MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, DECEMBER 20, 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, December 20, 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 Eric Beaver
Director Anne Marie Beck
Director Rene Berthiaume
Director Carol Ignacio
Director Clarissa Hosino
Director Kaulana Park
Director Linda Smith
Designee Henry Oliva

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

EXCUSED:
Director Sherrilee Dodson
Director Matilda Yoshioka

STAFF PRESENT:
Barbara Arashiro, Acting Contracts & Procurement Officer
Shirley Befitel, Personnel Supervisor
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 Officer I
Glori Inafuku, Compliance Officer
Sandra Miyoshi, Homeless Programs Branch Administrator
Alan Sagayaga, Program Specialist
Jordann Ares, Planner
Lili Funakoshi, Hearings Officer
Taryn Chikamori, Secretary to the Board

OTHERS:
Lui Falafine, Urban Real Estate and R & L Property Management

Chairperson Thompson declared a quorum present.

QUORUM

Director Smith moved, seconded by Director Berthiaume,

APPROVAL OF MINUTES REGULAR MEETING 11/15/07

That the minutes of the Regular Meeting held on November 15, 2007 be approved as circulated.

Director Hosino asked that on page 168, paragraph 7 "cable" be changed to "capable".

The motion was unanimously carried with the above amendment.

Director Smith stated Wils Choy, Auditor, came up with a methodology to get the audit completed. Rather then recreating the general ledger on a monthly basis for FY 2007 HPHA should reconcile HPHA's bank statements for the entire year. The statements will tell HPHA how much actual money HPHA has. Department of Accounting Services (DAGS) will provide 4-6 people to help HPHA with the audit.

TASK FORCE REPORT/ FINANACE/ AUDIT/ASSET MANAGEMENT

Chairperson Thomson stated Urban Housing Communities and other private companies have expressed interest in rehabilitation of some of HPHA projects by using the tax credit program, and HPHA will seek more information regarding the tax credit process.

Director Hosino stated the tenants from Puahala Homes requested to attend the next Board meeting to state their concerns regarding using 14 public housing units for transitional shelter units: 1) not enough information given, 2) homeless rules and regulations, 3) why residents were not informed before approval was given, 4) who will be supervising the transition, 5) how costs will be applied for tenants willing to relocate, 6) how long will this be a transitional shelter. Chairperson Thompson requested that Chad Taniguchi, Executive Director, get back to residents regarding the unanswered questions prior to hearing the residents at the next Board meeting.

TENANT RELATIONS

Director Hosino stated there is a concern about handicap stalls not being painted and no signs posted at many projects.

Director Hosino stated there are concerns that the HPHA participation funds are not being spent properly. The HPHA participation fund is a fund given to all qualified associations to help fund community activities which include but are not limited to community events, activities for the children, and buying books for the community center. Mr. Taniguchi stated that HPHA will request and review the yearly report from the associations. If there are any discrepancies the association's report will be further reviewed.

Director Hosino stated there are many different cultures that don't get along and are causing problems like assaults and stabbing. How is this being dealt with? Director Smith suggested working with Micronesians United and other community organizations. Designee Oliva stated that he is part of the Compact of Free Association (COFA) task force. Chairperson Thompson asked Designee Oliva to work with the COFA task force and report back at the next meeting. Mr. Taniguchi stated HPHA is working on the problem by translating documents. Asset Management Project (AMP) managers are networking, and providing seminars to emphasize "pay rent on time, keep units clean, and be good neighbors". Director Ignacio recommended that managers learn about new cultures so they have a better understanding of the people being served.

Director Park stated Kauai will have 20 families moving into transitional shelters. Villages of Maili have started to build 80 units that will be ready by September 2008. The Hawaii Council of Mayors talked about homelessness and requested proposals by January 17, 2008 to lessen chronic homelessness and increase affordable housing.

