

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

Wednesday, June 6, 2018

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular 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 11:47 AM, June 6, 2018 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: 1. Beau Bassett
2. Mary Pat Waterhouse
3. Wei Fang
4. Jason Okuhama
5. Phillip Hasha
6. David Rodriguez (DOT Ex-officio)
7. John Whalen

Members Absent William Oh
Kathy Sokugawa (DPP non-voting)
Mark Anderson (B&F Ex-officio)

Others Present: Garrett Kamemoto, Interim Executive Director
Deepak Neupane, Kakaako Planning and Development Director
Aedward Los Banos, Administrative Services Officer
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, Secretary
Lori Sunakoda, Deputy Attorney General
Max Levins, Deputy Attorney General

II. APPROVAL OF MINUTES

The minutes for the May 2, 2018 Kakaako meeting were approved as presented.

III. ACTION ITEMS

Shall the Authority Authorize the Interim Executive Director to Execute a 5-Year Right of Entry for Parking in Lot C with the University of Hawaii for the benefit of the University of Hawaii at Manoa, John A. Burns School of Medicine and the University of Hawaii Cancer Center?

Ms. Lindsey Doi presented the staff report provided in the board packet. The University of Hawaii, John A. Burns School of Medicine (JABSOM) and the University of Hawaii Cancer Center is interested in leasing up to 450 stalls for student and staff parking near their campus. Lot C can accommodate up to 325 monthly parking permits for UH's use at a rate of \$100 per stall. UH would like a 5-year agreement.

There were no questions or comments made by board members.

Public Testimony

Chair Whalen noted the written testimonies that were received.

Ms. Amy Brown, employee of JABSOM Kakaako Campus requests the Right of Entry be granted so that UH employees and students have parking and that the increase from \$50 to \$100 for parking per month be prohibited.

Mr. Jerris Hedges, Dean of JABSOM, concerned of the financial impacts that the increase of parking will have to the lower paid employees and students.

Ms. Eleanor Fong, Fellow of JABSOM, provided written testimony stating that the Hawaii Technology Development Center, as planned, will eliminate current available parking in Lot C that will negatively impact those who work in Kakaako including students, staff and faculty at JABSOM.

Chair Whalen asked when UH's medical school and cancer center was developed, was the parking structure to be provided on the site of the medical school or the cancer school?

Mr. Kamemoto responded that originally parking for JABSOM and the Cancer Center was supposed to be constructed on the site of the medical school.

Mr. Deepak Neupane added that the parking structure for the medical school was not constructed due to a lack of funding by the University of Hawaii; therefore, UH worked with HCDA and agreed to lease part of the parking in Lot C to UH until the school finds a solution to the parking issues that the UH medical school and cancer center faculty and students face.

Ms. Lindsey Doi stated that this Right of Entry is for five years with a mutual clause that allow either party to terminate this ROE for any reason with at least 90-days written notice. Ms. Doi also noted the ROE includes 325 monthly passes at \$100 per stall and a 3% annual escalation and that the University of Hawaii will then have discretion to the amount they will charge for each stall.

Member Fang motioned for the board to authorize the Interim Executive Director to execute a 5-year right of entry for parking in Lot C with the University of Hawaii at Manoa, John A. Burns School of Medicine and the University of Hawaii Cancer Center.

Member Bassett asked why an amount is not included in the motion.

Ms. Doi replied that it is the board's decision to include an amount.

Member Fang amended the motion for the board to authorize the Interim Executive Director to execute a 5-year right of entry for parking in Lot C with the University of Hawaii at Manoa, John A. Burns School of Medicine and the University of Hawaii Cancer Center according to the staff report (rent amount, number of stalls and duration of Right of Entry).

Member Okuhama seconded.

There were no further questions or comments.

Ms. Doi conducted the roll call vote. Motion passed with 6 yes votes and 3 excused.

Shall the Authority Waive Its Option to Buy Back Symphony Honolulu Reserved Housing Unit 2502?

