

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

Wednesday, August 2, 2017

GENERAL BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular 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 John Whalen, Chair of the Authority, at 9:03 a.m., August 2, 2017, at the 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:

1. John Whalen
2. Steven Scott
3. Beau Bassett
4. Wei Fang
5. Mike Golojuch, Sr.
6. Jason Okuhama
7. Shirley Swinney
8. David Rodriguez
9. Laurel Johnston
10. William Oh
11. Amy Luersen
12. Kathy Sokugawa, DPP (non-voting)

Members Absent:

Donna Camvel
Mary Pat Waterhouse
Derek Kimura, DHHL (non-voting)

Others Present:

Jesse Souki, Executive Director
Aedward Los Banos, Administrative Services Officer
Mike Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Garett Kamemoto, Compliance and Communications Officer
Francine Murray, Communications and Community Assistant
Lindsey Doi, Asset Manager
Deepak Neupane, Kakaako Planning Director
Ku‘ulei Moses, Secretary

II. APPROVAL OF MINUTES

1. General Meeting of July 5, 2017

Mike Wong, Deputy Attorney General stated he received a request from Member Waterhouse to note her statement, “the decision on the recommendation would take place at the August meeting” under item #4, Information and Discussion: Authority Financial Position Task Force Update section.

Executive Director, Jesse Souki confirmed that statement is noted on page 3 of the minutes.

There were no corrections or changes to the minutes. The minutes were approved as presented.

III. ACTION ITEMS

2. Shall the Authority Direct the Executive Director to Establish a Completion Date for Community Development Plans as Each of the Plans are Updated?

The Authority may convene an executive meeting pursuant to HRS § 92-5 (a) (4), for the purpose of consulting with the Authority’s legal counsel on questions and issues relating to the Authority’s powers, duties, privileges, immunities, and liabilities relating to the above items.

Member Swinney made a motion to enter into executive secession, Member Fang seconded the motion.

9:05 AM EXECUTIVE SESSION

Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 9:05 am

9:38 AM RECONVENE

Mr. Aedward Los Banos presented the report located under tab 2 of the Board packet. He noted that any completion dates would come back to the Board for approval, along with the plan and rules as each development district plan is updated.

Member Luersen asked if a completion date is established, would the district go away at that point? Mr. Los Banos confirmed, the recommendation would indicate that once goals in the community development plan are achieved, the development district would then be dissolved. He explained that this was in line with the interpretation the Task Force identified as stated in HCDA’s statutes regarding its role in development districts, and that it should be considered temporary.

Member Luersen stated her concern for the Heeia district and noted that HCDA is the land owner for the district and if the district is dissolved, the purpose of the district would then be at risk because when the Heeia district was created, the intent was to keep it in perpetuity in a public entity.

Mr. Souki noted that the creation of each district was brought up in discussion with the Task Force and one part of a development plan regarding land that HCDA owns is the jurisdiction of the agency to manage land use. Mr. Souki stated the agency would not want to give up ownership of some parcels; however, at some point identify that those redevelopment plans are complete.

Member Luersen understood, and stated concern that Heeia was very different from Kakaako and Kalaeloa and did not want a “one size fits all” applied to the Heeia district. Member Luersen asked, if approved would it be feasible that Heeia would not have a completion date and continued in perpetuity?

Mr. Los Banos commented, if it is consistent with the community development plan, currently underway, it could be.

Member Luersen stated she is not able to state whether all community districts should have a completion date and would like to hold that option until the Board has considered a specific plan for Heeia.

PUBLIC TESTIMONY:

Michelle Matson, President of the Oahu Island Parks Conservancy testified offering comments on this item.

Member Bassett recommended the Board direct staff to work with the Task Force to clarify the recommendation and bring this item to the Board at a later date.

Member Swinney responded, the Task Force is seeking direction from the Board on how to proceed with its assigned task and would like to know whether the intention is for HCDA to operate in perpetuity, or if there is a completion date for each community development district?

Member Bassett felt the Board does not have adequate expertise or legal background to make a determination based on the information presented. He restated his previous comment and recommends the item be brought back to the Board, at a later date, for decision-making.

Mr. Souki stated the issues were discussed in the permitted interaction group; therefore; this policy decision was brought forward for the board’s consideration. Mr. Souki noted, it sets a strong policy direction and message, that HCDA is taking a strategic look at its role in the community development districts.

Mr. Souki explained the Financial Position Task Force is to focus on the financial position of HCDA. As a threshold, the Task Force is seeking direction with the completion date issue question. It will also help with in budget priorities at the legislature.

Member Luersen stated she was not comfortable establishing completion dates. She explained the Board should be briefed on the financial implications for each district.

Deputy Attorney General Mike Wong advised Chair Whalen, procedurally, he could call for a motion and if no motion is made proceed accordingly.

Member Sokugawa understood that based on the agenda title and the discussion this is based on a long-term financial feasibility but the discussion has turned into the question of, “What is the future of HCDA?” Those are not the same questions.

Member Sokugawa asked that any motion be clear and reaffirm what the Task Force is. The discussion she heard today was not what was discussed in July. She asked what the goal was of every community development district as included in the plan and in the statute. Once that is met, then the mission of the Task Force has been accomplished. If there are certain issues that are in perpetuity, then make the argument that the Board is the only way that those issues can be handled. There is discussion about that, but that is not what the Task Force assignment is.

Chair Whalen asked if a motion is needed to be made on this item, because there may be different scenarios based on how to sustain each development districts financially.

Mr. Souki explained that HCDA’s planning process is governed by Hawaii Revised Statutes Chapter 206E. He said a completion date is helpful to staff, because it provides clear direction on what each community district is aiming towards.

Member Swinney stated the Task Force is seeking a recommendation from the board.

Member Scott felt the Board does not have enough information to make a decision on this item. He added there are plans being completed that are dependent on the financials and the Task Force was set up to determine that. Member Scott suggested the Task Force work with staff to identify the mission of each district, the financial requirement, and determine the timeline.

Member Sokugawa asked if “completion of the plans” meant, complete the plans or finish implementing the plans. Chair Whalen clarified it meant finish implementation.

MOTION:

Chair Whalen called for a motion. There was no motion.
No action was taken.

V. REPORT OF THE EXECUTIVE DIRECTOR

3. Information: Monthly Financial Report for June 2017.

Mr. Aedward Los Banos highlighted two significant transactions:

- 1) Payment of Halekauwila Place was received July 17, 2017; however, the payment will be reflected on the report for July 2017.

- 2) The Leasing and Management, revenue includes a retroactive rent payment for a retroactive lease for 690 Pohukaina.

He also reported HCDA's financial audit for fiscal year 2017 is being conducted.

Member Scott commented the Board was informed (at its last meeting) State funding with regards to homeless enforcement have been exhausted, and asked what HCDA's status is with its enforcement in Kakaako Waterfront Park?

Mr. Los Banos responded that any remaining funds lapsed on June 2017, there was only a small amount left.

Mr. Souki stated that HCDA has one staff person that issues park citations and that HCDA is revising its security contract to include a security and outreach component.

Member Scott asked if HCDA has looked at hiring off-duty sheriffs like the Department of Transportation (DOT) does.

Mr. Souki stated DOT received \$2 million from the legislature to address homeless issues on DOT land and that \$2 million was matched from DOT's budget. The HCDA did not receive funds and would have to cover any costs incurred with its special funds.

There was no further comments or discussion by the board members and the public.

VI. ADJOURNMENT

Chair Whalen adjourned the meeting at 10:09 a.m.

Respectfully submitted,

/s/

John Whalen,
Chair