

**MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, MAY 20, 2010
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, May 20, 2010 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:

PRESENT: Chairperson Travis Thompson
Director Sam Aiona
Director Eric Beaver
Director Rene Berthiaume
Director Sherrilee Dodson
Director Clarissa Hosino
Director Carol Ignacio
Designee Henry Oliva
Director Linda Smith
Director Matilda Yoshioka

Sandra Ching, Deputy Attorney General
Denise M. Wise, Executive Director

EXCUSED: Director Roger Godfrey

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Shirley Befitel, Personnel Supervisor
Mark Buflo, Acting Chief Financial Management Advisor
Lydia Camacho, State Housing Development Administrator
Stephanie Fo, Property Management and Maintenance Services Branch
Chief
Rick Sogawa, Acting Contracts and Procurement Officer
Taryn Chikamori, Secretary to the Board

PUBLIC: Mr. Fetu Kolio, Mayor Wright Homes resident
Ms. Ava Goldman, The Michaels Development Company
Mr. Greg Carroll, The Michaels Development Company
Ms. Kaila Price, The Michaels Development Company
Ms. Makani Maeva, Pacific Housing Advisors
Mr. Utu Langi, H-5
Mr. Max Gray, H-5

Mr. Lui McMer, Kalakaua Homes resident
Mr. Pao Fong, Kalakaua Homes resident
Mr. Edward Tomkzak, Kalakaua Homes resident
Mr. Robert Hanna, private resident
Mr. Roland Lum, Kalakaua Homes resident
Mr. Roy Nakamura, Kalakaua Homes resident
Ms. Jean Peters, Kalakaua Homes resident
Ms. Laura Santiago, Kalakaua Homes resident
Ms. Loretta Ching, Kalakaua Homes resident
Ms. Maria Lou, Kalakaua Homes resident
Ms. Mia Lee, Kalakaua Homes resident
Ms. Nora Oliphant, Kalakaua Homes resident
Ms. Sandy Criepp, Kalakaua Homes resident
Ms. Leva Alualu, Kuhio Park Terrace resident
Ms. June Talia. Kuhio Park Terrace resident
Ms. Hope K-Aloha, Kuhio Park Terrace resident
Mr. Sisan Suda, Micronesians United
Mr. Merko Route, Micronesians United
Mr. Raynard Nakmase, Paoakalani resident
Mr. Tim Garry, private resident
Ms. Reiko Joseph
Ms. Dianne McParz

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Smith to approve the minutes of the Regular Meeting held on April 15, 2010 and seconded by Director Ignacio.

Director Yoshioka asked that on page 9 the “Tenant Relations Task Force” be changed to the “Tenant Relations/Operations Task Force.”

Chairperson Thompson asked that on page 9 last paragraph which states “...not help the HPHA will the sale...” the word “will” be changed to “with”.

The minutes were unanimously approved as presented with corrections.

Public Testimony:

The Board received public testimony from Mr. Fetu Kolio a resident of Mayor Wright Homes. Stated there are residents in public housing that create problems and there are residents that want to work with the Hawaii Public Housing Authority (HPHA) to make it safe for everyone. The HPHA needs a neutral party that complaints can be reported to.

Ms. Oliphant, a resident of Kalakaua Homes, testified that she still has termites in her unit and referenced her kitchen cabinets. She reported that maintenance did perform an inspection but nothing was done and the problem is not better. Chairperson Thompson asked Denise Wise, executive director to look into the situation.

Ms. Lou, a resident of Kalakaua Homes, reported that a complaint letter regarding noise was sent only to certain floors and it should have been sent to the entire building. Director Aiona read the letter that addressed early morning and late evening noise and disturbances. The letter was dated August 2008.

Mr. Hanna, a resident of Kalakaua Homes, reported that there is management negligent at Kalakaua Homes and it is detrimental to the facility.

Mr. Nakamura, a resident of Kalakaua Homes, stated management closed the meal site on May 4th due to safety reasons but there was no safety issue because the work was being done on the next building over. He stated what is dangerous is having a restroom with no lights. Chairperson Thompson referred the issue to Ms. Wise.

Mr. Garry stated he feels that the Next Step Shelter program worked. He would like to see the status on the participants and cost breakdown.

For Action:

Motion: To Approve the Hawaii Public Housing Authority's Comments and Recommendation That the Governor Veto Senate Bill 2473, S.D.1, H.D.2, C.D.1, Allowing Grandchildren to Reside in State Elderly Housing

Director Beaver moved and Designee Oliva seconded.

Ms. Wise reported that HPHA would like to recommend to Governor Lingle that the bill be vetoed because of the administrative and family burden it would place on the HPHA.

Alan Sarhan, chief planner, reviewed the bill. The bill fails to limit the number of children and the number of times the crisis could happen. There is no matching of the unit size, as most of the State elderly housing is comprised of studios units. Mr. Sarhan stated the HPHA could accomplish the intent of the bill with its visitor's policy.

