

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
AT-LARGE BOARD MEETING**

Wednesday, May 3, 2023

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawai‘i Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawai‘i (“State”) met in-person at the HCDA’s physical meeting site, American Brewery Building, 547 Queen Street, 2nd floor Board room and provided an option to attend virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on May 3, 2023.

Chairperson Chason Ishii called the May 3, 2023, HCDA At-Large Authority Regular meeting to order at 9:41 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, Hawai‘i Revised Statutes, to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

Regarding the foregoing, Mr. 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, 2nd Floor Board room, Honolulu, Hawai‘i 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. Mr. 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.

Chair Ishii conducted the roll call. Those present and absent were as follows:

Members Present:

Chason Ishii, Chairperson
Peter Apo, Vice Chairperson
Sterling Higa, Secretary
Sabrina Nasir, B&F (Ex-Officio)
Craig Hirai, City & County of HNL DPP (Ex-Officio)
Mary Alice Evans, DBEDT (Ex-Officio)
Russell Tsuji, DLNR (Ex-Officio)
Kevin Sakoda
Jo-Ann Leong
Punihei Lipe

Members Absent: Melissa Miranda-Johnson, DOT (Ex-Officio)
Kathleen Aoki, Maui County DPP (Ex-Officio)
David Rae
Kaka‘ako Member (Vacant)
Kalaeloa Member (Vacant)
Pulehunui Member (Vacant)
Pulehunui Member (Vacant)

A quorum was present.

Legal Counsel: Kelly Suzuka, Deputy Attorney General

Staff Present: Craig Nakamoto, Executive Director
Garet Sasaki, Administrative Services Officer
Francine Murray, HCDA Program Specialist
Lindsey Doi Leaverton, HCDA Asset Manager
Kapilialoha Kidder, HCDA Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of January 4, 2023

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

III. DECISION MAKING
Shall the Authority Establish, Pursuant to Section 92-2.5(b), Hawai‘i Revised Statutes, a Permitted Interaction Group for the Purpose of:

- i. Conducting the Executive Director’s Annual Performance Review, and**
- ii. Establishing the Executive Director’s new 1-, 3-, and 5-year goals and accordingly amend the Agency’s Strategic Plan adopted by the Authority at the November 2, 2022 General Authority Meeting?**

Mr. Nakamoto presented the staff report, which was included in the Board packets.

Chair Ishii added that they are seeking members to serve on the Permitted Interaction Group (“P.I.G.”) for two purposes: 1) conduct the annual evaluation of Executive Director Nakamoto, and 2) review the Strategic Plan and make any adjustments as deemed necessary. Because the Strategic Plan is part of this P.I.G., he recommended that there should be members from each of the different Boards. Chair Ishii then asked the Board for any volunteers to participate in this Permitted Interaction Group.

Member Higa volunteered.

Member Leong asked for the names of the prior P.I.G. members. Chair replied that the only members remaining are Member Sakoda and Chair, himself; the other former P.I.G. members are no longer serving on the Board. Mr. Nakamoto stated that it was the P.I.G.

to conduct the search for the new Executive Director and the members were former Chair Todani, Member Leong, current Chair Ishii, and Member Sakoda. Member Lipe added that she was also a member of that group. Chair Ishii clarified that there were two different P.I.G. committees; one for the Executive Director search and one for the Strategic Plan. Member Lipe stated that she was on both.

Mr. Nakamoto said that they are now proposing to have just one committee to look at the evaluation, to see if the one-year goals have been achieved, and then secondly to amend the Strategic Plan and make recommendations to the Board regarding the new one-, three-, and five-year goals for the HCDA and the Executive Director. Chair Ishii added that, especially with all the legislative appropriations for the HCDA, it would be good to also review the strategic goals.

