

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

Wednesday, January 5, 2022

MINUTES

I. CALL TO ORDER/ROLL CALL

The 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 Meeting platform) for a meeting on January 5, 2022.

Chairperson Susan Todani called the January 5, 2022, HCDA General Authority meeting to order at 9:06 a.m. Chair Todani stated HCDA Staff will go over the meeting protocols.

Acknowledgement that the Meeting is Being Convened Virtually and In Person

HCDA Compliance Assurance and Community Outreach Officer, Mr. Craig Nakamoto, reiterated the wording contained in the Meeting Agenda regarding the guidelines and directives provided by the Governor’s Emergency Proclamation Statutes to the extent necessary to enable public boards and commission to conduct business both virtually and at a physical location.

With regard to the foregoing, Mr. Nakamoto reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link and at its provided physical location. He noted that the meeting would be live streamed on HCDA’s YouTube Channel contained in the meeting agenda and that HCDA also welcomes public comment and public participation via submission of written and or verbal testimony (consistent with the social distancing guidelines and Emergency Proclamation directives in effect).

Mr. Nakamoto stated that individuals, if any, from the public who have requested to provide testimony are on standby and will be permitted to speak during the public testimony session of the specific agenda item.

Chair Todani conducted the roll call. Those present were as follows:

Members Present:

Susan Todani, Chairperson
Chason Ishii, Vice Chairperson
Peter Apo
David Rodriguez, DOT (Ex-Officio)
Eugene Takahashi, DPP (non-voting)
Pearlyn Fukuba, DHHL (non-voting)
Kevin Sakoda
Vernon Inoshita
Mitchell Tynanes
Jo Ann Leong
Punihei Lipe

Kuhio Lewis

Members Excused:

Donna Camvel
David Rae
Wei Fang
Craig Hirai, B&F (Ex-Officio)
Phillip Hasha

Legal Counsel:

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

Staff Present:

Deepak Neupane, HCDA Executive Director
Garet Sasaki, HCDA Administrative Services Officer
Craig Nakamoto, HCDA Compliance Assurance & Community
Outreach Officer
Francine Murray, HCDA Program Specialist
Kapilialoha Kidder, HCDA Secretary

A quorum was present.

II. APPROVAL OF MINUTES

1. Regular Meeting Minutes of November 3, 2021

Minutes were approved as presented.

III. INFORMATION & DISCUSSION

2. Presentation of the Audited Financial Statements for the Fiscal Year Ended June 30, 2021

Mr. Nakamoto introduced Mr. Chad Funasaki from N&K CPAs, Inc. to present the audited financial statements of the HCDA for the fiscal year ended June 30, 2021. Mr. Funasaki introduced himself and his colleague, Ms. JoAnn Nakamura. Mr. Funasaki provided a presentation that gave an overview of the audit, which included the following items: a summary of the financial statement audit, communications with those charged with governance, topics of interest on the horizon, and a closing with questions and comments.

N&K CPAs, Inc. report expressed an unqualified opinion.

Chair Todani, Member Sakoda, and Mr. Funasaki discussed the corrected and uncorrected misstatements (a section under communications with those charged with governance).

Member Sakoda asked about the method to record the Honuakaha Limited Partnership (“HLP”) in the HCDA financial statements. Mr. Garet Sasaki, HCDA Administrative Services Officer, stated that HCDA’s percentage ownership interest of the HLP is recorded in the HCDA financial statements.

Member Sakoda, Mr. Nakamoto, and Mr. Sasaki discussed the asset transfer of the Makai Parks.

Chair Todani noted that Member Lewis joined the meeting.

There were no further questions or comments from board members.

Public Testimony

Chair Todani noted, there were no inquiries to provide verbal and/or written testimony. She asked if there was anyone present in person at the HCDA office or on the zoom meeting who would like to provide verbal testimony. There was none.