Director Aiona questioned how long it would take to change the administrative rules. Mr. Sarhan responded minimum of six months but either way the administrative rules will need to be changed.

With no further discussion, Chairperson Thompson called the question.

Support: The motion carried unanimously.

Motion: To Accept the SAS 114 Management Advisory Letter for the Hawaii Public Housing Authority's Audit for the Fiscal Year Ended June 30, 2009.

Director Beaver moved and Director Yoshioka seconded.

Ms. Wise reported that this is being brought to the Board to ensure the Board is aware of the audit findings and the conclusion of the audit. This letter is a summary of the audit. Upon further discussion by the Board, the motion was amended to better reflect their role in oversight of the audit.

Amended Motion: To Acknowledge the SAS 114 Management Advisory Letter for the Hawaii Public Housing Authority's Audit for the Fiscal Year Ended June 30, 2009.

Director Smith moved and Director Beaver seconded.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously as amended.

Motion: To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Reduced Quorum Requirement pursuant to Act 048, Session Laws of Hawaii 2010.

Director Beaver moved, and Designee Oliva seconded.

Director Smith left at 9:45 a.m.

Ms. Wise informed the Board the HPHA is changing the bylaws because the legislature changed the quorum requirement for the HPHA.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously.

Motion: To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Transfer of the Homeless Programs to the Department of Human Services pursuant to Act 89, Session Laws of Hawaii 2010.

Staff explained that with the transfer of the Homeless Programs Branch to Department of Human Services (DHS), that consideration should be given to the mission of the HPHA as stated in Article II of the By-Laws. The term "homeless persons" was amended to read individuals.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously.

Chairperson Thompson called a recess at 10:05 a.m. and reconvened at 10:16 a.m.

Discussion:

Status of the Transitional Homeless Program at Puahala Homes:

Mr. Utu Langi, Executive Director of H5, thanked the Board for its support of the pilot Transition Housing program at Puahala Homes and introduced the manager of Puahala Homes Next Step Shelter, Mr. Max Gray.

Mr. Gray reported the statistics on how many families moved in and out of Puahala Homes during the 24 month program, how many units are still occupied, and how the remaining families will be transitioned out of Puahala Homes.

Chairperson Thompson asked that the Next Step program please provide a full report and thanked the community for its tolerance and acceptance.

Status of the Redevelopment Activities at Kuhio Park Terrace and Kuhio Homes:

Ms. Ava Goldman introduced Kaila Price a new staff person to Michael's Development and a new member to the KPT redevelopment team.

Ms. Goldman reported the progress of the tax credit application with Hawaii Housing Finance and Development Corporation (HHFDC). She reviewed the various sources of financing with the Board and stated that the financing components were very similar to what was originally proposed for the project at the onset. She also stated that the predevelopment loan should be released by the HPHA in the near future.

Ms. Goldman reported that the HPHA has not signed the master development agreement. She understands that the HPHA is trying to hire outside counsel to review all agreements and stressed the importance of timing and the how critical it is to keeping the project on a reasonable track.

She also reported that the Michaels Development Company has been meeting on a regular basis with the KPT residents to review plan updates and receive feedback.

Ms. Goldman reported that they have changed the facade to a softer more traditional Hawaiian look and the plans included energy saving features. She presented to the Board several renderings of the new façade treatment.

Ms. Goldman reported that The Michaels Development Company still needs an exemption from an environmental impact statement (EIS) from the HPHA and the HPHA has the authority to sign the EIS and forward to HUD for final approval. The interpretation of HUD's EIS

requirements for KPT redevelopment project is based on the fact that it is a renovation project versus a “tear down”. The Towers are being left intact and therefore the footprint is not changing, this is the basis for the exemption request.

Further discussion ensued with the Board and Chairperson Thompson requested a master project schedule. Given the span of time and the various components to the project the Board believed a master project schedule would provide the Board and staff with key milestones and dates.

Director Beaver questioned if the HPHA will also be hiring an owner’s representative. Staff reported that bringing on an Owner’s Representative was the next task in the process of building the capacity of the staff to undertake the KPT Redevelopment project.

June Talia, KPT Resident Association member, confirmed that The Michael’s Development Company has been keeping the resident association informed of their plans.

The Board requested that The Michaels’s Development Company also work with the architect to provide historical perspective to the site that KPT and Kuhio Homes currently sit. Given the rich history of Hawaii, the Board believed that it is incumbent on us to honor the land and share its history with the coming generations.

Chairperson Thompson asked that the Mixed Income/Mixed Finance Development task force meet to review the RFP for the hiring of the outside counsel and the owner’s representative.

Finance Task Force:

The task force did not meet.

