider there are over 3,000 PHAs. The financial area, physical condition of properties, general management, and resident surveys are the key areas. Even though Asset Management may be a struggle now it will help in the future with PHAs being able to see which Asset Management Projects (AMPs) are doing well and which AMPs need help. Because PHAs will be run like the private sector it will be easier to recruit staff from the private sector.

Designee Oliva asked is there a national trend of people moving out of public housing and into private housing. Ms. Blunt stated HUD does not have the hard statistics on this but she believes that people are moving out.
Director Ignacio stated she knows that HUD is just a housing agency but she feels

there are no incentives for families to become self-sufficient. Families may feel if I have more income then I need to pay more rent. Director Ignacio asked why it takes so much time for the eviction process. Ms. Hernandez stated this is due to local practices, not HUD procedures.

Director Smith asked because the State has an elaborate eviction process and a bill regarding prohibiting mixed finance development is Ms. Blunt or Ms. Hernandez available to talk to the Legislature regarding this matter. Ms. Blunt stated HUD can't lobby on the behalf of HPHA but they can put HPHA in touch with other PHAs that went through or are going through the same things. HUD can even educate the staff who can in turn educate the Legislature. HPHA can even ask other PHAs to come and testify on HPHA's behalf.

PUBLIC TESTIMONY

Desiree Kihano, Palolo Valley Homes resident, stated she met with Stephanie Fo, Public Housing Supervisor VI, yesterday and Ms. Fo was willing to listen to the issues the residents have. Ms. Kihano now feels that things will be addressed.

Chairperson Thompson stated HPHA is working on a system where the residents can get involved and take back their property from law violators and criminals.

Tim Garry, private resident, stated last week he called the police because of big parties late at night. The police drive through and tell everyone to leave and no one leaves. Mr. Garry feels that HPHA needs to have staff walk around at night to monitor the projects.

APPROVAL OF THE FISCAL YEAR 2009 BUDGET

Director Dodson moved, Director Ignacio seconded,

To approve the Fiscal Year 2009 Budget.

Mr. Taniguchi stated the general ledger is being completed and will be functioning for the fiscal year. Mr. Taniguchi reviewed the "For Action" and handouts. Mr. Taniguchi stated he will report on the implementation of the general ledger at the next meeting.

Chairperson Thompson asked what the collection rate was in 2007. Mr. Taniguchi responded 90%.

Director Yoshioka asked will the Board be getting a financial report on a monthly basis. Mr. Taniguchi said yes, that is the goal.

Director Dodson asked to show budgeted versus actual expenditures.

Director Smith asked where the State properties will get the money to pay for services. Mr. Taniguchi stated from collecting rent and because this is insufficient to meet their expenses, HPHA will ask the Legislature to cure a structural underfunding of the State elderly and family program.

Chairperson Thompson asked is HPHA asking the Legislature one year too late? Mr. Taniguchi stated yes HPHA will be going for an emergency appropriation during the next Legislative session. This is an allowable procedure for state agencies. HPHA was not in a position to ask for FY 2009 increase during the last Legislative session because our financial data was not reliable.

Chairperson Thompson asked to provide budget information on an AMP basis.

Director Ignacio asked in the case where staff has poor performance how can the Board be assured that poor performance will be dealt with. Mr. Taniguchi stated performance will be measured by how the AMPs are performing. HUD has standards, for example, HUD requires emergency work orders to be abated within 24 hours and regular work orders need to be completed in 25 days. HPHA emergency work orders are at 91% completed within 24 hours and need to be at

100%. The regular work orders are fine.

Director Aiona asked what some of the performance goals are for managers and what the consequences are if they do not complete their goal. Mr. Taniguchi stated some of the property management goals are to turn vacant units in 25 days including filling it, increasing rent collection from 90% to 95%, and completing work orders. If the goals are not met management will see why goals are not being met and what can be done and if goals are still not being met then over a period of time they can be terminated.

Chairperson Thompson called a recess at 10:26 a.m. and reconvened at 10:36 a.m.