HOMELESS-NESS

Mr. Taniguchi stated there will be a meeting with residents and the community in Lahaina on January 3, 2008 in cooperation with the Maui County Council regarding maintenance problems. The follow up meeting to the December 4, 2007 Wailuku meeting will be January 22, 2008 at the Maui Economic Opportunity building.

PUBLIC HOUSING OPERATIONS

Designee Oliva stated offers were made to Executive Assistant candidates but the candidates did not accept. A new recruitment was announced and there were 18

HUMAN RESOURCES

applicants. The task force will review the applicants and shorten the list for interviews.

EXECUTIVE SESSION

Designee Oliva moved, seconded by Director Park,

> That the Board of Directors meets in Executive Session at 10:12 a.m. to discuss personnel issues.

The motion was unanimously carried.

The Board moved out of Executive Session at 10:41 a.m.

REPORT OF THE EXECUTIVE DIRECTOR/FIX VACANT UNITS

Chairperson Thompson asked what are the plans to spend the remaining $1 million from the vacant unit repair and maintenance fund. Derek Fujikami, Building Engineer V, stated that phase 6 will be added to use the $1 million.

ELEVATORS

Director Hosino asked if there are emergency procedures when elevators stop working, especially to aid the elderly. Mr. Taniguchi stated that he will speak to the property managers and elevator contractors to clarify what to do in case of elevator emergencies, 1) when someone is stuck in an elevator that does not operate, and 2) how to assist residents when an elevator is not operational for several hours or days. Director Smith stated HPHA must inform residents of the emergency plan. Director Ignacio stated HPHA should have emergency drills in all of the projects.

Director Smith asked 1) whether the vacant unit count is high this month, 2) because the units that were suppose to be demolished were put back into inventory, and 3) after U.S. Housing and Urban Development (HUD) agreed to "undemolish" those units.

COLLECT RENT/ EVICTIONS

Chairperson Thompson asked why there are so many delinquencies (more than 1000) but only 15were referred for evictions. Mr. Lui Faleafini, Urban Real Estate and R & L Property, stated the process for eviction is very lengthy. After 7 working days grace period the manager generates the 1st notice (which is on or about the 15th day of the month), stating the tenant needs to schedule a meeting with the manager not less then 14 days from the date the tenant received the letter, (now 1 month has passed).

Chairperson Thompson asked if this is law or HPHA policy. Lili Funakoshi, Hearings Officer, stated this is law.

Mr. Faleafini stated the managers must now to allow a reasonable repayment schedule. Director Ignacio asked is this law or policy. Ms. Funakoshi stated this is law.

Mr. Faleafini stated then HPHA can start the eviction process but the tenant then has 30 days to file a grievance. Director Ignacio asked if a grievance is filed what happens. Ms. Funakoshi stated a grievance hearing is held. Director Hosino stated that it may take as much as 3-6 months before a grievance hearing is held.

Mr. Faleafini stated that the solution is to go straight to court. Ms. Funakoshi stated the federal HUD rules housing require that the grievance process be allowed.

Chairperson Thompson asked Mr. Taniguchi to speak to Jon Gutzmann, Executive Director of St. Paul housing, about their eviction process.

Director Hosino stated the managers need to insure that if a payment plan is made with tenant the tenants follow through with payment.

Chairperson Thompson asked what can be done to help the eviction process. Mr. Faleafini stated 1 person needs to be assigned to rent collection/eviction. Alan Sagayaga, Program Specialist, stated the tenants have 30 days to put money in escrow to show that they can pay before there is a grievance process. Many residents simply declare a grievance but do not put money into escrow, thereby gaining a 30-day delay without really intending to go through the grievance process. Diane Taira, Deputy Attorney General, stated the law regarding the grievance process for state projects has been changed to a 10 day period instead of 30 days and HPHA now has to change the administrative rules to eliminate the grievance process. Chairperson Thompson asked Mr. Taniguchi to bring an eviction plan to the board next month which may include policy or law changes.

RECESS
RECONVENED

The Chairperson declared a recess at 12:00 p.m. The meeting reconvened at 12:15 p.m.

