

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

Wednesday, May 4, 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 10:15 AM May 4, 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
Wei Fang
Scott Kami
Jason Okuhamap
David Rodriguez
Steven Scott
John Whalen

Members Absent: Mary Pat Waterhouse
William Oh
George Atta

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
Shelby Hoota, Media Specialist

II. APPROVAL OF MINUTES

Kakaako Regular Meeting of March 2, 2016

No comments or corrections were made. Minutes were approved as presented.

III. REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos deferred to the report provided at the General Meeting.

IV. KAKAAKO MATTERS

1. Decision Making: Shall the Authority Authorize the Interim Executive Director to Execute a Right-of-Entry with Honolulu Authority for Rapid Transportation, HART, providing HART with access to certain roadway parcels within the Kakaako Community Development District owned by the Hawaii Community Development Authority for the purpose of preconstruction and construction work?

Mr. Los Banos noted for the board that decision making on this agenda item was deferred from the meeting held in April and that HART representatives, Mr. Jesse Souki and Mr. Morris Atta are available to provide more information to assist the board members with its decision.

Mr. Morris Atta provided a brief presentation to the board and noted, the action item is a request for a four year right of entry to facilitate preconstruction work to ensure the construction schedule is maintained. He outlined the preliminary investigatory work, utility relocation and other preliminary preconstruction activities and included areas that will affect the Hawaii Community Development Authority and the Kakaako Community Development District. Mr. Atta noted that the overall project is a 20-mile 21-station rail project and that the access to the right of entry is needed immediately as the preconstruction work schedule begins July – August, 2016. In mid-2017 early construction is anticipated and in 2018 is when major construction impacts would occur. Mr. Atta also provided an outline for ways to mitigate the impact on business, tenants and/or occupants in the Kakaako Development District Community.

Questions/Comments:

1. Chair Whalen: How will HART address the private-street issue when requesting ROE permits?
 - a. Mr. Souki: HART's policy is to first negotiate with the owners. For acquisitions where ownership may be a contested, HART will use the eminent domain process where necessary. Eminent domain will allow HART to have early access while issues are sorted out under the jurisdiction of the courts.
2. Member Bassett: Asked for confirmation that the decision the authority will be making is for a right of entry onto HCDA owned property. Mr. Souki confirmed.
3. Member Bassett: Has there been previous work or discussions between HART and HCDA on the "bigger picture" of the rail project as it moves into/affects the Kakaako Community?
 - a. Mr. Deepak Neupane (HCDA staff) stated for Member Bassett that by statute a public project, as such, does not require a permit from the board. The only requirement is that HART consult with the Authority. HART

made two separate presentations in 2014 to the HCDA Board. The first presentation included alignment information that will go through Kakaako and the second presentation included the transit station information.

- b. Member Fang: commented with constant change in Kakaako and also with HART, plans may have changed from a year ago in their relevancy today. Member Fang's concern is how HART's outreach to the Kakaako small businesses and its new residents will be conducted. HCDA and the board is looked at as advocates for some issues and her concern is, how going forward in the bigger picture HCDA and the board will coordinate and work with HART to keep small business and residents aware and included in HART's plans. Mr. Souki: replied and stated HART is in constant coordination with HCDA and offered to provide a monthly update to the HCDA board as part of its coordination efforts.

Board members further discussed issues concerning HART's underground utility work, the impact to Kakaako residents and its businesses, private streets and indemnification language contained in the right of entry.

PUBLIC COMMENT

Dexter Okada, Kakaako business owner expressed his concerns on the traffic impacts to the Kakaako Community as well as its business owners. Mr. Okada suggests that HART provide community outreach and provide timelines to help business owners prepare and make adjustments as necessary.

Member Kami asked what happens if the HCDA board does not grant the right of entry. Mr. Atta stated for member Kami that HART would possibly start incurring delays by the contractors. Member Bassett asked HART to provide the type of information that they would be preparing and distributing to the public.

Board members deferred decision on the action item and requested HART provide and address concerns stated by board members at its next scheduled board meeting.

- 3 Decision Making: Shall the Authority Authorize the Interim Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on Rycroft Terrace (fka Pagoda Terrace) Unit No. 517 and Consenting to the Owner's Request to Refinance the Mortgage?

Mr. Los Banos provided the report contained in the board packet.

Chair Whalen confirmed that the current request is to approve the Owner's request to refinance her mortgage to lower her monthly mortgage payment which would not be any greater than the original loan amount, and also that its staff recommendation to approve the request.

There were no public comment and no discussion from board members.

Vice Chair Scott made a motion for the Authority to authorize the interim executive director to execute an agreement subordinating its shared equity encumbrance on Rycroft Terrace, formerly known as Pagoda Terrace, Unit 517, and consenting to the owner's request to refinance its mortgage.

Member Bassett seconded the motion. Chair Whalen conducted a voice vote and all board members approved. **Motion passed unanimously.**

- 4 Decision Making: Shall the Authority Authorize the Interim Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the Pacifica Honolulu Condominium Unit No. 705 and Consenting to the Owner's Request to Refinance the Mortgage?