3. Hawaii Emergency Management Agency's Request for HCDA's Project Management Assistance for Developing a Facility at the Proposed First Responders Technology Campus at Mililani, Oahu, TMK (1)9-5-002:057

Mr. Nakamoto summarized the staff report for this agenda item. Mr. Nakamoto's summary elaborated on the following topics: a description of the proposed First Responders Technology Campus, the request by HiEMA, the scope of the request for HCDA, and what the request means for HCDA, other State agencies, and the State as a whole. Mr. Nakamoto added that HCDA has the capacity and ability to do work like this to help other State agencies, while still doing work in its given community development districts.

HCDA Executive Director, Mr. Deepak Neupane, stated that Mr. Luke Meyers from HiEMA and Mr. Len Higashi from HTDC were both present in the meeting to answer questions that board members may have. Mr. Neupane also expanded on Mr. Nakamoto's statements, stating that there is a need for development expertise within the State, with HCDA having that expertise.

Member Leong asked how the consultations would be funded. Mr. Nakamoto stated HCDA would work with HiEMA to negotiate a Memorandum of Agreement that lays out the scope of work and a fee to cover costs. Mr. Nakamoto added that HiEMA received a grant for this work. Mr. Neupane added stating the reason that HiEMA is asking for assistance from HCDA is because they do not have the technical expertise in-house to do this type of work, and that he has made it clear from the beginning that HCDA is not providing services for free, but also not trying to make a profit either, so in a sense, it is social revenue for HCDA. Mr. Neupane stated he checked with the Deputy AG to ensure that HCDA has the statutory ability to help other agencies and noted that Deputy AG Ms. Lori Sunakoda was present in the meeting to answer questions regarding that.

Member Apo asked where the line is that HCDA will be weighing in on what's done with respect to the best place to locate a service like that in terms of managing land use. Mr. Nakamoto stated HCDA's scope is limited to helping HTDC on the infrastructure and if it's approved by the board, to assist HiEMA with their planning work for their facility and does not include the decision regarding a location of the project.

Member Sakoda asked if the help HCDA is already providing to HTDC regarding infrastructure is coming from the General Funds as well. Mr. Nakamoto stated HCDA has an MOU with HTDC, but the work and fees need to be further discussed and worked out.

Member Rodriguez asked if HCDA is working with other agencies and stakeholders involved with this development. Mr. Neupane stated HTDC is leading the effort with their consultant, and that they meet with various agencies to address their needs. He added that HCDA's involvement has only been attending some meetings to understand the discussion. Mr. Neupane stated it is not HCDA's role to bring the agencies together to help them solve some of the policy issues. Mr. Neupane noted HCDA's role is limited and only relates to development expertise, adding that HTDC does not have development expertise in house, so HCDA agreed to help with managing the EIS and managing the construction documents and construction for the backbone infrastructure. Member Rodriguez stated that he was trying to understand DOT's role in the development part. Mr. Neupane invited Mr. Luke Meyers, Administrator of HiEMA, to address Member Rodriguez. Mr. Meyers stated the First Responder Tech Campus would provide opportunities for a number of different first responder agencies throughout the State in one location and that HiEMA has had discussions with many different agencies. He added that from the HiEMA side, their vision has been to find a more modern facility, compared to their current location.

Member Lipe asked if HCDA has established guidelines or value statements of what kind of projects HCDA engages and associates with. Mr. Nakamoto stated that there are not necessarily guidelines or value statements, but that these types of projects are new to the agency and added on to Mr. Neupane's statements that HCDA's expertise can be helpful to other State agencies that do not have that expertise. Mr. Nakamoto added that HCDA should limit itself to those kinds of projects. Mr. Neupane added that HCDA has not actively sought out these types of projects, but rather, has been approached by other agencies for assistance.