CRIME AND SAFETY

Mr. Taniguchi stated that during that Senate and House Hearing on November 7, 2007 residents stated they felt insecure, so the Legislators asked if the State gave HPHA more money for security how much does HPHA need and how will it be used. Mr. Laboy stated to improve security HPHA needs to add staff that have arresting powers, such as off duty police officer or sheriffs.

The new projects that added security guards have seen a tremendous positive change regarding keeping gangs off the property. Director Berthiaume asked how the 9 Honolulu projects got chosen for more security guards. Mr. Laboy stated that only these 9 projects were being discussed the day HPHA was at the hearing. If the Legislature does not earmark the funds strictly for these 9 properties, it may be possible for HPHA to use some of the funds on other projects.

STATUS OF PALOLO VALLEY HOMES

Chairperson Thompson stated HPHA needs to review some of the concerns the residents brought up and get back to them. Mr. Taniguchi stated before the decision was made for HPHA staff to manage the project it was made clear to HPHA staff that the same level of security and repairs must be kept. With the recommendation of staff Mr. Taniguchi approved HPHA staff managing Palolo Valley Homes. Derek Kimura, Property Management Chief, stated since November 1, 2007 when HPHA management took over managing the property the following 3 security issues happened 1) a parked car window was broken, 2) a vacant unit was entered and vandalized, and 3) a parked car was keyed.

On the other hand, operational deficiencies that were remedied within the first 6 weeks were as follows 1) 4 vacant units were repaired, 2) the project office had roach infestation and was treated, 3) the master keys do not unlock all the units and the 3 different brands of locks are being consolidated, 4) unit and mailbox keys are missing and being repaired on a as needed basis, 5) corroded shutoff valves, leaking pipes, and deferred unit plumbing repairs and the unit plumbing problems are being repaired, 6) 75% of the gas ranges are deficient in the burners/ovens, which are being replaced, 7) ranges and refrigerators do not match inventory list, 8) all project reports where deleted from the computer, 9) annual required reexamination reports were not completed, 10) vacant unit files were incomplete, 11) 11 accounts are lacking the notice of intent to vacate forms and vacant unit inspection forms, key return dates are unknown, and no work orders for vacant units were found, 12) internal unit transfers were not properly documented.

Chairperson Thompson asked does it cost less for public management compared to private management. Mr. Kimura stated in this case public management is less because administration costs alone are a savings because it is being done by a

previously established management unit.

Director Smith asked what is being done regarding the security issues. Mr. Kimura stated the staff asked the residents to become involved in the security of the property. The residents were asked to call the police and report violations/crimes to management immediately. As far as additional security HPHA does not have the budget to add more security at this time. Director Smith asked if it is possible next year for HPHA to talk about entering into a contract with Affordable Housing Alliance to take over managing this half of the project. Director Ignacio asked who is responsible for oversight of the property managers and what is being done to ensure the oversight. Mr. Taniguchi stated the Executive Director and Property Management are responsible. Mr. Kimura is working on this by reorganizing the staff. Mr. Taniguchi stated Shirley Befitel, Personnel Supervisor, is in the process of creating position descriptions for resident staff. Chair Thompson asked for a letter to draft to Palolo Valley Homes that the decision for the state to take over managing the project has been reviewed.

ST. PAUL HOUSING AUTHORITY

Mr. Taniguchi stated Mr. Gutzmann provided compact discs with many of St. Paul Housing Authority's documents. HPHA will provide a copy of the CD to all Board members. HPHA is inviting Mr. Gutzmann to provide assistance several times per year. HPHA staff will also visit St. Paul.

Director Smith asked that the Personnel status report be put back into the Executive Director Report.

DECISION MAKING: RENTAL IN-CREASE FOR THE KE KUMU EKAHI (AKA KE KUMU AT WAIKOLA) RENTAL PROJECT

Director Beaver moved, seconded by Director Hosino,

> To discuss Decision Making: To Approve staff to Submit a Request to Hawaii Housing Finance and Development Corporation (HHFDC) for a rent Increase for the Ke Kumu Ekahi (aka Ke Kumu at Waikoloa) Rental Project.

