

**STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO MEETING**

Wednesday, June 03, 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, met virtually (utilizing the state-supported Zoom platform) for a meeting on June 3, 2020.

Board Chairperson, John Whalen, called the meeting to order at 10:02 a.m. and conducted board attendance, as follows:

Members Present:

Kevin Sakoda
Chason Ishii
Jason Okuhama
David Rodriguez, DOT (Ex-Officio)
Robert Yu, B&F (Ex-Officio)
Wei Fang
Phillip Hasha
John Whalen, Chair

Members Absent:

Kathy Sokugawa, DPP

HCDA Staff Present:

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

Legal Counsel:

Lori Sunakoda, Deputy Attorney General
Kelly Suzuka, Deputy Attorney General

A quorum was present.

II. ACTION ITEMS

Shall the Authority Authorize the Interim Executive Director to Waive Lease Rent Due from Volunteer Legal Services of Hawaii for the Months of April 2020 and May 2020 Due to the COVID-19 Pandemic?

Ms. Lindsey Doi Leaverton, HCDA Asset Manager presented the staff report. Due to the COVID-19 pandemic, Volunteer Legal Services Hawaii (VLSH) has been unable to occupy its leased premises at 545 Queen Street during April and May 2020. The pandemic has caused uncertainty in other funding sources so VLSH is requesting a rent reduction or waiver from the HCDA board for April and May 2020.

Angela Kuo Min, Executive Director for VLSH added, VLSH was notified its State funding has been cut, as well as funding from Hawaii State Bar Association. VLSH has now lost about one-third to half of its funding sources for the upcoming year. Ms. Min noted, VLSH received \$60K from the Paycheck Protection Program and based on the Small Business Administration's requirements, 75% must be used toward payroll, while the remaining balance can be used toward utilities and rent. Ms. Min noted VLSH is looking to apply for grants through the CARES Act to help recover its loss in funding.

Member Yu asked that as VLSH provides a vital community service, would it make sense for the HCDA board to also include the month of June (2020) as part of the rent waiver to avoid having to return to the HCDA board for its June rent, if the shutdown continues?

Mr. Garrett Kamemoto, Interim Executive Director noted that if the board would like to include the month of June in its lease waiver to VLSH, the language to the motion would need to be amended to include June 2020.

Ms. Doi Leaverton noted the cost to HCDA for waiving the month of June rent would be \$2,700.00.

Deputy Attorney General Sunakoda stated, per Mr. Kamemoto's comment to amending the language to the motion, she is concerned that Office of Information Practices may question the amendment to the language. Ms. Sunakoda suggests if the board desires to include the month of June, the board should clearly state for the record the month of June will be included for time efficiency.

Mr. Sakoda suggests the board stick to the motion as stated on the agenda.

Chair Whalen agrees with Mr. Kamemoto's suggested language to the motion to include the month of June. He acknowledged the cost amount Ms. Doi noted for the June rent waiver is not a significant amount where it would raise concern, however, his concern is that the month of June has already started and it would be another item added to the July agenda if VLSH later requested a rent waiver for June.

Chair Whalen noted no further questions, comments, and no public testimony.

MOTION:

Member Fang motioned for the board to authorize the Interim Executive Director to waive lease rent due from Volunteer Legal Services of Hawaii for the Months of April 2020, May 2020 and June 2020 due to the COVID-19 Pandemic.

Member Hasha seconded the motion.

Ms. Doi conducted the roll call vote. Motion passed with 8 votes and 1 excused.

Shall the Authority Authorize the Interim Executive Director to Expend an Additional \$33,800.66 for Repairs to the Existing Fire Sprinkler System located in the five-story Kauhale Kakaako Parking Garage (containing 698 parking stalls), adjacent to the 29-story, residential condominium located at 860 Halekauwila Street, Honolulu, Hawaii 96813?

Ms. Doi presented the staff report and noted that this item is for the garage next to Kauhale Kakaako, whereby Stanford Carr owns and maintains the residential building and HCDA maintains the attached parking garage. HCDA procured a contractor to provide a full testing of the fire safety system at the Kauhale Kakaako garage and a report came back noting severe deficiencies in the system. To pass standard inspections, the report included repair recommendations to bring the system up to a safety code. HCDA solicited repair quotes with an estimated cost of \$29,000.00, however, there will be additional costs to corroded fittings and therefore anticipates the estimated final costs to be just under \$34,000.00. Ms Doi added, HCDA will be utilizing a procurement exemption in order to use HCDA's current vendor to complete all repairs and upgrades to the system.

