MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, AUGUST 21, 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, August 21, 2008 at 9:15 a.m.

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

ORDER/ ROLL CALL

PRESENT: Chairperson Travis Thompson
Director Carol Ignacio
Director Clarissa Hosino
Director Eric Beaver
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona

Executive Director, Chad Taniguchi
Deputy Attorney General, Krislen Chun

EXCUSED: Designee Henry Oliva
Director Sherrilee Dodson

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Michael Hee, Contracts Administration Section Chief
Sandra Miyoshi, Homeless Program Administrator
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Acting Property Management and Maintenance Services Branch Chief
Taryn Chikamori, Secretary to the Board

OTHERS: Aisha Leisele, Senator Chun Oakland's office
Albert Delrio, private resident
Fetu Kolio, Mayor Wright Homes Resident
Jean Peters, Kalakaua Homes Resident
Larry Jones, MD Strum
Monique Ocampo, Resident Advisory Board (RAB)
Stephen Nakasone, private resident
Tim Garry, private resident
Juan Patterson, MD Strum
Larry Jones, MD Strum

Chairperson Thompson declared a quorum present.

QUORUM

Director Beaver moved, Director Hosino seconded,

APPROVAL OF MINUTES ANNUAL MEETING 07/17/08

That the minutes of the Annual Meeting held on July 17, 2008 be approved as circulated.

The motion was unanimously carried.

Director Beaver moved, Director Hosino seconded,

APPROVAL OF MINUTES REGULAR

That the minutes of the Regular Meeting held on

July 17, 2008 be approved as circulated.

The motion was unanimously carried.

MEETING 07/17/08

PUBLIC TESTIMONY

Fetu Kolio, Mayor Wright Homes resident, stated that he called police on two different occasions for noise disturbances but when the police arrived security guards informed the police that what the people are doing is allowed. Mr. Kolio reported that the noise disturbances continue into the early morning hours.

Director Bethiaume asked whether the police can't come onto Hawaii Public Housing Authority (HPHA) property. Mr. Kolio responded that the security guards need to allow the police on HPHA property.

Director Ignacio asked for a description of the process of reporting incidents. Mr. Kolio stated if the incident is during the day then: 1) a resident reports the incident to the management; 2) management reports the incident to the security 3) security fills out a form which gets forwarded to Clifford Laboy, Program Specialist. If the incident is at night, residents call the police directly.

Director Ignacio asked Mr. Kolio if he believes that the reporting process is flawed or not working. Mr. Kolio stated that he believes the process has flaws and is not working because the HPHA does not evict many people for rule violations.

Director Smith stated that the HPHA is asking the Legislature to pass a bill that allows the Honolulu Police Department (HPD) to arrest people on public housing property for trespassing.

Director Hosino asked Mr. Kolio to describe what security is doing and for his ideas on how the residents can help with security concerns. Mr. Kolio stated that the security guard is supposed to walk around the property and document incidents without confronting the parties. Mr. Kolio stated that he could walk the property and document incidents and would do it for free. He feels the residents can be trained to what the security is doing right now.

Director Smith asked whether the neighbor islands have the same problems with the police not being able to do anything. Chairperson Thompson, Director Yoshioka, and Director Ignacio stated they do not have these problems. The police come to the property and take care of the situation.

Director Sam Aiona arrived at 9:30 a.m.

Jean Peters, Kalakaua Homes resident, stated that residents are afraid of management and feel that they cannot report incidents.

Tim Garry, private resident, stated that 35% of public housing tenants have been in public housing for 10-25 years or more. Mr. Garry stated that rent only covers 42% of the budget and security was allotted $1.5 million in 2008 and $1.9 million in 2009. He questioned whether the security money was being used for other purposes.

Monique Ocampo, Resident Advisory Board (RAB), stated that the AMP managers have not been evaluated for many years. Ms. Ocampo stated that the majority of the residents are good residents and only a handful are bad residents.

Albert Delrio, private resident, stated that security guards should be citing residents who are drinking in common areas. HPHA does not have enough rubbish cans on the property. Lights in common areas do not work.

Director Hosino moved, Director Ignacio seconded,

To Approve the Reappointment of Ms. Thelma Akita-Kealoha to the Maui Eviction Board for a Two-Year Term Expiring on August 31, 2010.

REAPPOINTMENT OF MS. THELMA AKITA-KEALOHA TO THE MAUI EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON AUGUST 31, 2010.