Ms. Lindsey Doi presented the report provided in the board packet. The owner of Symphony Honolulu Reserved Housing Unit 2502 is requesting permission to sell her unit that has a 5-year regulated term that will expire May 11, 2021. The owner has indicated she is unable to occupy the unit due to unforeseen family circumstances; therefore, is renting her unit. Renting a reserved housing unit during the regulated term is a violation of the Unit Deed and Unilateral Declaration of Restrictive Covenants.

Ms. Doi outlined, for the board, the purchase price if the board exercises its option to buy back Symphony Honolulu (Reserved Housing) Unit 2502.

Member Bassett asked if HCDA has the funds to buy back this unit, and how does the unit get resold?

Ms. Doi responded that HCDA does have the money in the Reserved Housing funds to buy back this unit; however, HCDA does not have the mechanism to process a buy back, unlike Rycroft Terrace where HCDA has an agreement with the Hawaii Housing and Financing Development Corporation to process the buy backs for the units. Ms. Doi added that if the board would like to pursue that process with HHDFC she is willing to

work with HHFDC on this unit or she can work with a broker on a process to buy back the Symphony Unit. When the HCDA buys back the unit, the current deed will void and the unit will become a brand new reserved housing unit.

Member Fang asked how many reserved housing units are in the Symphony building. Mr. Deepak Neupane replied, 100 units.

Ms. Doi added that if the board exercises its right to buy back the Symphony unit, she will check with HHFDC to see if they are willing to process the buy back for the unit.

Member Bassett asked if the board is allowed to notify the owner that the board's intention is to buy back the unit or designate another buyer?

Mr. Levins, Deputy Attorney General replied stating that according to the reserved housing rules, the board is required to notify the owner of its decision to either buy back the unit or designate a buyer.

Member Bassett motioned for the board to enter into executive session.

Chair Whalen conducted a voice vote, all members unanimously approved.

Deputy Attorney General Lori Sunakoda and Max Levins, HCDA staff Garrett Kamemoto, Lindsey Doi Leaverton, Deepak Neupane and Tommilyn Soares joined the board in executive session.

Pursuant to Section 92-5 (a) (2), Hawaii Revised Statutes, the Authority convened in Executive Session at 12:35 PM

Board Members met in an executive meeting from 12:35 PM – 12: 53 PM.

Chair Whalen reconvened the meeting at 12:53 PM

MOTION

Member Fang motioned for the board NOT waive its option, but instead the board agrees to buy back Symphony Honolulu Reserved Housing Unit 2502 at the estimated reserved housing price set by the reserved housing formula.

Member Hasha seconded.

Ms. Doi conducted the roll call vote. Motion passed with 6 yes votes and 3 excused.

IV. INFORMATION AND DISCUSSION

Kakaako Affordable Rental Housing Task Force Findings and Recommendations

Mr. Deepak Neupane presented the report provided in the board packet and highlighted the recommendations on page 7 of the report that the board will have an opportunity to accept at the July board meeting.

There were no questions or comments by board members.

Public Testimony

Klaus Radtke, Former President of Nauru Tower, supports the current six-month rental policy in Kaka'ako as enforced by HCDA as it has opened opportunities for professional families that can afford rentals that perhaps may not be available under the 30-day rental policy.

Peter Savio, local developer that specializes in affordable housing explained that one issue facing rental housing is that there are no opportunities for those renters to become owners and to grow and encourages HCDA to research and create rental housing programs that builds equity for its tenants so they can eventually become owners.

IV. INTERIM EXECUTIVE DIRECTOR REPORT

Monthly and Status report on the following:

- a. Approved permit applications that did not require HRS § 206E-5.6 public hearings.

Garett Kamemoto referred to the report provided in the board packet.

There were no further comments or questions and no public testimony.

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 1:24 PM

Approved and Submitted by,

John P. Whalen, Chairperson

Date Approved by HCDA Board