RECESS
RECONVENED

Director Ignacio asked if the units that will be repaired are A and B units. Mr. Taniguchi stated A, B, and C.

Director Smith asked if these employees will be doing the work themselves or will they be supervising a contractor. Mr. Taniguchi stated they will be doing the work themselves.

Director Smith asked if staff does not have the skill set will they be trained. Mr. Taniguchi stated they already have the skill set; they are just being moved to different locations.

Director Dodson asked will the application processing team be processing applications for the neighbor islands. Mr. Taniguchi stated the processing team is primarily only for Oahu, but may need to assist the neighbor islands.

Director Hosino asked what other charges can be charged to the renter. Stephanie Fo, Public Housing Supervisor VI, stated some other fees that HPHA is considering are dumping fee and appliance fee. Mr. Taniguchi stated the fee additions/changes will be brought before the Board when the time comes.

Director Ignacio stated can HPHA look into adding towing/dumping fee for abandoned cars.

Director Smith asked if HPHA could explore the idea of "last in", placement because many of the people at the bottom of the list may be hard to contact. Mr. Taniguchi stated HPHA just did an update of the entire applications list so all applicants should be current.

Director Park asked will HPHA run into problems with position descriptions because staff will be doing different jobs. Mr. Taniguchi stated the staff will not be doing work outside their position description but their location may change.

Mr. Taniguchi stated that half of the vacant repair unit money has been given to the AMPs. If the AMPs have the funds to do the repair the manager has the authority to make the decision on what units the money will be used. Barbara Arashiro, Executive Assistant, stated that after training the managers will have the authority to approve expenditures under $5,000.

Director Ignacio asked if an item was not budgeted does that mean the tenant is left without the item. Ms. Arashiro stated no, the AMPs can do transfers of AMP budget items. Director Ignacio stated the there needs to be rules on what items are health and safety issues.

Director Hosino asked if food spoils because the refrigerator breaks who is responsible to pay for the spoiled food. Mr. Taniguchi responded that HPHA is not responsible to pay for spoiled food. Ms. Fo stated the tenant can fill out a tort claim.

Chairperson Thompson asked is there a policy on writing-off bad debt. Glori

Inafuku, Housing Compliance Officer, stated all AMP managers have been given the policy which has been in place for a while now. Chairperson Thompson asked what the timeframe on writing off bad-debt is. Ms. Inafuku stated first and second attempts are made, and then it is referred to a collections agency. Then if the unit has been vacated for 90 days then it can go to the Attorney General to write off.

Rob Wilkes, MD Strum, stated the write off is large because it is an accumulation of write offs. In future years, the write off amount should be smaller.

Director Dodson asked if the Board can amend the budget if the Legislature does not give HPHA the funds. Mr. Taniguchi stated yes.

Director Yoshioka asked if HPHA can bring the budget before the Board earlier for fiscal year 2010. Mr. Taniguchi stated yes, MD Strum is creating procedures on doing the budget.

Director Hosino asked if all the AMP managers understand the AMP process. Ms. Arashiro stated yes and no. They understand asset management but will be receiving training on how to manage under asset management.

Chairperson Thompson called for a vote.

Aye: Chairperson Travis Thompson
Designee Henry Oliva
Director Carol Ignacio
Director Clarissa Hosino
Director Kaulana Park
Director Matilda Yoshioka
Director Sam Aiona
Director Sherrilee Dodson

Nay: Director Linda Smith

The motion was carried.

Director Yoshioka moved, Director Ignacio seconded,

To move to the Executive Director's report.

The motion was unanimously carried.

EXECUTIVE DIRECTOR'S REPORT

Tyler Ono, Mayor Wright Homes' Building Maintenance Worker II, reported on going to St. Paul Housing Authority in Minnesota. He got to see how a high performance agency runs. He shared with his fellow United Public Workers (UPW) three main reasons behind St. Paul Housing Agency's success: planning, organized methods and training. St. Paul has a centralized work order crew. He got to see how the work order crew operates and how a centralized labor crew goes to sites and cuts grass and upkeeps the properties. The central maintenance crew went into occupied units and took corrective action, as needed.

