

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

Wednesday, January 06, 2016

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A general business meeting of the Kakaako 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 Chair Whalen at 10:30 AM January 6, 2016, 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: Beau Bassett
George Atta
Scott Kami (B&F)
William Oh
Jason Okuhama
Mary Pat Waterhouse
Steven Scott
John Whalen

Members Absent: Jade Butay (DOT)

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Mike Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Deepak Neupane, Planning Director
Laura Savo, Court Reporter
Tommilyn Soares, Secretary
Lindsey Doi, Compliance Assurance & Community Outreach
Shelby Hoota, Media Specialist

II. APPROVAL OF MINUTES

1. Kakaako Regular Meeting of November 4, 2015

Approval of the meeting minutes will be deferred until the next meeting

2. Kakaako Regular Meeting of December 2, 2015

Approval of the meeting minutes will be deferred until the next meeting

III. ED REPORT

HCDA Projects, Community Outreach, Planning, Infrastructure Improvements, Development, Asset/Land/Property Management Update

Mr. Los Banos provided a comprehensive update on Kakaako and other matters at the General meeting and limited his report to the Lot C RFP evaluation and selection committee. Mr. Los Banos stated, as the board approved the solicitation for Lot C, proposals are due back February 8, 2016. He noted for the board, they expressed interest at an earlier meeting to participate in the evaluation and selection of the award. Mr. Los Banos stated he would like to ask the board to appoint members to serve on the committee for the Lot C development RFP. One HCDA staff member is recommended to serve on the committee to help coordinate and facilitate the process, in addition to the board members.

Chair Whalen noted, no more than four members can serve on the committee and confirmed the members that will serve on the Lot C Evaluation Committee are, Member Jason Okuhama, Chair John Whalen and staff member Deepak Neupane. Mr. Los Banos confirmed, staff will send proposals to the members on the evaluation committee as they are received.

IV. KAKAAKO MATTERS*

3. Decision Making: Shall the Authority Authorize the Executive Director to Enter Into a Grant of Non-Exclusive Easement and Right of Entry with the City and County of Honolulu Emergency Services Department for Locating a City and County of Honolulu Ocean Safety and Life Guard Station at the Existing Harbor Master's Office and Conducting Emergency Rescues In and Around the Kewalo Basin Harbor, Tax Map Key 1-2-1-58: 128 and Near Shore Waters of Oahu?

Mr. Los Banos presented the report provided in the board packet. Chair Whalen commented that these plans are consistent with the proposal offered by the Howard Hughes Corporations for the use of Lot 3.

Member Kami, Member Bassett, Vice Chair Scott and Member Waterhouse expressed concerns pertaining to the storage of supplies and equipment, orderly maintenance of the area, the indemnification provision being too specific and also stated concerns regarding liability.

PUBLIC COMMENT:

Mark Rigg, Director of the Emergency Services Department noted for the board this location will be a breakthrough facility for ocean safety in regards to providing the public safety for the South Shore of Oahu. They will be able to respond to 911 emergencies that occur in the ocean quickly. Currently as a 911 call comes in for ocean-related emergencies, fire responds and as their truck is in the station with the boat they have to drive to the boat ramp, launch, then access the emergency and typically water emergencies are very time sensitive because of submersion and because

of the danger to the person in the water. So this is a breakthrough for public safety as the boat HCDA has secured will allow for an immediate response because the boat will be ready to launch at the harbor.

A motion was made by Member Bassett to enter into executive session, Member Waterhouse seconded. All members unanimously approved entering into executive session.

Pursuant to Section 92-5 (a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 11:07 am

Chair Whalen reconvened the meeting at 11:12 am

With discussion and agreement among all board members Chair Whalen entertained a motion, shall the authority authorize the director to enter into the agreement for the right of entry, a nonexclusive easement with the city and county of Honolulu emergency services department for locating a city and county of Honolulu ocean safety and life guard station at the existing harbor master's office and conducting emergency rescues in and around the Kewalo Basin Harbor, Tax Map Key 1-2-58:128 and near shore waters of Oahu, for a term through 2047 subject to broadening the indemnification provision and provides an orderly maintenance of the site, subject to inspection.

Member Waterhouse made a motion, Member Kami seconded. Interim Executive Director Aedward Los Banos conducted the roll call vote. Motion passed with seven votes for the motion and two excused.

4. Shall the Authority Authorize the Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the Pacifica Honolulu Condominium Unit No. 810 and Consenting to the Owner's Request to Refinance the Mortgage?

Mr. Los Banos presented the report provided in the packet. Owner of Pacifica Unit # 810 is requesting to refinance its 2011 mortgage.

No questions or comments from Members of the board or the public were made.