Mr. Taniguchi stated the increase needs to be approved by HHFDC because it is a tax credit project. The rent that is collected is insufficient to pay the cost of running this project. The cost increase would be from $611 to $721 per unit. Tenants should be able to pay for the increase because 34% of the tenants would be paying less than 30% of their income. Chairperson Thompson asked who manages this project. Mr. Taniguchi stated a private managing company manages this project. Director Smith asked why is this HPHA's responsibility. Director Smith asked whether all the rents have to be the same. Mr. Hee stated in general with tax credit projects the rent is a flat rent.

Director Beaver left at 1:15 p.m.

Chairperson called for a vote on the above motion.

The motion was unanimously not approved.

DECISION MAKING: THAT HPHA REQUEST THAT HHFDC ASSUME RE-SPONSIBILITY OF THE KE KUMU EKAHI PROJECT

Director Ignacio moved, seconded by Director Hosino,

> To discuss that HPHA request that HHFDC assume responsibility of the Ke Kumu Ekahi project.

Chairperson called for a vote on the above motion.

The motion was unanimously carried.

Director Smith stated HPHA requested the County apply for a Grant-In-Aid (GIA) for the Kona shelter. Sandra Miyoshi, Homeless Programs Branch Administrator, stated that HPHA requested the Governor approve $5.3 million in the Governor's budget request for homeless operations. The Governor approved $4.3 million.

FOR INFORMATION: BUDGET FOR HOMELESS PROGRAM

Mr. Taniguchi stated that the U.S. Department of Housing and Urban Development (HUD) is very disappointed in how Banyan Street Manor are being managed and asked HPHA to sell the project or HUD will no longer pay Housing assistance payments. In January HPHA will bring a "For Action" to approve the sale of Banyan Street Manor. A Request For Proposal (RFP) document will be prepared to hire a consultant. Director Ignacio asked who was responsible for oversight of this project. Mr. Taniguchi stated HPHA. Director Smith asked that HPHA call a meeting with the residents before HPHA proceeds with the "For Action". Chairperson Thompson asked where would the funds of the sale go and if HPHA can have all that information before bringing the "For Action" to the Board.

FUTURE STATUS OF BANYAN STREET MANOR

Ms. Taira, Deputy Attorney General, stated that she received the documents for the Hana property. She still needs to review them but so far all documents are not sufficient to make a decision on where the funds would go after the sale. She suggested that HPHA order title reports to assist the process.

DISPOSTION OF VACANT PROPERTIES

Director Berthiaume stated he met with HUD and State Department of Labor and they provided a list to start the Step Up program. HUD asked whether the agency is ready to run this program with the current staff. Chairperson Thompson stated that he does not feel that HPHA has the staff to commit to this program right now.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT STEP UP PROGRAM

Mr. Taniguchi stated the recommendation by the Board was to refer this to a task force. Chairperson Thompson asked the Operations Task Force to report on this matter at the next meeting.

STATE PUBLIC HOUSING RENT INCREASE

Mr. Taniguchi stated HPHA has 5,363 units in the federal housing projects. At the November 7, 2007 Senate and Housing Briefing the issue was raised that people who are living with family and friends are being by passed on the waitlist by people who are homeless. Some of the suggestions were 1) to change the preferences to apply only to certain housing areas but this might cause some fair hearing issues, 2) to remove all preferences 3) to change the definition of homeless. Chairperson asked Director Park to review this item and report back to the Board.

BOARD DISSCUSION: PREFERENCES FOR FEDERALL' ASSISTED HOUS ING PROJECTS AND SITE BASED WAITING LIST

There being no further items to be discussed,

ADJOURNMENT

The meeting be adjourned at 2:25 p.m.

MATILDA YOSHIOKA
Secretary

Approved