For the organized methods he got to see how each worker had a daily log which included work order number, job code, area unit, description, time traveled, comments, truck number and mileage which is filled out to the exact minute and then turned in and filed. He stated the other thing he learned was the maintenance department carried a heavy load. Engineers, inspectors, and procurement are under the maintenance department. This took away from confusion and put everyone in the same direction.

The training at St. Paul's consists of tenant to tenant training which includes on going training on how to maintain a yard, how to use a stove, and how to use a

toilet. St. Paul uses model tenants to train other tenants who are not doing as well. St. Paul will supplement the rent for the tenants who provide training. The training also includes peer-to-peer staff training. The Executive Director sets his goals and mission and holds each employee accountable. He believes that HPHA can be a high performing agency once HPHA gets a plan laid out.

Douglas Pedro, Mayor Wright Homes' General Construction Maintenance Supervisor, stated in St. Paul, maintenance is a driving force of the agency. If residents have problems and the maintenance does not fix them then residents become unhappy.

EXECUTIVE SESSION

Director Yoshioka moved, Director Ignacio seconded,

> To go into Executive Session at 12:10 p.m. pursuant to Section 92-4 and 92-5(a)(4), Hawaii Revised Statutes, the Board may vote to convene in Executive Session to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding the Office of Information Practice's opinion and decision making on whether to rescind the Board's vote of April 10, 2008 to limit public testimony to three minutes.

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 12:21 p.m.

TO RESCIND THE BOARD'S VOTE OF APRIL 10, 2008 TO LIMIT PUBLIC TESTIMONY TO THREE MINUTES

Director Dodson moved, Director Hosino seconded,

> To Rescind the Board's vote of April 10, 2008 to limit Public testimony to three minutes.

The motion was unanimously carried.

Chairperson Thompson stated that the motion of April 10, 2008 was unnecessary because the limiting public testimony to three minutes is in the Hawaii Administrative rules.

EXECUTIVE SESSION

Director Ignacio moved, Designee Oliva seconded,

> To go into Executive Session at 12:24 p.m. pursuant to Sections 92-4, 92-5(a)(2), and 92-5(a)(4), the Board of Directors may convene in Executive Session to evaluate the performance of the Executive Director and possible personnel actions related thereto.

The motion was unanimously carried.

RECONVENED

The Board reconvened from Executive Session at 1:14 p.m.

Chairperson Thompson stated that several Board members will provide the Board with the process on how the evaluation should be performed at the next meeting.

RECESS RECONVENED

Chairperson called a recess at 1:16 p.m. and reconvened at 1:42 p.m.

Designee Oliva handed out a list of vacancies of priority positions.

TASK FORCE REPORT/ HUMAN RESOURCES/ PERSONNEL

Chairperson Thompson asked if the Chief Financial Management Advisor position is a new position. Mr. Taniguchi stated it is a new position. MD Strum will train this person.

Chairperson Thompson asked what pending recommendation means. Mr. Taniguchi stated HPHA interviewed two people. The first interviewee became ill and pulled out and the second person is being assigned work on a trial basis by MD Strum to see if she is capable of doing the work. If she is capable, HPHA will offer her the position. HPHA has had a hard time hiring for this position because of the pay. As a back up plan HPHA will advertise the position with a salary range of $70,000 and $80,000 or up to $112,000 as a consultant without benefits.

Chairperson Thompson asked if MD Strum is active in the interview process. Mr. Taniguchi stated yes.

Director Aiona asked how this list relates to the budget, as earlier reported. Mr. Taniguchi stated only the positions on this list are what HPHA will be hiring and these positions were included in the budget.

Designee Oliva stated that HPHA needs to turn in paperwork justifying filling the Public Housing Supervisor IV at AMP 34 because this is a state funded position.

