

**STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO MEETING**

Wednesday, September 1, 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 meeting on September 1, 2021.

Board Chairperson, Jason Okuhama, called the meeting to order at 11:16 a.m.
Those present were as follows:

Members Present:

Jason Okuhama, Chairperson
Kevin Sakoda
Philip Hasha
Chason Ishii
David Rodriguez, DOT (Ex-Officio)
Craig Hirai, B&F (Ex-Officio)
Susan Todani

Members Excused:

Dean Uchida, DPP (non-voting)
Wei Fang
Cultural Specialist (Vacant)

Legal Counsel:

Kelly Suzuka, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General

Staff Present:

Deepak Neupane, Executive Director
Lindsey Doi Leaverton, Asset Manager
Craig Nakamoto, Compliance Assurance & Community Outreach Officer
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary

A quorum was present.

Acknowledgement that the Meeting is Being Convened Virtually

Chair Okuhama 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 Okuhama reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link and HCDA's YouTube Channel 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 Okuhama stated that individuals, if any, 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 August 4, 2021

Minutes were approved as presented.

III. ACTION ITEM

2. Request to Establish a Permitted Interaction Group Pursuant to Hawaii Revised Statutes §92-2.5 (b) to Review the HCDA's Reserved Housing Program and Make Recommendations to the Authority on Maintaining Long-Term Affordability of Reserved Housing Units.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities and HRS §92-5(a)(8), to deliberate or make a decision upon a matter than requires the consideration of information that must be kept confidential pursuant to a state or federal law, or a court order for the subject agenda item.

Mr. Deepak Neupane, Executive Director presented the staff report. Mr. Neupane noted concerns regarding the long-term affordability of Reserved Housing, particularly from the Community as well as HCDA's board members because of the recent Association fee increase at Ke Kilohana. Therefore, there is an interest to create a Permitted Interaction Group to review HCDA's Reserved Housing program and make a recommendation to the Authority.

The request and recommendation is to establish a Permitted Interaction Group to review the HCDA's Reserved Housing Program and make recommendations to the Authority in maintaining long term affordability of the Reserved Housing Units.

Member Sakoda questioned whether the action item should have been placed on the General Agenda.

Mr. Neupane noted, currently Kakaako is the only district with Reserved Housing units, therefore it was placed on the Kakaako agenda.

Public Testimony

Chair Okuhama called for public testimony. There was no request to provide verbal testimony.

Motion

Member Sakoda motioned for the Authority to establish a Permitted Interaction Group to review HCDA's Reserved Housing program and Make Recommendations to the Authority on Maintaining a Long-Term Affordability of Reserved Housing Unites.

Member Hasha seconded the motion.

Mr. Neupane conducted the roll call vote. Motion passed with 7 yes votes and 2 excused.

Member Okuhama named the following members to the P.I.G.:

1. Member Kevin Sakoda
2. Member Chason Ishii
3. Member Phillip Hasha; and
4. Member Susan Todani

3. Authorize the Executive Director to Defer the Payment of Shared Equity to Allow the Owners of Ke Kilohana Unit 1409 to Change the Title to their Unit by Removing the 1% Interest Owner?

HCDA Asset Manager, Ms. Lindsey Leaverton Doi, provided a summary of the staff report and noted this is an Administrative item for board action. The owner of Ke Kilohana Unit 1409 is requesting to change the title to the unit without triggering the payment of shared equity. According to the Unit Deed, Mr. Yasuma holds an undivided 99% interest in the property while Ms. Fuller holds an undivided 1% interest as Tenants in Common. Ms. Fuller decided to move back to Japan and is no longer interested in maintaining her 1% ownership and would like to transfer her 1% ownership to Mr. Yasuma.

Member Sakoda asked why someone would set up a unit as such.

Mr. Yasuma noted that he provided the down payment as well as monthly payments and at the time Ms. Fuller did not have a job and they agreed it was a fair agreement.

There were no further questions or comments from board members.

Public Testimony

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

Motion

Member Hasha motioned for the board to authorize the Executive Director to Authorize the Executive Director to Defer the Payment of Shared Equity to Allow the Owners of Ke Kilohana Unit 1409 to Change the Title to their Unit by Removing the 1% Interest Owner?

Member Ishii seconded the motion.

Ms. Leaverton Doi conducted the roll call vote. The motion passed with 7 Yes votes and 2 excused.

IV. INFORMATION & DISCUSSION

4. Financial Position and Operations of the Honuakaha Limited Partnership, Owner of the Honuakaha Senior Rental Housing Project, located at 545 & 547 Queen Street, Honolulu, Hawaii and Identified as Tax Map Key Numbers: 1-2-1-031-021.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities for the subject agenda item.

Executive Director Neupane presented the staff report and noted that the Honuakaha Senior Rental Project is located next door to the HCDA's office. He added that as he came on board as the Executive Director in October 2020, he was unaware of the issues with the Honuakaha Senior Rental Project and discovered through discussions with the HCDA's Asset Manager and ASO it was obvious that the Honuakaha Limited Partnership (HCDA General Partner, First Hawaiian Bank Limited Partner) is in financial trouble. Mr. Neupane wanted to bring this item to the board and provide an update to board members.

The project is a combination of several components that include 93 fee simple units that have been sold, 150 units for Senior Rental Housing – financed through low income housing tax credits, there is also a commercial component where Legal Aid Services of Hawaii is renting and also includes HCDA's offices.

Mr. Neupane added that the Honuakaha Senior Rental Housing Project includes 141 Studio units that are being rented for \$600.00 per month and 9 one-bedroom units at \$700.00 per month. He also stated that the last rental increase was in 2013. There is currently an operating deficit of \$25,000.00 per month, and also recently discovered that HCDA is delinquent in its share of maintenance fees that totals close to \$800,000.00. Mr. Neupane noted that he is working on a financial plan that will include looking into other financial liabilities, if any. He noted for the board that the details of the financial plan will be given to the board in executive session.

Public Testimony

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

Executive Session

Member Ishii motioned to enter Executive Session. Member Hasha seconded.

Chair Okuhama called for a voice vote; all members unanimously affirmed. Chair Okuhama requested the following people to participate in the Executive Session: HCDA Deputy Attorney General, Ms. Kelly Suzuka & Lori Sunakoda, HCDA Executive Director, Mr. Deepak Neupane, HCDA Secretary, Ms. Tommilyn Soares, and HCDA Program Specialist, Ms. Francine Murray.

Pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 11:43 a.m.

The Authority met in Executive Session until 12:56 p.m.

Chair Okuhama reconvened the meeting in public session at 12:56 p.m.

V. REPORT OF THE EXECUTIVE DIRECTOR

5. Monthly Report and Other Status Reports

- a. Approved permit applications that did not require HRS 206E-5.6 public hearings

Mr. Neupane provided an update on HCDA's vacant positions and noted that Mr. Mark Hakoda joined HCDA as a Planner, there was an offer made to fill the Kalaeloa position. HCDA is pending Governor's approval to fill two more positions – 1 Secretary and 1 Project Manager position. Mr. Neupane added that by October 1, 2021 all of HCDA's vacant positions, with the exception of one Program Specialist IV position, will be filled.

There were no questions or comments from board members.

Public Testimony

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

VI. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Chair Okuhama thanked those who joined the meeting on Zoom and adjourned the meeting at 12:58 p.m.

Wei Fang, Secretary

Date approved by Board