Chair Whalen entertained a motion for the Authority to authorize the Interim Executive Director to execute an agreement subordinating its shared equity encumbrance on the Pacifica Honolulu Condominium Unit No. 810.

Member Bassett made a motion and Member Scott seconded. Motion passed with 7 votes and 2 excused.

5. Decision Making: Shall the Authority Approve the Request from Coastal Rim Properties, Inc. for Reserved Housing Credit for Setting Aside an Additional 52 Residential Units as Reserved Housing Units in the 803 Waimanu Street Development Project, Development Permit No. KAK 13-091?

Mr. Deepak Neupane, Planning Director, summarized the report provided in the packet.

Chair Whalen asked if there were physical changes to the approved structure and if the additional units will be subject to reserved housing regulations. Mr. Neupane confirmed the additional units will be subject to all reserved housing regulations and that there will be no physical changes.

Member Bassett and Mr. Neupane discussed the market vs. reserved housing unit price range. Based on information in the staff report, it appeared that the difference between the market and reserved prices were close. Therefore there could be a potential future project that could yield deeper affordability if the reserved housing rules were applied. Mr. Neupane felt that staff's proposal discounted the reserved housing credits accordingly, but confirmed it's largely dependent on what the market would bear. Member Waterhouse and Chair Whalen stated the reserved housing units are important and necessary.

PUBLIC COMMENT

Clara Morikawa – Kakaako resident, expressed her concern was for the safety of the occupants of the building.

There were no other public comments made.

With discussion among members, Chair Whalen entertained a motion, shall the authority approve the request from coastal rim properties for reserved housing credit for setting aside an additional 53 residential units as 33 reserved housing credits in the 803 Waimanu Street development, Development Permit No. KAK 13-091?

Vice Chair Scott motioned, Member Oh seconded. Interim Executive Director Aedward Los Banos conducted the roll call. Motioned passed with 6 votes for the motion, 1 against and 2 excused.

6. Decision Making: Shall the Authority Accept the Determination of Finding of No Significant Impact for the Final Environmental Assessment Prepared for the Innovation Block at Lot C (Tax Map Key: 2-1-015: 052) Master Plan?

Mr. Deepak Neupane, summarized the report provided in the packet. The proposed development and master plan is for the Entrepreneur's Sandbox and Collaboration Center for the High Tech Development Corporation's Innovation Hale, a public/private partnership, Kewalo Incubation Center, office building for HTDC, and a learning center which could be a public/private project and a regional parking garage. HCDA transmitted a draft EA and anticipated a finding of no significant impact for proposed development

to OEQC. The project, staff believes, is consistent with the Kakaako Makai Conceptual Master Plan. Recommendation for the Authority is to accept a determination of finding of no significant impact for the EA for the proposed Innovation Block.

Mr. Neupane confirmed for Chair Whalen, there were no significant comments from agencies or the community, there was one general comment from Department of Health.

There were no comments or questions from members of the board or the public.

Vice Chair Scott made a motion, shall the Authority accept the determination of findings of no significant impact for the final environmental assessment prepared for the innovation block at Lot C, Tax Map Key: 2-1-015: 052, Master Plan.

Member Oh seconded. Interim Executive Director Los Banos conducted the roll call vote. Motion passed with six votes and three excused.

7. Shall the Authority Approve Additional Time to Negotiate the Development Agreement with Bronx Pro Group for the Low-to-Moderate Income Micro Unit Housing Project at 630 Cooke Street?

Mr. Los Banos presented the report provided in the board packet and noted, the board at the June, 2015 meeting, selected Bronx Pro Group and directed staff to negotiate a development agreement no later than January 31, 2015. Due to the review process and finalizing language, staff is requesting a six-month extension.

Mr. Deepak Neupane commented for the board, he anticipates finalizing the agreement well before the six-month extension however, stated the six month time frame is to be on the safe side. He also noted for the board, a copy of the red-lined development agreement has been provided as an update for the board.

Vice Chair Scott asked Mr. Neupane what the time frame, after the agreement, would be for the developer to start construction. Mr. Neupane stated he understands that it depends on financing and permitting that the developer will be responsible for.

Ms. Abbey Mayer, local consultant engaged by Bronx Pro commented they will actively pursue financing, tax credit and other sources to fill the gap and will make every effort to deliver a product as soon as possible. The best case scenario would be two to three years to break ground.

Chair Whalen entertained a motion to approve additional time to negotiate the development agreement with Bronx Pro Group for the low-to-moderate income micro unit housing project at 630 Cooke Street for an additional six months.

Member Okuhama made a motion, Member Basset seconded. Mr. Los Banos conducted the roll call vote and motion passed with seven and two excused.

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 12:07 p.m.

Respectfully submitted,

/s/

John Whalen,
Chair

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