Goals and Objective/Financial Assets Task Force:

Director Beaver reported that the Task Force did meet. The Task Force discussed the unsolicited bid received from a consortium of consultants that wished to provide the HPHA with a myriad of services and assistance. The Task Force discussed the merits of the unsolicited bid and determined that it would recommend to the Board a Request for Proposal (RFP) for strategic planning services for the Board and the HPHA be initiated.

The Task Force further discussed the need for capacity within the HPHA to properly manage the Kuhio Park Terrace (KPT) project. A recommendation to the Board will be a request for proposal (RFP) for project manager or owner’s representative services.

Human Resources Task Force

Designee Oliva reported that the hiring freeze has been lifted effective of May 11, 2010, but all requests still require Governor’s approval.

The Task Force reported that staff is developing a priority list to fill current vacancies and determining if funds are available to fill the positions.

Board Training Task Force:

Director Dodson reported that the Task Force did meet and discussed Board training. At the prior Board meeting a recommended agenda was presented. The Task Force proposed Friday, July 16th at the Pacific Club. This would be all day training and will include someone from the Office of Information Practices (OIP) and Ethics Commission and the HPHA will hire a facilitator for the training.

The Task Force recommended the Friday that follows a board meeting as a cost savings. Given that airfare and accommodations would only be incurred once since neighbor island board members would be here for the Thursday Board meeting.

Noticing of the Board Training will be conducted by staff.

Tenant Relations/Operations Task Force:

Director Yoshioka reported that the Task Force met and discussed staffing issues and the impact on the HPHA. There was discussion regarding performance reviews and how they fit into the overall performance of the agency. There was further discussion on how to position the HPHA for success.

Director Smith returned at 11:30 a.m.

Chairperson Thompson called a recess at 11:40 a.m. and reconvened at 12:00 p.m.

Executive Director's Report:

Ms. Wise reported on the accomplishments, planned activities, trends, and potential risks of the HPHA.

Mr. Sarhan reviewed the process on how the 2011 budget was created and the common factors used by the branches to provide a comprehensive agency budget.

Chairperson Thompson asked that the Finance Task Force work with staff on the budget.

Staff discussed with the Board the urgency in obligating HUD's 718 capital funds by June 12th. Staff reviewed with the Board the timelines for the last two IFBs and staff has confidence all funds will be obligated by the June date.

Staff discussed and reviewed a letter received from HUD regarding HPHA's participation in a new Homeless study being commissioned by HUD. The ultimate outcome of the study is to determine causes and effective interventions. 12 sites were identified from across the US and Hawaii is one of the 12 sites.

For the study to have validity each site is being asked to provide at least 65 units of housing using either Section 8 vouchers or public housing units. The participants in the study will need

to be in the shelter system for less than seven days. The study will be measuring homelessness using 4 groups, each with a different intervention: 1) transitional housing with services; 2) rapid re-housing (first month's rent and security deposit); 3) project based voucher with services; and 4) public housing with section 8 voucher or public housing units.

If the HPHA does not participate in the study the State of Hawaii may not be part of this study. There are one time fees that the HPHA may be eligible for should it elect to participate. Should the HPHA participate there will need to be a change to the Administrative Plan. This would involve a public hearing. The change would provide a preference within the Homeless preference for the study participants. The soonest the HPHA could make some units available should it participate is January 2011.

Staff met with one of the study coordinators and he reported that the City and County of Honolulu may be able to make available between 20-25 Section 8 vouchers. Should that occur then the HPHA may provide 40-45 units.

Ms. Lydia Camacho, CMS Branch Chief, reported on the retaining wall that collapsed at the Kalihi Valley Homes (KVH) site last month. She has met with the contractor to discuss responsibility for the collapsed wall and the HPHA has sent a demand letter to the contractor to fix the wall. The point of further discussion with the contractor is whether they will fix the entire wall or the collapsed portion. HPHA's consultant recommended the entire wall as its integrity has already been compromised and to fix a portion may be problematic in the future.

Ms. Camacho reported that the cost to rebuild the wall may reach \$1 million. Further discussion ensued by the Board and the cost of a \$1 million to repair the wall seemed excessive. Staff will send design and specifications to Director Beaver for further review.

Ms. Camacho reported back to the Board regarding the possibility of expediting the elevator modernization schedule as requested last month by the Board. Staff met with the HPHA's project consultant and there is very little that can be done to expedite the schedule at this time. The contractor awarded the bid has a finite staff with elevator expertise and as such cannot move the schedule up. Staff will continue to work with the contractor.

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

Director Aiona moved and Director Beaver seconded.

That the meeting be adjourned at 1:18 p.m.

Support: The motion was unanimously carried.

MINUTES CERTIFICATION

Minutes Prepared by:

Taryn D. Chikamori
Taryn Chikamori
Secretary to the Board/Recording Secretary

6.17.10
Date

Approved by the HPHA Board of Directors at their Regular Meeting on
June 17, 2010

Matilda Yoshioka
Matilda Yoshioka
Director/Board Secretary

JUN 17 2010
Date