Member Lewis asked Mr. Neupane what the recommendation is, given the transitional changes on the horizon regarding the Executive Director position. Member Lewis asked if HCDA Staff and administration have the capacity to lift up this project. Mr. Neupane stated that the agency has the capacity to do these kinds of projects, with or without him in the position of Executive Director. Member Lewis asked, in Mr. Neupane's opinion, if there will be no impact to other kuleana (responsibilities) of HCDA. Mr. Neupane stated, at this point, he does not believe so, but that there will be a need to be mindful of that moving forward.

Going back to Member Lipe's question, Chair Todani stated it is a good idea to come up with a policy statement on what type of projects and under what conditions HCDA can accept them on, because she is aware of other projects that HCDA is being asked to undertake. She stated it is a very flattering position for HCDA, but just to be clear in what types of projects HCDA can take on and under what circumstances, it may be good practice to verbalize it and have something in writing. Mr. Neupane agreed and noted the Permitted Interaction Group that was created to discuss a strategic vision plan should start meeting to create a policy statement and guideline.

Member Rodriguez asked if HCDA is going to be involved in the brick and mortar, once that commences, or just for the planning phase. Mr. Neupane stated this would be a good topic to

discuss in the permitted interaction group. Mr. Neupane noted the example of the Sand Box project, in which HCDA did not only the planning and design, but also the construction.

Member Inoshita asked if budget control and scheduling will be under HCDA's purview. Mr. Neupane confirmed that budget development and budget control will be the project manager's responsibility, which makes it HCDA's responsibility, as HCDA does on other projects. He added that for construction management, HCDA typically works with an outside consultant for projects like this.

Mr. Neupane noted a request in the chat that Mr. Len Higashi, Acting Executive Director of HTDC, asked to speak. Mr. Higashi expressed his appreciation to HCDA for its support on the FRTC project and the Sand Box. Mr. Higashi noted when HTDC was first tasked to work on the Sand Box project, HTDC does not have internal capacity in the areas like architecture or engineering, so with the help of HCDA and the HCDA Board, HTDC was able to successfully deliver the project on time, which helped their agency quite a bit. Continuing on, Mr. Higashi stated that HTDC was assigned the FRTC project by the Legislature, and HTDC is facing the same issues of lack of internal expertise, while HCDA, its sister agency, has that expertise to leverage. Mr. Higashi addressed funding by saying that HTDC are assigned to do projects sometimes with funding and sometimes without, and those funds are typically for the planning and design and should be used for the people doing the work.

There were no further questions or comments from board members.

Public Testimony

Chair Todani noted, there were no inquiries to provide verbal and/or written testimony. She asked if there was anyone present in person at the HCDA office or on the zoom meeting who would like to provide verbal testimony. There was none.

Mr. Neupane stated that the federal funding grant that HiEMA has received has a clock on it, so the anticipation from HCDA Staff is that this matter will be brought to the Board for decision making at the February 2022 meeting.

IV. DECISION MAKING

4. Shall the Authority Appoint an Interim Executive Director of the Hawaii Community Development Authority?

The Authority may convene in executive session pursuant to HRS §92-5 (a)(2) and (4) to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held, and to consult with the board's attorney or questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

Mr. Neupane stated his wife has accepted a position at University of Texas, Austin so he and his family will be moving to the Austin area and he will be retiring at the end of February 2022. He expressed his willingness to continue to assist the agency however he can in his retirement.

Chair Todani shared that Mr. Neupane’s leadership has been so important to HCDA, especially during his time as Executive Director.

There were no questions or comments from board members.

Public Testimony

Chair Todani noted, there were no inquiries to provide verbal and/or written testimony. She asked if there was anyone present in person at the HCDA office or on the zoom meeting who would like to provide verbal testimony. There was none.

Chair Todani asked for a motion for the board to enter Executive Session.

Member Apo made a motion to enter Executive Session.
Member Tynanes seconded. The motion passed unanimously.

Chair Todani requested the following individuals be included in Executive Session:
Deputy Attorney Generals, Suzuka and Sunakoda;
HCDA Executive Director Neupane;
and HCDA Staff Francine Murray and Kapili Kidder.

