

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
GENERAL BUSINESS MEETING

Wednesday, February 03, 2021

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii met virtually (utilizing the state-supported Zoom Meeting platform) for a regular meeting on February 03, 2021.

Board Chairperson, John Whalen, called the meeting to order at 12:07p.m. Those present and excused were as follows:

Members Present:

John Whalen, Chairperson
Amy Luersen, Vice Chairperson
Craig Hirai, B&F (Ex-Officio)
Phillip Hasha
Kevin Sakoda
Jason Okuhama
Chason Ishii
Daniel Ikaika Ito
Lynn Araki-Regan, DOT (Ex-Officio)
Wei Fang
Jo-Ann Leong
Shirley Swinny, Secretary
Dean Uchida, DPP (non-voting)
Mitchell Tynanes

Members Excused:

Maeda Timson
Donna Camvel
Dept. of Hawaiian Homelands

Legal Counsel:

Kelly Suzuka, Deputy Attorney General

Staff Present:

Deepak Neupane, Executive Director
Carson Schultz, Kakaako Planning & Dev. Director
Garet Sasaki, Administrative Services Officer
Lindsey Doi Leaverton, Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary

A quorum was present.

Acknowledgement that the Meeting is Being Convened Virtually

Chair Whalen reiterated the wording contained in the Meeting Agenda regarding the state's response to the COVID-19 pandemic, the state's efforts to slow the community spread of the virus and Governor David Y. Ige's issuance of Supplementary Emergency Proclamations which suspended Chapter 92 of the Hawaii Revised Statutes to the extent necessary to enable public boards and commissions to conduct business without holding meetings open to the public.

With regard to the foregoing, Chair Whalen reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link, HCDA's Facebook and YouTube Page contained in the meeting agenda, HCDA also welcomes public comment and public participation via submission of written and or verbal testimony (consistent with the social distancing guidelines and Emergency Proclamation directives in effect).

Chair Whalen stated that individuals from the public who have requested to provide testimony are on standby and will be permitted to speak during the public testimony session of the specific agenda item.

II. APPROVAL OF MINUTES

1. Regular Meeting Minutes of January 06, 2021

There were no comments or corrections by board members. The meeting minutes were approved as presented.

III. INFORMATION/DISCUSSION & DECISION MAKING

2. 2021 Legislative Bills (see Exhibit A) Pertaining to the Hawaii Community Development Authority

Executive Director, Deepak Neupane, highlighted the following bills:

- HB200 and SB1129, Relating to the State Budget. Appropriates funds for the operating and capital improvement budget for FY 2021-2022 and 2022-2023. HCDA will be providing testimony in support.
- SB140, Relating to Community Development to develop a TOD zone improvement program. Appropriates funds to HCDA for staff to manage the TOD program. SB 140 creates a TOD zone along the transit lines and gives HCDA the authority to create transit-oriented development zones that are geared towards improvement district types of projects that would take place outside of HCDA's community development districts. HCDA provided comments requesting the Hawaii Public Housing Authority's (HPHA) stadium area land be included as the stadium area could benefit from infrastructure improvements. HCDA requested consideration of funding for consulting services.

- SB333, Relating to Capital Improvement Projects for the 20th District. SB333 provides funding for the Enterprise intersection; He noted HCDA will provide comments in support of the Kalaeloa district.
- SB480 and HB774, Relating to Development Districts. Establishes the Pulehunui community development authority. The Pulehunui board will be administratively attached to HCDA. HCDA's Executive Director and cultural specialist member are named as members of the Pulehunui board.
- SB1336, HB1347, and HB1348, Relating to the Aloha Stadium and Stadium Development District. These bills reinstate HCDA into the stadium development project and create a Stadium Authority revolving fund within HCDA's statute; he noted that he is working with the Deputy Attorney General to understand the mechanics of this bill. Member Uchida suggested that Mr. Neupane speak with Senator Wakai (who introduced the bill) to provide Senator Wakai information on what HCDA does to help craft language for the bill. Chair Whalen, Members Sakoda and Ishii volunteered to accompany Mr. Neupane at such meeting.
- SB740, Creates the Department of Housing. Places HCDA, HHFDC, the Office of Planning, and HPHA under the Department of Housing for administrative purposes. HCDA's plan is to monitor the progress of SB740 as it moves forward. Member Luersen stated that her concern, as a He'eia board member, is that having HCDA under a Department of Housing would imply that HCDA districts are primarily for housing, which is not the case for He'eia. Therefore, she would want to be careful in how the language is crafted. Mr. Neupane noted that the bill is in its early stages, but he will take note to Member Luersen's comment and continue to monitor the bill. HCDA will provide testimony, if necessary.
- HB1264 and SB1334, Authorizes the Office of Hawaiian Affairs to seek construction of hotels in the Kakaako Community Development District. Requires a public hearing prior to submission by OHA to HCDA of any plan or proposal for any hotel. Allows the raising of the building height limit for two of the six parcels owned by OHA to four hundred feet. HCDA will provide comments. Mr. Neupane noted, the current Mauka area rules do not allow for hotel development. He also noted that OHA will have to hold public meetings before bringing forth a request to HCDA; at which point the HCDA board would make a decision.
- SB737, Relating to Affordable Housing. Requires at least one hundred thousand housing units be developed near the rail station nearest to the Aloha Stadium. Requires a minimum of eighty percent of those housing units to be priced as affordable. HCDA will provide comments.
- SB865, Relating to Affordable Housing. Authorizes cash payments made by developers in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii Community Development Authority to be deposited into the rental housing revolving fund. Mr. Neupane stated that HCDA will provide comments to