Chairperson Thompson asked how many members are currently on the Maui Eviction Board. Chad Taniguchi, Executive Director stated he does not know how many members are on the Maui Eviction Board but he will provide a matrix and report at the next month's Board meeting. Mr. Taniguchi reported that the HPHA is able to ask Board members from other eviction Boards to attend the hearings on Maui.

The motion was unanimously carried.

Director Beaver moved, Director Hosino seconded,

To Approve Resolution No. 14, Approving the Section 8 Management Assessment Program (SEMAP) Certification for the Fiscal Year Ending June 30, 2008.

RESOLUTION NO. 14, APPROVING THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION FOR THE FISCAL YEAR ENDING JUNE 30, 2008.

Mr. Taniguchi stated SEMAP is scored in two sections. The first section is a self-certification and the second is scored by the U.S. Department of Housing and Urban Development (HUD) based on program statistics. The maximum points an agency can score is 145 points. Last year, HPHA received 114 points. This year, HPHA anticipates a score of 108 points, which is a "standard performer".

Director Ignacio asked why HPHA is losing points. Barbara Arashiro, Executive Assistant, said that HPHA is losing points in the areas of Housing Quality Standard (HQS) Enforcement, Lease Up and Family Self-Sufficiency (FSS) Enrollment and Escrow Account.

Director Ignacio asked whether corrective actions are taking place to fix the problem. Ms. Arashiro stated on HQS Enforcement it's all or nothing. HUD found one error in July's inspections and because of that one error, the HPHA can not get any points. Lease up needs to be at 95% or 180 more families for 15 points. Some solutions the HPHA is looking at are: 1) increasing the payment standard, which allows the HPHA to use more of the budget, (but fewer vouchers); 2) to streamline the application process; 3) hiring a staff person to look for landlords that are willing to accept the Section 8 voucher to decrease the lag time of when a voucher is issued and accepted; and 4) because many Section 8 voucher recipients are homeless and can't afford the security deposit the HPHA is looking into using a portion of the homeless grant funds to help with security deposits.

Director Ignacio asked whether there is a timeline of when the problems are going to be corrected. Ms. Arashiro stated some items are already being tested and others are in the discussion phase.

Director Ignacio asked for an update on how the corrective action plan for SEMAP is progressing.

Director Smith asked how the HPHA got to a 91% lease up rate because in past reports she was under the impression HPHA was in the 99% area. Ms. Arashiro stated she will research why the HPHA dropped but noted that the last couple of month's reports showed 91% lease up rate. Ms. Arashiro will report back at the next meeting.

Director Smith suggested that Temporary Assistance for Needy Families (TANF) has a program in place that provides security deposit and first month's rent.

The motion was unanimously carried.

RESOLUTION NO. 14

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 2008, 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 approves the SEMAP Certification for FY ending June 30, 2008.

The UNDERSIGNED, hereby certifies that the foregoing Resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on August 21, 2008.

Travis Thompson, Chairperson

TASK FORCE REPORT/ FINANCIAL

Director Smith stated the Council of Revenue projects what the State of Hawaii will have in revenue. The projections are used to determine the State's budget. The Council predicted that at the end of fiscal year 2008 the State would not get $247.9 million for fiscal year 2009 and the State would not get $903.7 million in revenue over the FY '09 – '11 period. This means that it will be very challenging for State agencies to get funds from the State.

TENANT/ TENANT RELATIONS

Director Hosino stated the HPHA has met with residents from five AMPs so far. At Mayor Wright Homes, which was HPHA's first resident meeting, some mistakes were made but were corrected with help of Faith Action for Community Equity (FACE). The biggest issue residents have is with security.

Director Hosino stated that the HPHA should train the residents on how to help with security issues and become tenant monitors. The tenant monitors can be used in areas of security, and be the eyes and ears of the property and for emergency situations. She stated that the HPHA should also implement the State law on curfew for minors and feels that this would make a big impact on security issues.

Chairperson Thompson asked that Clifford Laboy, Program Specialist, be at the next meeting along with Honolulu Police Department.

Director Hosino stated she believes that the resident meetings are helping let residents know that they can speak to their managers about issues. If the residents feel that they are not being heard, they know they have somewhere else to go.

Director Ignacio asked how management issues are being dealt with. Director Hosino stated that Mr. Taniguchi is dealing with the issues as they come up.

