

Minutes of a Special Meeting
of the Members of the
Hawaii Community Development Authority,
State of Hawaii

Wednesday, February 11, 2015

**AUTHORITY GENERAL BUSINESS
KAKAAKO, KALAELOA AND HEEIA**

I. CALL TO ORDER/ROLL CALL

A special meeting of the Kakaako, Kalaeloa and Heeia Members of the Hawaii Community Development Authority (“Authority”), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Brian Lee, Chairperson of the Authority, at 9:03 a.m. on Wednesday, February 11, 2015, at the Authority’s principal executive offices at 461 Cooke Street, Honolulu, Hawaii, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Members Present: Mahealani Cypher
Jade Butay (DOT)
Miles Kamimura (for Kakaako and Kalaeloa)
Brian Lee
Brian Tamamoto
Scott Kami (DBF)
Amy Luersen
Shirley Swinney
Rodney Funakoshi (DBEDT)

Members Absent: Linda Chinn (DHHL)
Douglas Murdock (DAGS)
Lois Mitsunaga

Others Present: Anthony Ching, Executive Director
Lori Tanigawa, Deputy Attorney General
Lindsey Doi, Compliance Assurance and Community
Outreach Officer
Shelby Hoota, Program Specialist
Hedy Coleman, Court Reporter

II. APPROVAL OF MINUTES

1. General Meeting of November 25, 2014
Chairperson Lee asked whether there were any corrections to the minutes of the November 25, 2014 meeting. He apologized for the lateness of the packets and that members had to review the minutes during the meeting.

Member Tamamoto noted the lateness of the packets.

Member Swinney stated that receiving the packets on the day of the meeting is unacceptable and prevents her from making capable decisions on any matter, so she will abstain from decisions today.

There were no corrections from Members, and the minutes were approved as presented.

III. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Ching discussed the current financials and the recommendations in the Reserved Housing Investigative Committee report. Mr. Ching showed a powerpoint presentation outlining the types of housing development and showed a video on the HCDA's proposed amendments to its reserved housing rules. Mr. Ching noted the full video will be forthcoming. He also noted that the HCDA received 7 proposals for the Cooke St. microunit RFP as another part of building more affordable housing.

Ms. Tesha Malama presented the report for Kalaeloa. Ms. Malama discussed HUNT's plans in Kalaeloa as well as gave updates on the two energy corridor projects and a \$15 million legislative ask from the Leeward Housing Coalition for the development of microunits.

Member Swinney asked about where the microunits might be located. Ms. Malama said a location has not yet been identified, but discussions are ongoing to support the development of microunits in general, since it is not currently permitted by the City. Ms. Malama stated that there will be more public outreach moving forward in conjunction with the coalition that is supporting the project.

Member Cypher asked about navy groundwater monitoring wells that were closed by the Navy. Ms. Malama responded that a portion of the easement for the Kalaeloa Energy Corridor will be taken over by the HCDA, including the site where the monitoring wells are. Member Cypher asked about possible contamination and if the HCDA would be held responsible. Ms. Malama said the Navy would be responsible and Dept. of Health has said it isn't a problem. Mr. Ching stated that the generator of waste has a lifetime responsibility, regardless of if the site is conveyed to another entity.

Member Swinney asked how long the site was fallow. Ms. Malama said since 1999 there was no activity on that easement.

Member Butay asked about the food products made with kiawe beans. Ms. Malama talked about the health benefits of the bean, how it can be milled into a flour for health foods/ animal feed, and how Kalaeloa is ideal for the harvest of the kiawe bean.

Member Swinney asked about how the harvesting is done. Ms. Malama said they enter the

property, look at the beans and pick it up off the ground. If a site can be established, then a mesh netting can be set up under the trees to catch the bean.

Chair Lee discussed the importance of the work done by the HCDA Reserved Housing Investigative Committee and the many challenges to developing low income and affordable housing.

There was no further discussion or public comment on this agenda item.

IV. AUTHORITY BUSINESS

2. Decision Making: Shall the Authority Adopt General Positions and Policy Directives on HCDA Related Legislative Measures as Recommended by HCDA Staff?

Mr. Ching summarized the report located in tab 1 of the packet distributed to Members. He explained the current legislative bills relating to the HCDA and the agency's general position on them.

Member Cypher stated she personally knows both of the new appointments to the Heeia board (Donna Camvel and Brett Prejean) and supports their nomination. Member Cypher stated her concern over HB 1022 and how it is like a previous bill on spot zoning.

