

**STATE OF HAWAII  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
AT-LARGE BOARD MEETING**

**Wednesday, October 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 (“State”) met virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on October 5, 2022.

Vice Chairperson Peter Apo called the October 5, 2022, HCDA At-Large Authority Regular meeting to order at 10:30 a.m.

**Acknowledgement that the Meeting is Being Convened Virtually**

Executive Director Craig Nakamoto reiterated the wording contained in the Meeting Agenda regarding the guidelines and directives provided by Section 92-3.7, Hawaii Revised Statutes, to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

Regarding the foregoing, Executive Director Nakamoto reiterated wording contained in the Meeting Agenda, noting that the HCDA welcomes public attendance via the Zoom link provided and also at the meeting site, located at The American Brewery Building, 547 Queen Street, 2<sup>nd</sup> Floor Board room, Honolulu, Hawaii 96813. He noted that the meeting would be live streamed on the HCDA’s YouTube Channel contained in the Meeting Agenda and that the HCDA also welcomes public comment and public participation via submission of written or oral testimony. Executive Director Nakamoto stated that individuals, if any, from the public who had requested to provide testimony were on standby and would be permitted to speak during the public testimony session of the specific agenda item.

Vice Chair Apo conducted the roll call. Those present and excused were as follows:

**Members Present:**

Sterling Higa  
David Rodriguez, DOT (Ex-Officio)  
Tracy Ban, B&F (Ex-Officio)  
Susan Hirai, DBEDT (Ex-Officio)  
Dane Wicker, City & County of HNL DPP (Ex-Officio)  
Russell Tsuji, DLNR (Ex-Officio)  
Kevin Sakoda  
Punihei Lipe  
Kuhio Lewis  
David Rae  
Peter Apo, Vice Chairperson

**Members Excused:** Michele McLean, Maui County DPP (Ex-Officio)  
Phillip Hasha  
Chason Ishii, Chairperson  
Heeia Seat – Vacant  
Pulehunui Seat – Vacant  
Pulehunui Seat - Vacant

**Legal Counsel:** Kelly Suzuka, Deputy Attorney General

**Staff Present:** Craig Nakamoto, Executive Director  
Garet Sasaki, Administrative Services Officer  
Francine Murray, HCDA Program Specialist  
Tommilyn Soares, HCDA Secretary

A quorum was present.

## **II. APPROVAL OF MINUTES**

### **Regular Meeting Minutes of August 3, 2022**

There were no comments or corrections by Board members. The meeting minutes were approved as presented.

## **III. INFORMATION AND DISCUSSION**

### **Discussion Regarding Revising the Threshold for Expenditures Requiring Pre-Approval from the Authority.**

Mr. Garet Sasaki, Administrative Services Officer, presented the staff report. He briefly noted for the Board that in 2011 the Authority delegated to the Executive Director the authority to expend up to \$25,000.00 without seeking prior approval from the Authority. The HCDA staff is requesting that the Board consider increasing or modifying that limit.

Member Higa highlighted discussion point #4 included in the staff report, and asked Mr. Sasaki to provide more information regarding the distribution of funds for the 13 contracts mentioned.

Mr. Sasaki thanked Member Higa for the question and responded that each contract amount varied from as low as \$50,000 to \$500,000.00; he added that there was also a \$1,000,000.00 loan request for Honuakaha that is included. He reiterated information included in the staff report, that these 13 contracts are only from January 2021.

Member Sakoda commented that he was unsure of how the threshold matters; however, he appreciates these contract requests because it gives him a better feel for what the agency is doing on a shorter-term basis.

Executive Director Nakamoto said this request was mainly to streamline governance and remove some of the administrative items from the Board agendas; also, every request requires a staff report that demands a lot of resources from staff. Executive Director Nakamoto noted he appreciated Member Sakoda wanting to review contracts to get a better feel of what the agency is doing; however, if the Board approved revising the threshold, Board members will receive updates on these expenditures via the monthly report of the Executive Director, and these contracts will also be reflected on the Monthly Financial reports.

Member Higa asked if there was a proposed threshold for these contracts.

