

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

Wednesday, September 7, 2016

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 Chair Whalen at 10:12 AM September 7, 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
Michael Golojuch, Sr.
Scott Kami
Jason Okuhama
David Rodriguez
Mary Pat Waterhouse
William Oh
Amy Luersen
Derek Kimura
John Whalen

Members Absent: George Atta
Kalani Capelouto
Steven Scott
Shirley Swinney
Donna Camvel

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Mike Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Deepak Neupane, Planning Director
Tessa Malama, Director of Planning and Development - Kalaeloa
Lindsey Doi, Asset Manager
Garett Kamemoto, Communications and Community Outreach Officer
Laura Savo, Court Reporter

II. APPROVAL OF MINUTES

1. General Regular Meeting of August 3, 2016.

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

REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos introduced Mr. Garrett Kamemoto who joined HCDA and is the new Compliance Assurance and Community Outreach Officer. Mr. Kamemoto replaced Ms. Lindsey Doi Leaverton who is now HCDA's Asset Manager. Shelby Hoota, Media Specialist resigned in August, 2016.

Mr. Los Banos highlighted the following items:

- The Office of Environmental Quality Control (OEQC) will publish the park Environmental Impact Statement on Thursday, September 8, 2016.
- The Family Assessment center is scheduled to open in mid-September and will be located at the former maintenance shed in Kakako Waterfront Park.
- The HCDA Financial Statement Audit for Fiscal Year Ending 2016 is currently underway and will be brought forward for board approval at a future meeting.

Member Waterhouse asked a few questions regarding some information reported in the July 2016 financial statements and Mr. Los Banos stated the following:

- The variance amount reported for the salary and fringe benefits funded by the revolving fund is a result of the position vacancy of the Executive Director.
- The GO bond fund section of the financial statement will be updated to reflect the current annual budget for HCDA salaries and
- The 690 counsel listed under "Project and Utilizing Revolving Funds" is an action authorized by the previous board for specialized counsel to provide due diligence and negotiation terms. HCDA still retains counsel for that project and there is an item on the Kakaako agenda that will include an updated term sheet on the project.

Member Luersen requested a status update, at a future meeting, on the Heeia parcel and the Heeia master plan.

There were no further discussion, questions or comments from board members and the public.

III. BUSINESS MATTERS

2. Information and Discussion: Executive Director (ED) Search Committee Update

Chair Whalen noted that consultant Bishop & Company, came up with a list of first-round candidates (after reviewing applications, resumes and conducting background checks and some preliminary interviews). The ED search committee will start to schedule interviews this month with those list of candidates.

Member Bassett asked Chair Whalen to clarify the process and asked at what stage the selection for a new Executive Director will be presented before the full board. Chair Whalen stated the ED search committee will interview the first-round list of candidates and present at least two, may be three, candidates for the full board to meet with, interview and to make a selection. The ED search committee is hopeful to make its recommendation by the November meeting.

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

3. Decision Making: Establishment of the 2017 HCDA Legislative Task Force

Chair Whalen named Member Mary Pat Waterhouse, Shirley Swinney and Chair Whalen to the 2017 Legislative Task Force and stated the Task Force is allowed one additional (fourth) member and asked if there was anyone interested in participating.

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

4. Decision Making: Shall the Authority Delegate to the Executive Director the Following Limited Actions Relating to the Administration of the HCDA's Reserved Housing Program:

- a. Sale or Transfer After the Regulated Term
- b. Sale or Transfer During the Regulated Term

Chair Whalen stated, the board was provided information at a previous board meeting regarding the current item and reminded board members the decision will be made based on ministerial decisions that the board has previously made. The decisions and the delegation follow the rules and regulations related to reserve housing. Chair Whalen asked for any comments before proceeding to a vote.

Member Waterhouse mentioned in the staff report regarding the second item “the sale or transfer during the regulated term” it describes if there are inadequate funds in the reserved housing subaccount and adequate funds elsewhere. She suggested revising the language to reflect “staff shall propose to the board the buyback using other funding sources”

Member Kami asked Mr. Los Banos to expand on the “sale or transfer after the regulated term” and clarify what staff is asking. Mr. Los Banos explained that current

rules dictate sale or transfer of a reserved housing unit after the regulated term is subject to board approval. He further explained that after the regulated term is done, there is no interest in the unit by HCDA other than the shared equity. All units are fairly new, so, going forward decisions will be ministerial. Member Kami asked Mr. Los Banos to explain the difference with the two items. Mr. Los Banos explained the difference and provided examples for instances where approval would be brought back for board approval vs. decisions made through board delegation to the executive director.

Member Luersen asked to clarify the language on the decision making item. Member Oh stated for clarification, the intent of the delegation to staff in terms of streamlining the process is so that anything that is ministerial gets passed without having to come to the board for approval. Member Oh commented and agreed that other than the point that Member Waterhouse made in terms of the funds being used other than the funds that we have if it's an external source, to make it simple and clear, there should be a delegation to staff as everything is quantifiable.

Member Luersen stated support of the staff recommendation proposed in the board packet.

Member Waterhouse asked what the process would be for the next board, as the current item is being decided on the current board's consistent positions taken in the past. Mr. Los Banos stated the next board could take action according to their delegation preference, unless the current board would like to include a time limit for two or three years if that is the board's desire. The decision item would expire and the next board would take action. Member Waterhouse asked Deputy Attorney General Lori Sunakoda and Mike Wong if they agreed with Mr. Los Banos' statement. Ms. Sunakoda stated for Member Waterhouse if there are concerns about clarity and wanted to make it clear for the record to any limitations or parameters, the Deputy Attorney General's recommendation would be to incorporate language in the motion to reflect any action the board is inclined to take.

Chair Whalen, Members Luersen, Bassett and Waterhouse discussed the language for the motion.

Chair Whalen recessed the meeting at 10:47 a.m.

Chair Whalen reconvened the meeting at 10:53 a.m.

There were no further discussion from board members or public comments.

Member Waterhouse made a motion, for the authority to approve the interim director's request and recommendation for granting a delegation of authority to the executive

director for a term of four years concerning limited actions relating to the administration of the HCDA's Reserved Housing Program as set forth in the interim executive director's staff report dated September 7, 2016, as amended by the board's discussion today.

Member William Oh seconded the motion.

Interim Executive Director, Aedward Los Banos, conducted the roll call vote. All members unanimously approved. Motion passed with 10 votes and four excused.

IV. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 10:55 a.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.