

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

Wednesday, October 5, 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 10:23 AM October 5, 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 Okuhama  
Mary Pat Waterhouse  
David Rodriguez  
Steven Scott  
John Whalen

Members Absent: George Atta  
David Rodriguez  
William Oh

Others Present: Aedward Los Banos, Interim Executive Director & ASO  
Michael Wong, Deputy Attorney General  
Lori Sunakoda, Deputy Attorney General  
Deepak Neupane, Planning Director  
Lindsey Doi Leaverton, Asset Manager  
Laura Savo, Court Reporter  
Tommilyn Soares, Secretary  
Garett Kamemoto, Communications & Community Outreach Officer

**II. APPROVAL OF MINUTES**

1. Kakaako Special Meeting of July 13, 2016

Meeting minutes were approved as presented.

2. Kakaako Regular Meeting of August 3, 2016

Approval of minutes were deferred to the next meeting.

### **III. REPORT OF THE EXECUTIVE DIRECTOR**

In addition to the report provided during the General meeting, Interim Executive Director, Aedward Los Banos highlighted for the board the following items:

- The permit hearing for the Block N, Howard Hughes' Aali'i project will be held in November.
- Staff made its presentation on the amendments to both the reserved housing rules and park rules to the Small Business Regulatory Review Board.
- 440 Keawe held its formal grand opening for the 88 reserved housing rental units that will be located between Alu Like and One Waterfront Tower.
- Howard Hughes broke ground on Ke Kilohana, which will include 375 reserved housing units.

Chair Whalen asked staff to send the board more information on the Block N Project as the hearings have been scheduled for November. Mr. Neupane confirmed that staff is preparing the application package and it will be delivered to board members and that the application packet will also be uploaded to the HCDA website.

There was no further discussion by board members.

### **IV. KAKAAKO MATTERS**

3. Decision Making: Shall the Authority Authorize Retention of a Hearings Officer to Conduct the Public Hearings Relating to the Proposed Amendments to the Kakaako Community Development District Reserved Housing Rules?

Mr. Los Banos presented the staff report provided in the board packet.

Member Bassett asked if quorum is required for these public hearings. Discussion with board members and staff confirmed that if the board decides to utilize an independent hearings officer quorum is not necessary because the hearings officer would conduct the public hearing independently. Mr. Neupane stated per the Sunshine Law only two board members can attend the public hearing if the board decides to use a hearings officer. Chair Whalen asked if statutes require the HCDA to hold two public hearings. Mr. Neupane confirmed that is correct and stated that the second public hearing will be held in front of the board where a decision will be made.

Member Waterhouse asked if staff had an estimated cost for the hearings officer for both the reserved housing rules and park rules. Mr. Neupane and Mr. Los Banos stated that from previous public hearings where HCDA opted to utilize a hearings officer, the estimate would be no more than \$150.00 per hour.

Board members asked how staff would conduct procurement for a hearings officer and how would that person be chosen. Mr. Neupane stated the hearings officer will be procured through a small purchase procurement and chosen based on the bidders experience and its proposed cost.

Member Fang asked if the board votes to use a hearings officer and only two members are allowed to attend according to Sunshine Law, how would the board choose those two members if more than two are interested in attending the public hearing? Mr. Neupane stated that the board could appoint a task force to attend and provide a report back to the board so that way there can be four members but less than a quorum may attend.

Member Scott stated, a task force already exists and provided recommendations on the rule amendments. Mr. Neupane stated that the same task force could be used to attend the public hearings.

Board Members noted some revisions for Mr. Neupane to change on the Scope and Qualification for the solicitation of the hearings officers. Mr. Neupane confirmed that he has noted all change and will revise the scope and qualifications to reflect a word change from “minimum qualifications” to “desired qualifications.” Member Waterhouse stated she would like to see someone who has some experience as a hearings officer.

There was no further discussion by board members or public comment.

Member Fang made a motion for the board to procure the services of a hearings officer to conduct public hearings for Chapter 218 of Title 15, Hawaii Administrative Rules, entitled “Kakaako Reserved Housing Rules” with the caveat that the “minimum qualifications” be changed to “desired qualifications for a hearings officer” and that their experience, points of experience be generalized a bit more, and also that the board ask the Reserved Housing Task Force to take part or to be in the audience for the first public hearing.

Member Waterhouse seconded the motion.

Mr. Los Banos conducted the roll call vote. All members unanimously approved with seven votes and two excused.

4. Decision Making: Shall the Authority Authorize the Retention of a Hearings

Officer to Conduct the Public Hearings Relating to the Proposed Amendments to the Hawaii Community Development Authority (HCDA) Park Rules Concerning Prohibitions, Licenses, Permits, Fees, Fines, Definitions, and the Handling of Property Left in HCDA's Parks after Park Closure Hours?