Members Sakoda and Hirai volunteered. Mr. Nakamoto asked if Members Leong or Lipe were interested. Chair Ishii asked for anyone from the He'eia area. Member Leong suggested that Member Lipe represent, and Member Lipe agreed. Chair Ishii asked for anyone from Maui, to which Mr. Nakamoto replied there is currently none. Chair Ishii asked about Kalaeloa, and Mr. Nakamoto replied that Member Rae is excused from today's meeting, but he can be suggested. Chair Ishii indicated he, himself, would also like to participate. Mr. Nakamoto suggested also having someone from Budget and Finance, such as Member Nasir or Salaveria. Member Nasir agreed to volunteer.

Chair Ishii called for questions or comments.

Member Hirai asked if there should be someone from Maui, and Mr. Nakamoto replied that there are no Maui members currently. Member Tsuji was suggested, and he agreed to represent Maui.

There were no further questions or comments from Board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide oral testimony, and no written testimonies were received.

MOTION

Chair Ishii called for a motion for the Authority to Establish, Pursuant to Section 92-2.5(b), Hawai'i Revised Statutes, a Permitted Interaction Group for the Purpose of:

- i. Conducting the Executive Director's Annual Performance Review, and
- ii. Establishing the Executive Director's new 1-, 3-, and 5-year goals and accordingly amend the Agency's Strategic Plan adopted by the Authority at the November 2, 2022 General Authority Meeting.

Motion was made by Member Lipe and seconded by Member Higa.

The motion passed with 10 “Yes” votes, 0 “No” votes, 3 Excused, 0 Abstained, and 4 vacant positions.

Chair Ishii thanked the volunteers. Mr. Nakamoto announced that the Permitted Interaction Group will comprise of Chair Ishii, Secretary Higa, Members Sakoda, Hirai, Lipe, Nasir, Tsuji, and possibly Member Rae.

**IV. REPORT OF THE EXECUTIVE DIRECTOR
Monthly Financial Highlights for December 2022 – March 2023**

Mr. Nakamoto presented the December 2022 -- March 2023 Financial Highlights, which were in the Board packets, stating that Mr. Gareth Sasaki, Administrative Services Officer, would be available to address any questions.

Chair Ishii called for questions or comments.

Member Higa asked for more information regarding the Waikiki Health contract. He asked if Waikiki Health, the healthcare provider, is the same Waikiki Health company that is doing the janitorial work for HCDA.

Ms. Lindsey Doi Leaverton, HCDA Asset Manager, replied to the question, stating that it is the same company. A long-standing contract had started with Waikiki Health when it operated the Next-Step shelter in Kaka‘ako Makai and had a job training program for shelter residents. The HCDA supported that program, entering into a Memorandum of Agreement for park janitorial work at HCDA’s Parks, including Kakaako Waterfront Park and Gateway Park. HCDA was pleased with their work and continued the agreement for several years. HCDA eventually bid out the park janitorial services contract, and Waikiki Health was the lowest bidder. When HCDA transferred the majority of its parks to the City and County of Honolulu, HCDA downsized the contract to service only Kolowalu Park and the Kewalo Basin parking area and put the contract back out to bid. Waikiki Health was again the winning bidder, and the resulting contract arrangement has been mutually beneficial.

Member Apo asked about the lease agreement boundaries with the Howard Hughes Corporation, saying he assumed that they do not include the Ala Moana side of the parking area mentioned earlier by Ms. Leaverton. Mr. Nakamoto confirmed it does not.

Member Apo also asked if Howard Hughes has jurisdiction over everything over the water. Mr. Nakamoto confirmed that they do, adding that they also have jurisdiction over the Kewalo Basin Harbor that he mentioned earlier, including the wharf that needs repairs. However, under the general lease signed between HCDA and Howard Hughes, Howard Hughes was responsible for replacing the floating docks in the harbor, which they did. HCDA was responsible for making the repairs on the Kewalo Basin Harbor Pier.

Member Apo continued for clarification, saying that everything over the water is Howard Hughes'; so that part of the pier that goes over the water is HCDA's and, the start of the land on the Fisherman's Wharf area is OHA's. So a line is drawn at the water's edge. He asked if Howard Hughes brought in their own harbor master, which is contracted out to a California company. Mr. Nakamoto confirmed, adding that the company is Almar.

