

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
GENERAL BUSINESS MEETING

Wednesday, February 5, 2020

MINUTES

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kakaako Members, Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by John Whalen, Chair of the Authority at 11:03 AM, February 5, 2020 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present:

John Whalen, Chairperson
Philip Hasha, Vice Chairperson
Wei Fang, Secretary
David Rodriguez, DOT (Ex-Officio)
Robert Yu, B&F (Ex-Officio)
Kevin Sakoda
Jason Okuhama
Mitchell Tynanes
Jo-Ann Leong
Amy Luersen
Chason Ishii
Maeda Timson
Shirley Swinney

Members Absent:

Kathy Sokugawa, DPP (non-voting)
Donna Camvel
Jobie Masagatani, DHHL (non-voting)

HCDA Staff Present:

Garett Kamemoto, Interim Executive Director and Interim Kakaako Planning and Development Director
Lindsey Doi, Asset Manager
Francine Murray, Program Specialist
Garet Sasaki, Administrative Services Officer
Tommilyn Soares, Secretary to the Executive Director

Legal Counsel:

Max Levins, Deputy Attorney General

A quorum was present.

II. APPROVAL OF MINUTES

Regular Meeting Minutes of January 8, 2020

Member Timson abstained.

Board Members approved the minutes for the January 8, 2020 meeting as presented.

III. INFORMATION & DISCUSSION

Presentation of the Audited Financial Statements for the Fiscal Year Ended, June 30, 2019.

N&K CPAs, Inc., contracted through the State of Hawaii - Office of the Auditor, audited the financial statements of the Hawaii Community Development Authority ("HCDA") for the fiscal year ended June 30, 2019. Mr. Chad Funasaki, Audit Principal, and Ms. JoAnn Nakamura, Senior Manager, representatives of N&K CPAs, Inc. provided the board with a handout and gave an overview of the audit. Mr. Funasaki highlighted the results and stated there were no material weaknesses and no significant deficiencies identified.

Chair Whalen stated the important fact is it was a clean audit.

Member Sakoda referenced a section in the Management Discussion and Analysis section of the audit report, Overview of the Financial Statements, suggesting HCDA relies heavily upon legislative funding. He asked the auditors if they had any advice or recommendations on building metrics to help HCDA gauge how it's doing year to year, how its Assets and Portfolio are doing, and asked to what extent does HCDA rely "heavily" on Government funding?

Mr. Funasaki responded the Statement of Net Position and Statement of Activities presents information about the financial position and performance of the HCDA; however, it is a lookback at a point in or period of time. Management should be consulted for customized financial reports.

Member Leong asked whether other state offices conduct their audits the same way.

Member Yu confirmed the Office of the Auditor procures the contracts for the financial audits of state departments and agencies as well as the Comprehensive Annual Financial Report.

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

Update: 2020 Legislative Session

Mr. Kamemoto provided an update. He noted, the State budget bill is being heard by committees today. If approved, HCDA will be status quo and keeps HCDA funded until the end of the biennium. He also highlighted the following bills:

- SB 2614, Relating to Home Ownership. Relocates HHFDC, HPHA and HCDA to one shared facility.
- HB 1820/SB 3061, Relating to HCDA. Amends the nominating authority of the representatives of the Heeia, Kalaeloa and Kakaako community development district on the HCDA.

- HB 2520, Relating to the Stadium Development District. Repeals and reestablishes the stadium development district under the jurisdiction of the stadium authority. Establishes the stadium development special fund. Expands the powers and duties of the stadium authority.

Member Yu asked what the intent and purpose of SB 2614 is, and asked that it does not propose to comingle responsibilities?

Mr. Kamemoto responded; he understands the purpose of the bill is to house all housing agencies in one building.

Member Rodriguez asked about the stadium bill (HB 2520) and whether the Authority is supporting it.

Chair Whalen responded, per HCDA's January discussion re: the TOD plan, the City's TOD plan has not been finalized and HCDA's role is not specific.

Mr. Kamemoto explained that the stadium bill essentially revises the agency that expends the funds allotted for the Stadium Development.

Member Luersen, commented on HB 1820/SB 3061 and stated as members on staggered terms, someone will need to track who nominates a specific member.

Mr. Kamemoto noted Governor's office - Boards and Commissions keep track of board terms and nominations.

Member Swinney asked about SB 2699, Relating to Development Districts. Establishes the Pulehunui community development district on the island of Maui as a community development district within the authority of HCDA. Authorizes HCDA to obtain various forms of financial aid from the federal government for project of the authority.

Member Fang asked where in Maui would that be?

Mr. Kamemoto responded; it's government owned land by DHHL, DLNR and PSD and located off a road headed toward Kihei. Legislators are supportive of adding staff. The project is to be developed with Federal financial aid through a County or Development Authority.

** Member Rodriguez left the meeting.

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

Process for Selecting and Appointing an Executive Director

Chair Whalen explained the process the Authority used with the last two employment searches where previous Executive Director's Souki and Los Banos were selected. A Permitted Interaction Group utilized a search firm to coordinate and solidify an agreeable process with the

P.I.G. The search firm conducted outreach to Executive Level leaders, gathered résumés, conducted interviews, provided a final list of candidates for the entire board to interview and selected an Executive Director. Members appointed in the action item to establish a Permitted Interaction Group may decide to proceed in a similar process if desired. He added, he would like to see continuity with the next Executive Director to help provide stability and consistency for staff.

There were no comments, questions and no public testimony.

III. ACTION ITEMS

Shall the Authority Establish Pursuant to Hawaii Revised Statutes 92-2.5, a Permitted Interaction Group

Chair Whalen stated, before the board enters into an executive meeting to create a Permitted Interaction Group to conduct the search for an Executive Director, he recommends selecting one At-Large board member (excluding Chair Whalen), and one member from each of the community development districts.

There were no questions, comments and no public testimony.

Chair Whalen called for a motion for the board to enter into an executive meeting pursuant to HRS Section 92-5(a)(2), to consider the evaluation of an officer or employee, where consideration of matters affecting privacy will be involved.

Member Luersen motioned.

Member Leong seconded.

Chair Whalen conducted a voice vote. All members unanimously approved, entering into an executive meeting.

Chair Whalen asked that Deputy Attorney General Max Levins be included in the executive meeting.

Pursuant to Section 92-5(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 12:00 p.m.

Board members met in an executive meeting from 12:00 p.m.- 12:27 p.m.

Chair Whalen reconvened the meeting at 12:27 p.m.

Chair Whalen noted board members have agreed to participate in a Permitted Interaction Group and called for a motion.

MOTION:

Member Leong motioned for the board to establish, pursuant to Hawaii Revised Statutes 92-2.5 a Permitted Interaction Group for the Purpose of Identifying Candidates for the Position of the Hawaii Community Development Authority's Executive Director.

Member Luersen seconded.

Chair Whalen nominated the following members to the Permitted Interaction Group:

Member Wei Fang – At- Large;

Member Amy Luersen – Heeia Community Development District;

Member Shirley Swinney – Kalaeloa Community Development District; and

Member Jason Okuhama – Kakaako Community Development District.

Chair Whalen conducted a voice vote. Motion passed unanimously.

REPORT OF EXECUTIVE DIRECTOR

Information: Monthly Financial Report for December 2019.

Mr. Kamemoto deferred to the report included in the board packet.

There were no questions, comments and no public testimony.

V. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 12:28 pm.

Approved and Submitted by,

John Whalen, Chairperson

Date