say HHFDC and HCDA have worked closely in the past to produce close to 1,900 reserved housing units in Kakaako.

- HB343, Relating to Contested Cases. Any state agency that does not have hearings officers on its staff to arrange with DCCA to have its contested case hearings heard by hearings officers of DCCA. Mr. Neupane stated that HCDA will provide comments that the decision-making hearings for HCDA must take place in front of the board, rather than an outside hearings officer.
- SB800, Relating to HCDA. Removes county councils as the nominating authority for members of the HCDA who serve as representatives of HCDA's community development districts. Provides that the president of the senate and the speaker of the house of representatives shall each nominate representatives of each of the three community development districts. Member Leong mentioned that her term ends in July and is unsure what action to take moving forward. Mr. Neupane stated that he had not intended to provide testimony on behalf of HCDA but suggested that board members independently provide testimony on that bill to express their concerns. Member Luersen asked how the timing will work due to the fact that this bill may not be passed until the end of the current Legislative session. Mr. Neupane stated that in the past, unless a new member was appointed, the current members could continue past their term. Chair Whalen confirmed that has happened before, but that he thinks there is also a time limit on that. Mr. Neupane added that he has not looked at the technicalities regarding that timing, but that issues could arise in terms of quorum requirements and decision making if members are unable to continue.

Member Sakoda asked Mr. Neupane for clarification on whether conversations about the stadium development are referring to the stadium itself or the additional surrounding areas that are to be developed as well. Mr. Neupane answered that his understanding of the bill is that the larger scale of development is what is being referred to. In addition, he stated that it allows the Stadium Authority to own land, lease land, and anticipates a mixed-use development around the stadium. He noted that from a logistics standpoint, majority of the work done thus far by DAGS is strictly concerning the development of the stadium itself, and that he thinks there has not been much work done regarding the mixed-use portion of development. He added that he has gathered the impression that the intent is for the mixed-use development area to generate funding to pay for the stadium. Mr. Neupane noted that there have been discussions taking place thus far and but not a set plan.

Chair Whalen added that it seems like a mismatch. Member Sakoda stated that it seems clear that what is being proposed is not the right strategy to take, and he wanted to make sure that he clearly understands the bill and that there are common concerns among the board members. Mr. Neupane acknowledged their concerns and agreed that the long-term financial viability of the stadium needs to be looked at very carefully. He added that DAGS has a team of financial consultants, including Goldman Sachs, crunching the numbers for them. He added that he was invited by DAGS to their team meeting and stated that he is just beginning to understand some of the conversations that have gone on.

Member Swinney stated that she is confused as to what HCDA's role is and asked if HCDA is just a passthrough for funds and if the ED is going to be attached to the stadium project without the Authority. Mr. Neupane stated that he intends to gain clarification on those matters in the comments he intends to provide.

Member Okuhama brought up the discussions that took place at the last board meeting regarding concerns that the board members raised. Mr. Neupane acknowledged the discussion and stated that the bill does not provide clarity in respect to the concerns that the board has raised. He then offered his ability to draft testimony and asked for feedback from board members.

Chair Whalen shared that his own view is that HCDA should be in charge of the mixed-use development and should coordinate with the City because of the City's TOD and land use plans in the area. He noted that there had already been a presentation from the City regarding their TOD plan and that this approach by the Legislature seems to override that plan. He stated that one of the ideas within the Legislature is that the State land should be used to support affordable housing, which would in turn support transit ridership. He went on to state that he feels the concept in the existing statute is flawed and not good for the public. He added that he thinks HCDA can say that they are best suited to work with the City on the development of the stadium area TOD, while the Stadium Authority does their own thing. Another point that Chair Whalen brought up, was his concern that DAGS and the Stadium Authority have relied heavily on a mainland consultant; he noted that Goldman Sachs has been known for, what he described as, "stumbling." He closed by saying that if the current direction of the Legislature remains the same, he would want HCDA completely removed from the project.