Member Luersen asked about HB 1022 and if there was a map for shoreline protection that identifies the parcels for spot zoning. Mr. Ching noted that previous maps do not exclusively show shoreline or park parcels, which is the problem. He noted that the bill seeks to cherry-pick those areas that are protected, as some shoreline areas are not parkland and are not zoned for parkland. Mr. Ching noted that this bill is not the ideal practice for administering zoning. Member Luersen asked if the HCDA would support the lowering of AMI as noted in HB 1020/ SB 916. Mr. Ching clarified that yes the HCDA would support the lowering of the AMI as it is consistent with the committee's proposal, however there are other provisions that do not. Member Luersen asked for a written description of the reserved housing committee's recommendations, which Mr. Ching replied was distributed previously. He noted it would be distributed again, along with the full form video.

Member Funakoshi asked if the HCDA should oppose HB1020 since it is already consistent with the HCDA's recommendations, so the bill would be unnecessary. Mr. Ching stated we must have a balance though, since the HCDA supports portions of the bill, but not all. Mr. Ching stated that we could support the bill in part, and oppose in part, depending on what suits the Authority. Member Funakoshi stated that we should allow the HCDA to make the changes in the rule making process rather than do it legislatively.

Chair Lee asked if the outlined positions in HCDA's testimony follow member's

wishes, to which Member Funakoshi agreed.

Member Tamamoto agreed with Member Funakoshi's comments and brought up the housing problems in Maui that were caused by restrictive housing laws. He asked to change HCDA's testimony to reflect our concerns.

Member Swinney brought HB 1022 back up and asked about the impact to the owners of the affected parcels. Mr. Ching indicated the bill would be a taking and would have a negative impact on the owner since it would strip the owner of the ability to develop their parcel to the highest and best use.

Member Tamamoto stated HCDA should oppose SB 906 because the definition of "negative impact" is unclear. He also stated his opposition to SB1205 because a developer would not build affordable housing if it's only for a 30 year lease. He also asked about funding sources for the HCDA if revolving funds are stripped. Member Tamamoto stated that it is awkward for the board to be testifying on behalf of the nominees for the HCDA.

Mr. Ching replied that a criteria to evaluate a member's participation is typically attendance and he would provide that information. It would be conspicuously absent if we did not offer testimony. Mr. Ching noted the opposition of SB 906 but stated that typically our position is to comments so that we can be part of the discussion. But if the authority wants to be more forthright, we can change our position to oppose, as our comments mirror those of Mr. Tamamoto.

Chair Lee noted it is difficult to support or oppose a bill at this early stage, because it changes. The testimony should reflect the feelings toward the various components of the bill so we can modify the testimony as it changes.

Member Kami noted that he hasn't had much time to review the bills and is relying on the ED summary, so he said he would abstain from voting.

Chair Lee called for a recess at 10:20 a.m.

Chair Lee reconvened the meeting at 10:32 a.m.

Chair Lee polled members to get a sense on what members wanted to do regarding testimony. Member Kamimura asked about the testimony for all bills and wanted to clarify that the comments made by the HCDA are those of the executive director and not the board if the board wasn't consulted. Chair Lee clarified that the testimony moving forward would make it clear if the testimony was only stating the executive director's position or that of the board's.

PUBLIC TESTIMONY

1. Michelle Matson, CPAC: Says spot zoning has nothing to do with these bills, as they reflect the master plan. Says the board needs to hear from the community on what these bills are instead of taking the executive director's word. Said

HCDA members or at least the chairs should be present to express their views at the hearings.

- a. Member Cypher noted that the plan dealt with land use as a whole. Mr. Ching noted that the TMKS also included other landowner parcels like OHA's, not just parklands.

Chair Lee stated that the board cannot leave Mr. Ching without answers during testimony. He proposed separating testimony depending on the subject matter/ bills. Chair Lee proposed allowing the ED to testify on those sitting nominees, and to only offer personal testimony for HB1020/ HB1022.

Member Funakoshi pointed out that the legislature moves very quickly and thanked HCDA staff for analyzing the bills. He noted concern about what the testimony represents, as the testimony should include comments from the chair and one or two volunteers from the board.

PUBLIC TESTIMONY –continued-

2. Wayne Takamine, CPAC: Discussed the lei of green concept put forth by the master plan and protecting the viewplanes with the shoreline protection bill. Echoed Ms. Matson's testimony on the TMKS in HB1022 being very large and general.
 - a. Member Cypher asked for funding for affected landowners if their views are not consistent with the bill. Mr. Takamine mentioned 53 by the Sea being removed from the lease, and something similar could be done for OHA and Howard Hughes. He mentioned the state could give OHA more lands to compensate, such as that in Iwilei.
3. Sharon Moriwaki, Kakaako resident: Supports bills to create a better process with longer community input for a better project that meets the public vision for a great community. Also supports more affordable housing by lowering AMI standards like the city.