Mr. Los Banos provided and briefed the board members on the report contained in the board packet. Similar to the previous action item, the owner of Pacifica Honolulu, Condominium Unit 705 is requesting approval to refinance her mortgage to pay off her mortgage sooner. Her mortgage payments will be higher but the loan will be lower than the original purchase price. Staff recommendation is for the board to approve the request.

There were no public testimony or board discussion.

Member Bassett made a motion for the authority to authorize the interim executive director to execute an agreement subordinating its shared equity encumbrance on Pacifica Honolulu, Condominium Unit 705, and consenting to the owner's request to refinance the mortgage.

Member Okuhama seconded the motion. Chair Whalen conducted a voice vote. All members approved. **Motion passed unanimously.**

- 5 Decision Making: Shall the Authority Authorize the Interim Executive Director to Enter into a Memorandum of Understanding with the Department of Human Services to Continue a Jobs Training Program in the Kakaako community Development District for an Amount Not to Exceed \$354,000.00 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for Twelve-Month Period Effective July 1, 2016 to June 30, 2017?

Mr. Los Banos provided the report contained in the board packet and highlighted for the board that the MOU with DHS' Jobs Training Program started in 2009 and as they provide janitorial outreach and trash removal services for HCDA parks with those who utilize the Next Step Shelter, it's a successful program that HCDA would like to see continue.

Deputy Attorney General Mike Wong stated they will provide legal advice on expending funds from the Public Facilities' Dedication Fund, instead, if merited as requested by Member Bassett.

Mr. Lambert Lum and Taa Liki of the Waikiki Health, Next Step Shelter confirmed for board members, they help train those who utilize the Next Step Shelter and also work with job placement programs to help find these individuals and place them in jobs.

Member Bassett motioned for the Authority to authorize the interim executive director to enter into a memorandum of understanding with the Department of Human Services to continue a jobs training program in the Kakaako Community Development District for an amount not to exceed \$354,000 from the Hawaii Community Development Authority, first with preference that those funds come from the facilities subaccount, subject to the opinion of our attorney general as to whether or not that's allowed, and if it's not allowed pursuant to their opinion, then from the Hawaii Community Development Authority Leasing and Management Subaccount, for a 12-month period effective July 1, 2016 to June 30, 2017.

Vice Chair Scott seconded the motion. Chair Whalen conducted a voice vote all members approved. **Motion passed unanimously.**

6 Information and Discussion: Kolowalu Park Improvements.

Mr. Los Banos provided the report contained in the board packet and stated Howard Hughes Corporation indicated a desire in making improvements, operating and maintaining the park long-term. Mr. Todd Apo of Howard Hughes stated they are willing to participate in ongoing maintenance operations appropriately. If the board is interested, staff will pursue further discussion and bring an action item for the board's decision at a future meeting.

Mr. Neupane stated Howard Hughes would like to get started but as the park is owned by this state entity there is a requirement for an Environmental Assessment for improvements to a park. If the board agrees to move forward, HCDA staff will coordinate with Howard Hughes and get started by next summer. Board members expressed concerns with HCDA committing financially for park improvements.

There were no further discussion and no public comments.

7 Decision Making: Shall the Authority Ratify the Administrative Amendment of the Prior Executive Director Amending the Planned Development Agreement for 404 Piikoi Project (PD 2-84)?

Mr. Los Banos presented the report contained in the packet and stated for the board, the reason for the decision to ratify is to ensure and confirm the agency is taking the proper steps to approve the developer's request for extensions due to the timing in securing

financing through the Hawaii Housing Finance and Development Corporation.

PUBLIC COMMENT

Mr. Dexter Okada, Kakaako resident commented that the current project should have been built simultaneously with the Waihonua project.

Mr. Neupane clarified for Member Basset that the deed exhibits provided in the packet are two separate items, one deed is for the parcel for the developer and the second deed would be in the instance that the developer would not be able to secure financing, and the authority would have the decision to record the deed in favor of HCDA. In this case the developer has secured financing and received proper permit approvals and will be able to conduct the project.

There were no further discussion or public comments.

Member Fang motioned for the Authority to ratify the administrative amendment to the prior executive director amending the planned development agreement for 404 Piikoi project PD 2-84.

Member Kami seconded the motion. Chair Whalen conducted a voice vote and all approved. **Motion passed unanimously.**

8 Information and Discussion: 690 Pohukaina Street Update.

Mr. Los Banos provided a brief update and noted the last time the board convened on the matter it was determined that a school (as proposed by the Department of Education) would not be an appropriate add-on to the Request for Proposal as it is not within the scope of the RFP and did not cancel the RFP. Staff then informed the developer, Forest City of the decision.

Member Bassett motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). Member Fang seconded the motion. 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 12:59 p.m.

Chair Whalen reconvened the meeting at 1:59 pm

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 1:59 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.