Executive Director Nakamoto noted that, at some point the Board should consult with Deputy Attorney General Suzuka in an executive session on questions and concerns the Board might have regarding revising the threshold amount. He also said the HCDA staff's idea is that contracts executed pursuant to the State procurement rules would not require prior Board approval; the threshold amount for small purchases is \$100,000.00. Any expenditures not in the ordinary course of business, for example the Honuakaha Loan, would require prior Board approval. He added that this request is not to circumvent the Board's authority, but rather to streamline the Board governance.

### **Public Testimony**

Vice Chair Apo called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

Vice Chair Apo asked if there was a motion for the Board to enter an executive meeting, pursuant to HRS § 92-5 (a)(4).

Member Sakoda motioned. Member Higa seconded. Vice Chair Apo conducted a voice vote. The motion passed unanimously.

Vice Chair Apo requested Deputy Attorney General, Kelly Suzuka; HCDA Executive Director Nakamoto; and HCDA Staff Garet Sasaki, Francine Murray and Tommilyn Soares, to join the Board in its executive meeting.

\*\*\*\*\*  
Pursuant to Section 92-5 (a) (4) Hawaii Revised Statutes, the Authority convened in Executive Session at 10:48 a.m.

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

\*\*\*\*\*

Vice Chair Apo reconvened the meeting at 11:09 a.m.

**Recommendations of the Permitted Interaction Group, established at the At-Large Authority Special Meeting, held on February 16, 2022, Pursuant to Hawaii Revised Statutes 92-2.5(b)(1), to Advise the HCDA Executive Director to Develop a Strategic**

**Vision Plan and Financial Management Plan, including the Agency's and Executive Director's Goals and 1-, 3-, and 5-year Plan, and make a Recommendation to the Authority.**

Executive Director Nakamoto noted that the Permitted Interaction Group ("P.I.G.") was established on February 16, 2022, to discuss a Strategic/Vision Plan and Financial Management Plan for the HCDA and to provide those recommendations to the Executive Director. The P.I.G. met and provided an overall strategic vision for the Agency, as well as goals, objectives and initiatives of the Agency and the Executive Director.

Executive Director Nakamoto summarized the report of the P.I.G., under tab 3 of the Board packet and stated that the P.I.G.'s Strategic Plan proposes the strategic direction for the HCDA for the next five years. The plan will be reviewed annually to determine that goals and objectives are met in a timely manner, and the Strategic Plan might also have to be adjusted in the future to align with future conditions and external factors. He reminded Board members that, because this is a report of a P.I.G., the Board is required to review the P.I.G.'s recommendations at one noticed meeting and act at another noticed meeting. Therefore, the Board will act on this item at the November 2, 2022, At-Large Board meeting. Executive Director Nakamoto thanked the current and former PIG members for their efforts to finalize this Strategic Plan.

Member Higa commented that he noted points in the Strategic Plan regarding leveraging federal funds and State matching funds and expressed his hope that the HCDA would work with groups that are working to coordinate state, federal and county funds like the Hawaii Community Foundation's ("HCF") House Maui Initiative; especially with reference to the HCDA's Pulehunui District. He offered introductions to relevant personnel at HCF's House Maui Initiative and believes they have experience with coordinating funds across government levels for infrastructure that may be helpful.

Executive Director Nakamoto thanked Member Higa for the offer and said, regarding the Pulehunui District; the HCDA had already met with the United States Department of Agriculture ("USDA") to coordinate federal funding for the Pulehunui District. Mr. Garet Sasaki, Administrative Services Officer, will take the lead in coordinating the funding efforts for the Pulehunui District and will work with the HCDA's Capital Improvement Projects ("CIP") staff to pursue grant money. They will also be coordinating, in the future, with other State agencies as well as the city to make the goal of the Pulehunui District come to fruition.

**Public Testimony**

Vice Chair Apo called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

**IV. REPORT OF THE EXECUTIVE DIRECTOR**  
**Monthly Financial Highlights of August 2022**

Executive Director Nakamoto chose to stand on the written report and noted that the financial highlight format was suggested by former Chair Susan Todani, and staff has therefore revised the format accordingly.

**Public Testimony**

Vice Chair Apo called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

**V. ADJOURNMENT**

There being no further comments or questions regarding the Report of the Executive Director, Vice Chair Apo thanked those who joined today's meeting on Zoom or the HCDA's YouTube and adjourned the meeting at 11:25 a.m.

---

Sterling Higa, Secretary

---

Date Approved by the Board