

Minutes of a Regular Meeting
of the Members of the
Hawaii Community Development Authority
State of Hawaii

Wednesday, March 7, 2018

GENERAL BUSINESS

I. CALL TO ORDER/ROLL CALL

A general business meeting of the Members of the Hawaii Community Development Authority (“Authority” or “HCDA”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by John Whalen, Chair of the Authority, at 9:00 a.m., March 7, 2018, at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Members Present:

1. John Whalen
2. Beau Bassett
3. Phillip Hasha
4. Jason Okuhama
5. Jo Ann Leong
6. Mike Golojuch
7. Mark Anderson (B&F Ex-officio)
8. Mary Pat Waterhouse
9. Wei Fang
10. Shirley Swinney
11. Amy Luersen
12. William Oh
13. Derek Kimura (DHHL non-voting)
14. Roy Catalani (DOT Ex-officio)
15. Kathy Sokugawa (DPP non-voting)

Members Absent: Donna Camvel
Maeda Timson

Others Present: Garrett Kamemoto, Interim Executive Director
Deepak Neupane, Kakaako Planning and Development Director
Tessa Malama, Kalaeloa Planning and Development Director
Lindsey Doi Leaverton, Asset Manager
Francine Murray, HCDA Specialist
Tommilyn Soares, Secretary
Lori Sunakoda, Deputy Attorney General
Max Levins, Deputy Attorney General

Chair Whalen welcomed Mr. Roy Catalani who is attending today’s meeting as Department

of Transportation's representative.

II. APPROVAL OF MINUTES

The February 7, 2018 meeting minutes were approved as presented.

III. INFORMATION AND DISCUSSION:

Executive Director Recruitment Process Permitted Interaction Group Update

Chair Whalen stated that the Permitted Interaction Group selected 8 candidates to interview and are midway through that process, the remaining candidate interviews will be conducted next week (March 12 – 16, 2018). The Permitted Interaction Group will present a report to the full board in executive session at its April meeting. The full board will have an opportunity to select two final candidates to interview that will be conducted in May.

There were no questions or discussion from board members and no public testimony.

Hawaii Community Development Authority Leasing and Policies Update

Mr. Aedward Los Banos presented the draft policies that was provided in the board packet and noted there are a few errors in the draft report that he will revise and that he is open to any questions, recommendations and revisions board members may have to assist in finalizing the draft policies.

Member Fang suggests adding a time frame for below market leases under "mitigating exposure" on page 11 of the draft policies. She also asked if the board can address development leases versus commercial leases.

Mr. Kamemoto stated that these policies will be a baseline for any proposals that are submitted to HCDA and all information outlined in these policies are required before any proposals are brought to the board for consideration.

Member Swinney recommends a preliminary analysis be required before a request is brought to the board for an action.

Member Luersen noted page 9 refers to the Executive Director (ED) appointing three-members to a committee that will review and evaluate each proposal received, and asked who that includes? Board members, staff, community members?

Mr. Los Banos replied the committee members will be qualified HCDA staff members appointed by the ED. Member Bassett recommends that be included (in writing) in the draft policy.

Member Fang asked if there are ways to streamline the unsolicited proposals category. Member Bassett asked if the Right of Entries request would fall under these policies as the board is currently asked to take action on Right of Entries longer than 1 year.

Mr. Los Banos responded and noted that the issue of duration has come up twice now, and that edits would be proposed to address this issue. Commonly, an ROE is approximately 1-year in duration, whereas a development lease is for a much longer term, decades really. He further commented that it is more complex than duration and would require more thought because the mechanics of a solicitation or unsolicited proposal do not change so having separate policies based on lease duration, may not be the correct solution. Regardless he noted that the extent of work and analysis done would be commensurate with the proposal and the process should be proposal driven and that would apply for unsolicited proposals as well.

Member Luersen asked if special consideration will be given to non-profit organizations for below market value leases?

Member Fang stated that she would advise against special considerations for non-profit organizations because she felt the policy was thorough in identifying appropriate quantitative and qualitative considerations, in addition to mitigation measures.

There were no further comments, questions or discussions by board members and no public testimony.

Informational Announcement by Deputy Attorney General

Deputy Attorney General Lori Sunakoda introduced Deputy Attorney General Max Levins who joined the Attorney General's office and will start to assist in providing legal review and advice for HCDA. Ms. Sunakoda stated she will continue to be available for board members by phone or email; however, Mr. Levins will also start assisting and will transition to participate in HCDA's board meetings and advise members as necessary.

V. REPORT OF THE EXECUTIVE DIRECTOR

Information: Monthly Financial Report for January 2018

Mr. Los Banos referred to the report provided in the board packet and noted that going forward, Mr. Los Banos will provide a narrative and generation information on HCDA's financial position.

There were no comments or questions and no public testimony.

Update on the 2018 Legislative Bills that Affect the Hawaii Community Development Authority

Mr. Kamemoto noted that crossover of bills is currently being conducted; therefore, an update on bills that HCDA have testified on will be included at the April board meeting.

Information: Kalaeloa Monthly Report

a. Kalaeloa Landowner Assessments

Mr. Kamemoto referred to the report provided in the packet and stated that Ms. Tesha

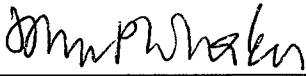
Malama is in the audience if any board members have any questions on the Kalaeloa monthly report.

There were no questions, comments or discussion by board members and no public testimony.

V. ADJOURNMENT

Chair Whalen adjourned the meeting at 10:34 a.m.

Approved and Submitted by,



John P. Whalen, Chairperson

APR 04 2018

Date Approved by the HCDA Board