Member Sakoda asked if the garage is proving HCDA with income.

Ms. Doi noted the garage is now very profitable and revenues to HCDA have increased with the upgrades to the garage and the new parking vendor who manages the parking garage.

Member Hasha asked Ms. Doi for the status of the automation upgrade to the garage.

Ms. Doi responded, components to the automation is set up, however, the parking vendor and automation vendor need to work through some issues with PCI compliance. There are discrepancies between both parties regarding the credit card machine and once those issues are worked through, the automation system can be activated.

Ms. Doi also noted there have been upgrades to the lighting in the garage, as well as security cameras that were installed that now provide 24-hour video surveillance of the garage.

Member Hasha thanked Ms. Doi and her staff for the upgrades and improvements to the garage.

Member Yu asked if any of the parking stalls are reserved for the Kauhale Kakaako residents, if there are stalls reserved as complimentary stalls (if any, how many) and if HCDA collects the revenue generated from the garage?

Ms. Doi responded, most parking stalls at the Kauhale Kakaako garage are utilized by the residents and tenants of Kauhale Kakaako, as well as the public. There are no complimentary stalls available. HCDA's parking vendor manages the day to day operation, collects all money and cuts a check to HCDA for all revenue due to HCDA.

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

MOTION:

Member Hasha motioned for the board to authorize the Interim Executive Director to expend an

additional \$33,800.66 for repairs to the existing fire sprinkler system located in the five-story Kauhale Kakaako parking garage (containing 698 parking stalls), adjacent to the 29-story, residential condominium located at 860 Halekauwila Street, Honolulu, Hawaii 96813

Member Yu seconded the motion.

Ms. Doi conducted the roll call vote. Motion passed with 8 votes and 1 excused.

Shall the Authority Authorize the Interim Executive Director to Temporarily Increase the Maximum Allowable Refinancing Limit for Reserved Housing Units Governed by the 2005 and 2011 Reserved Housing Rules?

Ms. Doi presented the staff report and noted that this item stems from a letter HCDA received from the board of Ke Kilohana dated March 13, 2020 requesting assistance from HCDA to increase the limit allowed for a refinance of a Reserved Housing Unit. Related to the COVID-19 pandemic and due to an increase in Ke Kilohana's maintenance fees, the owners of Ke Kilohana are looking for financial relief. Currently, HCDA Reserved Housing unit owners are limited to refinancing their unit up to 80% of its original purchase price. Ms. Doi stated that today's action item requests the HCDA board to increase the current limit to 95% of the original purchase price. The increase will be applied to all Reserved Housing Units in the Kakaako Community Development District. This will allow owners to take advantage of the lower interest rates to help cover any loss of income related to the COVID-19 pandemic as well as Ke Kilohana's increase in maintenance fees.

Member Fang noted confusion in the staff report and asked to clarify if today's decision will end on September 7, 2020?

Ms. Doi confirmed today's decision will expire on September 7, 2020 and stated the previous action taken by the board at its September 7, 2016 meeting delegated the executive director certain actions relating to the administration of the HCDA's Reserved Housing program with a four-year term which expires on September 7, 2020. Therefore, staff is working on a Reserved Housing package to bring to the board in August 2020 that will seek to renew those policies.

Member Fang noted the expiration date in September, and asked if there will be a discussion in August to make a decision in September?

Ms. Doi noted the package will be brought forward in either August or September to allow for decision making prior to the expiration of the policies on September 7, 2020.

PUBLIC TESTIMONY:

Chair Whalen noted two written testimonies received in support of the action item were submitted by Darren Takiue and Tod Gushiken.

There were no requests for verbal testimony.

MOTION:

Member Okuhama motioned for the board to authorize the Interim Executive Director to temporarily increase the maximum allowable refinancing limit to 95% of the original purchase price until and including September 7, 2020 for Reserved Housing Units Governed by the 2005 and 2011 Reserved

Housing Rules.

Member Yu seconded the motion.

Ms. Doi conducted the roll call vote. Motion passed with 8 votes and 1 excused.

VI. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 11:36 am.

Approved and Submitted by,

John Whalen, Chairperson

Date Approved by HCDA Board

DRAFT