Director Aiona requested a report at the next meeting on how State and private managers are being evaluated.

HOMELESS-NESS

Director Park stated Building 36 will be named Kumuhonua which means "bring life back to the land" and is scheduled to open in mid-September. The grand opening for Kahikolu was yesterday and it is about one-third full. The Villages of Maili are scheduled to open mid-October.

On August 27, 2008, Governor Linda Lingle will be meeting with the Next Step shelter residents that moved into Puahala Homes.

Director Ignacio asked for the reason(s) the referral process down for Kahikolu is slowing down. Sandra Miyoshi, Homeless Program Administrator, responded that part of the problem was the contracted provider was setting the program fees too high. The provider wanted emergency shelter participants to pay a deposit. The HPHA is working with the agency to correct the problems. Director Hosino asked when the contract with the HPHA will start. Ms. Miyoshi stated from the day the residents moved in.

MIXED INCOME PROJECTS

Director Beaver stated that the task force created a decision making process so the Board can decided if they want to proceed. The HPHA has discussed the mixed income projects at the resident meetings and has gotten positive feedback.

Director Beaver asked if the Board has any input on the process or the timeline please let him know.

RECESS RECONVENED EXECUTIVE DIRECTOR'S REPORT/FY

Chairperson Thompson called a recess at 11:00 a.m. and reconvened at 11:12 a.m.
Mr. Taniguchi stated that MD Strum recommended that the HPHA amend the budget only twice a year, January and April.

2009 BUDGET

Director Beaver stated he would work with Mr. Taniguchi on the amended budget. Then they would present it to the task force and the full Board for approval.

Chairperson Thompson stated that the HPHA does not need to do a formal amendment but needs to report to the Board monthly to keep the Board informed of the changes.

Mr. Taniguchi stated the update as of August 21, 2008, is as follows: 1) $1,700,000 one time bad debt $300,000 has been written off; 2) HPHA was supposed to receive $400,000 for Payment in Lieu of Taxes (PILOT) but received $504,518; 3) unanticipated adjustments are as follows: increase in HUD subsidy of $141,219; and 4) adjustment to private management contract $112,633, was expensed twice. This gives the HPHA a total of $1,058,370 in additional funds, which in turn decreases the estimated budget deficit to $3,161,630, down from $4,220,000.

Director Smith stated that the HPHA will need to submit the biennium budget for Fiscal year 2010 and 2011 to Budget and Finance, which will in turn need to submit it to the Legislature by December 18, 2008.

Director Beaver stated that the HPHA staff would need to submit the budget to the Financial Task Force and then to the Board for approval.

SPECIAL TEAMS

Mr. Taniguchi stated HPHA ended the fiscal year with 520 units vacant. The plan is for special teams to take care of these units and have the Asset Management Projects (AMPs) work on vacant units that occur from July 1, 2008 forward. As of August 12, 2008, 140 vacant units were completed by the vacant unit turn around team and private contractors. Of the remaining 380 vacant units, 150 have been assigned to the Special Teams, 170 have been assigned to Construction Management (CM) for contract work and 60 have been assigned to both Special Teams and CM.

Chairperson Thompson stated the piece that is missing are the units that become vacant. Mr. Taniguchi stated from July 1, 2008 to August 21, 2008, 70 units became vacant and these are the responsibility of the AMPs.

TRAINING

Mr. Taniguchi reported that stated staff from St. Paul provided application and collections training. In August and September, another team from St. Paul will provide vacant unit training.

Director Smith asked what it means to re-sequence the wait list. Stephanie Fo, Acting Property Management and Maintenance Services Branch Chief, stated this means "to remove applicants that have been placed, or rejected, or to add new applicants in the correct order."

Chairperson Thompson asked about the time frame for rent collections. Ms. Fo stated that the HPHA is getting back on track. The AMPs are cleaning up the accounts where the tenants are behind three months or more, then two months or more, then one month.

Director Berthiaume asked whether the HPHA can do a suitability check. Ms. Fo stated HPHA is not doing it consistently because it is hard to go back three years for people who are homeless and do not have the rental history. Director Hosino stated that because they are homeless now, they may have rented five years or more back and the HPHA should be checking that far back if necessary.

Mr. Taniguchi asked whether the Board is instructing staff to treat the homeless with the same standard for suitability as other applicants. Board members answered "yes."