TENANT/ TENANT RELATIONS

Director Hosino stated HPHA will be having quarterly meeting with all AMPs. The meeting will be on Tuesdays and Wednesdays and in the same format as the Maui meetings.

Director Yoshioka asked when will the meeting start. Mr. Taniguchi stated a schedule is being developed.

Director Hosino stated she attended the managers' meeting so she could address organizing resident associations. The managers and the associations need to work together.

Director Hosino stated that the projects should have tenant monitors to help with security after hours. HPHA can supplement their rent but the tenant needs to be in good standing.

Director Smith asked isn't there a Sergeant-In-Arms in place to deal with this matter. Director Hosino stated there is a Sergeant-In-Arms, but they may not be in good standing.

Director Ignacio stated that HPHA should make the tenant monitoring program formal and include training.

Chairperson Thompson stated that the use of a temporary restraining order (TRO) is not acceptable practice. The employees need to go to the unions for help. The union will be taking action on this matter.

Director Hosino stated for outside agencies that use HPHA facilities she wants to ask the Attorney General to create one contract agreement for all AMPs.

HOMELESS-NESS

Director Park stated that Building 36 will be opening in July and Villages of Maili is on track.

EXECUTIVE DIRECTOR'S REPORT

Mr. Taniguchi stated that when he started a year ago he focused on elevators, vacant units and the financial management system of HPHA. The elevators are under control, the financial management is ready to go, and vacant units' backlog

has not changed. The special teams will be addressing vacant units within the next year.

Chairperson Thompson stated that he would like to see previous months on the Executive Director's report for all items. Mr. Taniguchi stated he has these reports from Emphasys but because the AMPs input them there will be sometime before they will be fully accurate.

Director Ignacio asked why has there not been a dent in fixing vacant units. Mr. Taniguchi stated because when HPHA fixes the units more units become vacant. When funds became available to fix the units it took about 6-9 months to get contracts in place to fix the units. The contracts are now taking place.

Director Aiona asked does the eviction process need to be revisited. Mr. Taniguchi stated that because some AMPs are doing well with the current eviction process HPHA will be revisiting the process in January to give the AMPs a chance to try to utilize the current process.

FOR DISCUSSION/ STATUS OF NEXT STEP PUAHALA HOMES

Mr. Taniguchi stated the first Next Step Shelter residents will be moving in to Puahala Homes on June 28, 2008.

Designee Oliva stated the Liliha Neighborhood Board has voiced that they are still displeased with Next Step residents moving into Puahala Homes.

CAPITAL IMPROVE-MENT FUNDS

Mr. Taniguchi stated Capital Improvement program funds are not projected to lapse. Chairperson Thompson asked what about other funds. Mr. Taniguchi stated no Federal Capital Funds will lapse.

Director Smith left at 2:21 p.m.

Mr. Taniguchi stated that $5 million needs to be encumbered but HPHA needs to get the Governor's approval because funds need to be moved from one project to another project. Designee Oliva stated this is a normal procedure.

MULTI-FAMILY HOUSING DEVELOPMENT

Mr. Taniguchi stated he visited some mixed use, mixed finance multi-family housing projects in San Francisco and it gives the authority more income to run. From the resident point of view you can't tell whether it is public housing or market rent units. Mr. Taniguchi stated HPHA is working with non-profits and the community residents on potential similar developments.

ENERGY PERFORMANCE CONTRACT

Mr. Taniguchi stated the Energy Performance contract will be brought to the Board for approval at the next Board meeting.

FY 2009 OUTLOOK

Chairperson Thompson asked Mr. Taniguchi to send out an email to ask Board members what they desire for the FY 2009 Outlook.

Director Yoshioka asked about the Jill Friedman status. Chairperson Thompson stated he would like to work with the Attorney General's office to send a letter dealing with this matter.

ADJOURNMENT

There being no further items to be discussed,

Director Aiona moved, Director Dodson seconded,

That the meeting be adjourned at 2:31 p.m.

MATILDA YOSHIOKA
Secretary

Approved