Member Uchida stated that he shares similar concerns, especially regarding DAGS' use of their current developer. He noted that it seems like HCDA will just be facilitating the agreement between DAGS and the developer with HCDA having no say in the agreement; if such is the case, he is in agreement with Chair Whalen, and feels that HCDA should not be involved.

Member Luersen stated that she is also in agreement; she feels that HCDA's place in the project is still unclear and quite confusing despite the long discussion that took place at the board's January meeting. She stated that it is unclear how HCDA would add value in the current state of the plan. However, she did note that there is potential for HCDA to be impactful in terms of the TOD and mixed-use developments.

Member Sakoda stated that he agrees with everything that has been said. He noted that if the Legislature wants to go down one path, it should be defined and the choice is theirs to do so, however, the other path available would be to use HCDA to steward the project moving forward. He stated that he feels HCDA should be in charge of managing and developing a strategy for the project, after which, tasks can be delegated to the Stadium Authority and others involved, rather than the other way around. He then asked who this point should be made clear to, as he would be comfortable speaking with Senator Wakai or any other

Legislators regarding the matter. Mr. Neupane suggested that he and several board members could meet with Senator Wakai and others as appropriate.

Member Fang suggested that the board might write a letter stating their concerns and providing their stance. She stated that every member could sign the letter and it could be distributed to all those involved in order to open the discussion to those outside of the HCDA board. Mr. Neupane answered that it may be better to have an in-person meeting with the Legislators.

Mr. Neupane stated that he would reach out to Senator Wakai's office to ask for a meeting, Member Ishii stated he is in agreement with Member Luersen, that the board needs clarity because in the general public and even within government, it has been said that HCDA is working side by side with DAGS on this development, when in reality, that is not true. Member Ishii stated that the great work that has been done by HCDA in the past could be tarnished because of association with a project that HCDA is not involved in and had no control over. He then noted that, like Member Uchida stated, it seems that DAGS has every intention on following the plan that is in place with their developer, with HCDA just being the name behind it. He closed by saying that this is not where the board wants to be and that the details should be clarified about HCDA's role or lack thereof.

Mr. Neupane answered in agreement and noted that not much work has been done on the mixed-use development side of the project, and that is where he thinks HCDA could play a significant role. Member Ishii answered that there must be clarity; adding that if HCDA is going to be solely responsible for the mixed-use and not for the stadium portion, then it should be written as such and HCDA should be given full authority if HCDA is going to be held accountable.

Member Luersen stated that she agrees with Member Ishii. She then addressed Mr. Neupane stating what she thinks the board is trying to communicate is that they are trying to support the effort in trying to get clarity and not having it rest entirely on Mr. Neupane's shoulders. She acknowledged Member Fang's suggestion to write a letter as one way to do so, then offered that another way to do it would be to have board members attend a meeting alongside Mr. Neupane with Senator Wakai in order to reflect the board's hesitation on the matter as many board members feel as such. This way, the board can communicate the weight of their concerns regarding this topic. Member Ishii added that he agrees with Member Luersen, then stated that it would also be concerning considering the current workload of HCDA in their existing developmental districts.

Deputy Attorney General clarified for members that less than a quorum is allowed to attend such meeting. Mr. Neupane stated that a quorum for this board is eight, therefore up to eight members can attend. He then suggested Chair Whalen, Member Sakoda, and Member Ishii to be attendees. He added that HCDA's testimony can be simplified to say there is a lack of clarity within the bill regarding HCDA's role and ask the committee to make those clarifications. He noted that his testimony would be to express the board's concerns, and in the meantime, he would hope to conduct the meeting with Senator Wakai and the board

members that choose to attend. He stated that if the bill were to pass, HCDA could provide a detailed testimony when the bill goes to the land committee.

Chair Whalen stated that he feels that this situation has been crowding the HCDA's statute, and that there should be a separate statute that clearly defines the stadium district.

Member Swinney asked Mr. Neupane if he was monitoring SB1412, which was for special purpose revenue bonds for Honokea Surf Village, a proposed project in Kalaeloa. Mr. Neupane stated that specific bill was not on the list, but that he would pull it and monitor it moving forward.

There were no further comments or questions.

Public Testimony

Chair Whalen called for public testimony. There was no public testimony.

IV. REPORT OF THE EXECUTIVE DIRECTOR
3. Monthly Financial Highlights of December 2020

Mr. Neupane stated that the report consisted mostly of financial reporting and to stand on the written report as it was presented.

There were no comments or questions.

Public Testimony

Chair Whalen called for public testimony. There was no public testimony.

V. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Chair Whalen thanked those who have joined today's meeting on Zoom or HCDA's Facebook or YouTube and adjourned the meeting at 1:23p.m.

John Whalen, Chairperson

Date