Director Smith stated that St. Paul staff recommends centralized application screening. She asked whether the HPHA used to have centralized screening and then changed to the screening process to the AMPs. Ms. Fo reported that the HPHA did not fully convert to decentralized placement, except for on the neighbor islands. The HPHA was considering sending the screening process to the AMPs, but decided to keep the screening process centralized.

Mr. Taniguchi stated that the HPHA learned that St. Paul's application department has a staff of 11. The HPHA's Application Section only had a staff of four to correct the problem; the HPHA has assigned 6 members from the special teams to assist the Applications Section.

Director Ignacio asked whether the application process will be centralized for all islands. Mr. Taniguchi stated "no," the neighbor islands will still process their own applications. Director Ignacio stated that is a problem because the neighbor islands are the ones that are giving preferential treatment and inconsistencies, and could benefit from centralized accountability.

Ms. Fo reported that in July 81 units were filled and August, 41 units were filled.

LEGISLATIVE UPDATE

Mr. Taniguchi stated the County Prosecutors asked the HPHA to their meeting regarding the implementation of the new law which makes it illegal for people to consume alcohol in the common areas in public housing (Act 34, SLH 2008). The new law becomes effective on January 1, 2009. There will be a follow up meeting with the Majors of the police department.

EXECUTIVE SESSION

Director Beaver moved, Director Berthiaume seconded,

> To go into Executive Session at 12:10 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.

The Board reconvened from Executive Session at 1:50 p.m.

RECESS RECONVENED

Chairperson Thompson called a recess at 1:50 p.m. and reconvened at 2:04 p.m.

Chairperson Thompson stated the he and Director Beaver will meet with the Executive Director regarding his performance review.

OUTLOOK FOR 2009

Chairperson Thompson made a list of his objectives and goals for 2009 and asked for any questions or comments.

EXECUTIVE DIRECTORS REPORT/FIX-ING VACANT UNITS

Director Smith stated the vacancies were 430, how did it get to 520 vacancies.
Mr. Taniguchi stated that the 430 was only for Federal AMP vacancies and the 520 is the total vacancies for the Federal and State AMPs.
Chairperson Thompson stated that for HPHA - Monthly Occupancy Summary – Federal, the Turn Around Time (Days) is misleading; he asked that it be clarified.

Director Smith asked for training on how to read the Emphasys reports.
Director Smith and Director Park left at 2:10 p.m.

FINANCIAL MANAGEMENT

Juan Patterson, MD Strum stated he will be showing the Board the financial statement for July 2008. He knows the Board would like to see the financial statement compare the monthly approved budget with the actual expenditures. The budget is done on an accrual basis, which means that every month HPHA should have spent 1/12 of the year's budget, but the accounting system is on a cash basis, which means that the system only accounts for what was paid out, not obligated. MD Strum is working on getting the accounting system to work an accrual basis so it matches the budget. MD Strum would like to have 2 of the funds on accrual basis by next month. By December 2008, all of the funds should be on an accrual basis.

Larry Jones, MD Strum stated because the budget is on a cash basis, it looks like HPHA missed the target revenue and spent less than what was budgeted. But there are income sources that have not been logged in and expenditures have not been paid out.

Chairperson Thompson asked what is the status of bringing people in from the Real Estate Assessment Center (REAC). Mr. Taniguchi stated REAC is doing an analysis of the past five years of independent audits, and should be completed within two weeks. The HPHA staff and MD Strum will discuss if it is necessary for REAC to physically come to HPHA, in November.

Chairperson Thompson feels that it would be better if the REAC staff could come before November.

ENGERGY AUDIT FOR STATE HOUSING PROJECTS

Chairperson Thompson asked whether a Request for Proposal (RFP) needs to be issued. Mr. Taniguchi reported "no" because it was included in the federal RFP. Mr. Taniguchi stated that the RFP included the State Housing energy audit.

SALE OF HPHA OWNED PROPERTY LOCATED IN HANA, MAUI

Chairperson Thompson inquired about the status of the sale of the Hana property. Michael Hee, Contracts Administration Section Chief, stated that the scope of work is completed, but he needs to find out what the status is. Mr. Taniguchi stated the HPHA will give the Board a time table for the sale of Hana.

Chairperson Thompson asked for a "For Action" on the sale of Hana, Maui property.

ADJOURNMENT

There being no further items to be discussed,

Director Aiona moved, Director Hosino seconded,

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

Matilda Yoshioka

MATILDA YOSHIOKA
Secretary

Approved