Mr. Los Banos stated he didn't have anything further to add from the previous discussion regarding agenda item #3.

There were no further discussion by board members or public comment.

Member Fang motioned for the Authority to authorize the retention of hearings officer to conduct the public hearings related to the proposed amendments to the HCDA park rules concerning prohibitions, licenses, permits, fees, fines, definitions and the handling of property left in HCDA's parks after park closure hours with the caveat that we seek a hearings officer with desired qualifications and more general experience so that we open it up to more people.

Member Bassett seconded the motion.

Mr. Los Banos conducted the roll call vote. All members unanimously approved with seven votes and two excused.

5. Decision Making: Shall the Authority Approve the Developer's Request for a One-Year Extension of Development Permit No. KAK 14-101 for the Mixed-Use Affordable Housing Project at 1025 Waimanu Street ("Ola Ka Ilima"), Previously Approved by the Hawaii Community Development Authority (HCDA) on January 21, 2015?

Interim Executive Director, Mr. Los Banos and Ms. Jennifer Lim, counsel for Artspace stated for the board that Artspace is being proactive in requesting an extension on its current development permit to allow Artspace sometime before it expires in January, 2017.

Mr. Greg Handberg representing the Artspace project summarized the power point presentation that was provided in the board packet and highlighted that all financing resources have been secured for the project. Mr. Handberg noted that it is likely they will return to HCDA to request the Hawaii Housing Finance and Development Corporation be placed against the fee interest of HCDA as there is a land use restrictive covenant that relates to 201H.

Chair Whalen asked if that is related to City funding? Mr. Handberg noted for Chair Whalen that the City and County did provide the \$4.4 million dollar affordable housing fund grant to the project and that comes with a covenant related to the affordable housing fund. Ms. Lim stated that the big difference with the City funding is that it includes the perpetuity requirement and that its recorded against HCDA's fees and as the property will then be used in perpetuity for

affordable housing, the Declaration of Land Use Restrictive Covenant for HHFDC §201H is for the term of the affordability. Mr. Handberg noted it expires within the term of the ground lease and does not encumber the fee title in perpetuity.

Member Waterhouse motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes Section 92-5 (a) (4). Member Bassett seconded the motion. Chair Whalen conducted a voice vote and all members unanimously approved, entering into executive session.

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Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 11:12 a.m.  
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Chair Whalen reconvened the meeting at 11:45 a.m.

There were no public comments.

Member Scott motioned for the Authority to approve the developer's request for a one-year extension of development permit KAK 14-101 for a mixed-use affordable housing project at 1025 Waimanu Street, Ola Ka Ilima, previously approved by the Hawaii Community Development Authority on January 21, 2015?

Member Bassett seconded the motion.

There was no further discussion by board members. Mr. Los Banos conducted the roll call vote and the motion passed with seven votes and two excused.

6. Decision Making: Shall the Authority authorize the Interim Executive Director to execute the Declaration of Land Use and Restrictive Covenant required by the Hawaii Housing Finance and Development Corporation over land owned by the Hawaii Community Development Authority and identified as parcel 26, tax map key 2-3-7 for development of a 128-unit affordable rental project Hale Kewalo?

Mr. Los Banos summarized the staff report provided in the board packet and noted that Mr. Stanford Carr is present to answer any questions or to provide any clarification necessary.

Member Bassett asked why HCDA received this land parcel. Mr. Nepane noted for Member Bassett that, Exhibit A – the meeting minutes were provided in the packet and includes the details on how HCDA acquired the parcel.

Member Waterhouse asked if the project would be on both parcels, 26 and 49? Mr. Neupane confirmed that is correct. Chair Whalen noted the board will be

making a decision on parcel 26. Member Fang asked, is the intent to consolidate the parcels or will they always be kept separate? Mr. Neupane noted that the ownership of the parcel will be kept separate. Member Scott stated support of the project and would like to see it built.

Mr. Standord Carr, of Stanford Carr Development mentioned for the board that they submitted permit drawings to the City and County two weeks ago and have also received structural sign-offs. So the project is moving forward through the various departments and anticipates they will break ground first quarter of 2017.

There were no further discussion or public comment.

Member Waterhouse motioned for the board to authorize the Interim Executive Director to execute the Declaration of Land Use and Restrictive Covenant required by the Hawaii Housing Finance and Development Corporation over land owned by the Hawaii Community Development Authority and identified as parcel 26, tax map key 2-3-7 for development of a 128-unit affordable rental project Hale Kewalo?

Member Kami seconded the motion. Mr. Los Banos conducted the roll call vote. All members unanimously approved and the motion passed with seven votes and two excused.

## **V. ADJOURNMENT**

Chair Whalen adjourned the meeting at 11:45 a.m.