Chair Lee stated it seems the board agrees with only testifying on behalf of sitting board members, but there is uncertainty regarding HB1020/ SB916 and HB1020/ SB1203. He asked about positions on the revolving funds and wanted to consult with the AG.

Member Luersen offered a different way of organization. She says some bills relate to HCDA's ability to function, including revolving funds, others relate to issues HCDA has taken a position on, like reserved housing. She says we should remain consistent with the master plan, so support those bills that are, and oppose those that aren't.

Chair Lee called a recess at 11:11 am.

Chair Lee reconvened the meeting at 11:15 a.m.

Member Tamamoto made a motion to enter executive session. Member Luersen seconded the motion.

All members unanimously approved entering into executive session.

Chair Lee recessed the meeting at 11:17 a.m.

Pursuant to HRS Section 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 11:19 a.m.

The regular meeting was reconvened at 11:57 a.m.

Chairperson Lee entertained a motion for the Authority to Adopt a policy of only submitting testimony in support of current members who have been nominated to serve on the HCDA board?

A motion was made by Member Tamamoto and seconded by Member Cypher.

A roll call vote was conducted.

Ayes: Members Kamimura (2x), Lee, Kami, Butay, Luersen, Funakoshi.

Nays: None.

Abstain: Swinney.

The motion passed 9 for the motion, 1 abstention, 6 excused.

Chairperson Lee entertained a motion for the Authority to Adopt a policy of submitting testimony on legislative measures consistent with HCDA's statutory mission and directives as set forth in HRS 206E and HCDA's previously adopted policies and plans?

A motion was made by Member Tamamoto and seconded by Member Cypher.

Member Luersen mentioned her concern about the bills that limit the authority's ability to function (HB700, SB906, HB1023/ SB1205, HB1244/ SB1189, HB1434) and that she hopes we would oppose them. Member Kami noted that he feels comfortable now about voting on this matter because they will not be deciding testimony for specific bills.

A roll call vote was conducted.

Ayes: Members Kamimura (2x), Lee, Funakoshi, Kami, Butay, Luersen.

Nays: None.

Abstain: Swinney.

The motion passed 9 for the motion, 1 abstention, 6 excused.

3. Decision Making: Shall the Authority Authorize the Executive Director or the Executive Director's Designee to Track HCDA Related Legislative Measures and Provide Testimony in Accordance With the General Provisions and Policy Directives Adopted by the Authority?

Chair Lee noted that the discussion on this item already occurred. There were no further comments or questions from Members on this agenda item.

PUBLIC TESTIMONY

1. Dexter Okada, Kakaako business owner: Commented that the bills may change and the timing is always rushed to hearings. Recommended that the testimony is still submitted to members.
2. Sharon Moriwaki: Wants the developer to be responsible to address concerns with the community prior to application being deemed complete so the board doesn't have to do so.
 - a. Member Luersen mentioned that the board understands the bills can change rapidly so would not take a position for or against bills because of that. Member Tamamoto agreed that a more collaborative process is good. Chair Lee mentioned the neighborhood board process is already in place, but Ms. Moriwaki stated that the neighborhood board doesn't represent all of Kakaako. Member Swinney asked Ms. Moriwaki to have a voice in any future community meetings.
3. Wayne Takamine: Spoke about lack of public engagement in process of negotiating ENAs

There was no further discussion or comments from the public or members on this item.

Chairperson Lee entertained a motion for the Authority to Authorize the Executive Director or the Executive Director's Designee to Track HCDA Related Legislative Measure and Provide Testimony in Accordance With the General Provisions and Policy Directives Adopted by the Authority?

A motion was made by Member Tamamoto and seconded by Member Cypher.

A roll call vote was conducted.

Ayes: Members Kamimura (2x), Lee, Funakoshi, Kami, Butay, Luersen.

Nays: None.

Abstain: Swinney

The motion passed 9 for the motion, 1 abstention, 6 excused.

Chair Lee thanked all members for the work they've done and the public for their testimony.

Member Cypher thanked members and hoped for continued compromise with the community.

Member Swinney thanked the community for their participation, as the word community is part of the HCDA and we need to hear the public's voices.

V. ADJOURNMENT

The meeting adjourned at 12:14 p.m.

Respectfully submitted,

Miles Kamimura, Secretary

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.