Pursuant to Section 92-5(a)(2) and (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 10:17 a.m.

The Authority met in Executive Session until 10:40 a.m.

Chair Todani reconvened the meeting at 10:41 a.m.

Motion

Member Ishii motioned for the Authority to appoint Craig Nakamoto, HCDA Compliance Assurance & Community Outreach Officer as the Interim Executive Director of the Hawaii Community Development Authority effective March 1, 2022 to serve from March 1, 2022 until a permanent Executive Director is appointed by the Authority.

Member Sakoda seconded the motion.

Mr. Neupane conducted the roll call vote. The motion passed with 10 in favor and 5 excused.

- 5. Shall the Authority Establish Pursuant to Hawaii Revised Statutes 92-2.5 (b) a Permitted Interaction Group for the Purpose of Identifying Candidates for the Position of the Hawaii Community Development Authority’s Executive Director?**

The Authority may convene in executive session pursuant to HRS §92-5 (a)(2) and (4) to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held, and to consult with the board's attorney or questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

Mr. Neupane provided a summary of the staff report for this agenda item. Mr. Neupane asked Deputy AG Suzuka to clarify whether 7 members could participate in the Permitted Interaction Group. Ms. Suzuka confirmed that the number of members can be 7 or less.

Mr. Neupane explained the different options that the board has in conducting their search for an Executive Director, between the DBEDT HR Office or an outside consultant.

Member Leong commented that she has been through 3 Executive Directors, and 2 of those hiring processes and shared that she's not so sure that an outside consultant is the best route to choose, based on her experience.

There were no further questions or comments from board members.

Public Testimony

Chair Todani noted, there were no inquiries to provide verbal and/or written testimony. She asked if there was anyone present in person at the HCDA office or on the zoom meeting who would like to provide verbal testimony. There was none.

Chair Todani asked for a motion for the board to enter Executive Session.

Member Sakoda made a motion to enter Executive Session.
Member Tynanes seconded. The motion passed unanimously.

Chair Todani requested the following individuals be included in Executive Session:

- Deputy Attorney Generals, Suzuka and Sunakoda;
- HCDA Executive Director Neupane;
- and HCDA Staff Francine Murray and Kapili Kidder.

Pursuant to Section 92-5(a)(2) and (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 10:55 a.m.

The Authority met in Executive Session until 11:09 a.m.

Chair Todani reconvened the meeting at 11:10 a.m.

Member Lewis excused himself from the meeting at 11:10 a.m.

Motion

Member Sakoda motioned for the Authority to establish pursuant to HRS 92-2.5 (b) a Permitted Interaction Group for the purpose of identifying candidates for the position of the Hawaii Community Development Authority’s Executive Director.

Member Tynanes seconded the motion.

Mr. Neupane conducted the roll call vote. The motion passed with 9 in favor and 6 excused.

Chair Todani nominated the following members to the Permitted Interaction Group: Member Sakoda, Member Leong, Member Lipe, Member Apo, Member Tynanes, and Chair Todani. The Permitted Interaction Group will be assisted by Mr. Deepak Neupane.

V. REPORT OF THE EXECUTIVE DIRECTOR

6. Monthly Financial Highlights of November 2021

Mr. Neupane deferred to the report provided in the board packet and noted Mr. Gareth Sasaki, Administrative Services Officer is present to help answer any questions. Mr. Neupane noted that the financials were presented in a different way and asked that members email him with feedback on the new format.

Mr. Neupane stated that the last vacant position at HCDA has been filled by Ms. Sara Lin; with that hiring, all positions at HCDA have been filled.

There were no questions or comments from board members.

Public Testimony

Chair Todani called for public testimony. There was no public testimony.

VI. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Chair Todani thanked those who joined the meeting on Zoom and adjourned the meeting at 11:16 a.m.

Chason Ishii, Vice Chairperson

Date