Member Apo asked if the harbor's division has any jurisdiction over the water, that supercedes the privatization of the harbor master under Howard Hughes. Mr. Nakamoto replied that he thinks they maintain jurisdiction over the water and other things on the water, but the function of the harbor master is privatized under Howard Hughes' lease.

Member Apo asked if the lease agreement, particularly at Fisherman's Wharf where it is high-end and higher revenue, is Howard Hughes' on the actual moorings. Mr. Nakamoto answered that all the moorings and the mooring permits are part of the Howard Hughes lease and, as mentioned by Member Apo, from the Kewalo Basin side, everything from that land side is OHA's.

Member Apo thanked Mr. Nakamoto for his responses.

There were no further questions or comments by Board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide oral testimony, and no written testimonies were received.

Update: 2023 Legislative Bills Pertaining to the Hawai'i Community Development Authority Regarding the Following Measures: (i) H.B. 300, H.D. 1, S.D. 1 Relating to the State Budget, (ii) S.B. 1286, S.D. 1 Relating to the Hawai'i Community Development Authority (99-Year Lease Pilot Program), S.B. 1417, S.D. 1 Relating to Climate Change, (iii) S.B. 865, S.D. 2, H.D. 1 Relating to Housing (f.k.a., ALOHA Homes), (iv) GM 579, Consideration of Jo-Ann Leong, (v) GM 639, Consideration of Chason Ishii, (vi) GM 662, Consideration of Peter Apo, (vii) GM 668, Consideration of Kevin Sakoda, and (viii) GM 669, Consideration of Kaiwipuni Lipe.

Executive Director Nakamoto provided the update for this item.

Member Tsuji asked if there are any parcels in mind, under HCDA's control or that it hopes to acquire, regarding the ideas discussed for S.B. 865. Mr. Nakamoto replied that one possible site is Block P in Kaka'ako, the 20,000 square foot parcel that HCDA recently acquired. If it were to acquire a parcel in Kalaeloa, that would be a possible candidate. Otherwise, HCDA would try to work with DLNR to see if any land exists along the Rail route that could be suitable for this development.

Member Apo thanked Mr. Nakamoto for his great navigation of the legislative process and the dignity with which he represented the HCDA in the daily legislative process. Chair Ishii expressed his agreement with Member Apo's comments and added that he

believes Mr. Nakamoto gained confidence from the senators. Mr. Nakamoto acknowledged that it was a team effort, in both preparation and administrative support.

Mr. Nakamoto continued to cover the highlights of H.B. 300 relating to the State budget.

Member Hirai commented that he did not see the proviso, to which Mr. Nakamoto replied that it would be part of the budget worksheet.

Mr. Nakamoto ended the budget bill highlights by acknowledging the close work with HHFDC, OPSD, and UH West Oahu regarding the TOD project and funding and his appreciation for their collaboration.

Member Sakoda addressed Mr. Nakamoto, stating that last year's strategic planning sessions included asserting the HCDA as an infrastructure-building organization with that type of expertise. He asked if Mr. Nakamoto thinks that was positively acknowledged and accepted by the legislature, and if it has resulted in the HCDA receiving approval to organize these types of projects going forward.

Mr. Nakamoto answered that there are a couple of factors to consider: 1) During the last legislative session, the Transit Oriented Infrastructure Development Program Act 184 was passed, which seemed to indicate that the legislature wants the HCDA to work on these TOD infrastructure projects, and 2) When he was briefing the Ways and Means and Finance Committees, he mentioned the Strategic Plan adopted by the Board last November, with its vision continuing to focus on its community development districts and not losing sight of what it needs to do. But in addition, its vision includes assisting other state agencies to develop infrastructure, since HCDA has the experience and expertise to do that. Mr. Nakamoto had informed them that the Planning and Development department had been divided, to create a Capital Improvement section led by Mark Hakoda, and a Planning and Development section led by Ryan Tam. This was HCDA's attempt to do more with what we have. He thinks that resonated with the Ways and Means Committee and also, to some extent, with Finance.

Member Sakoda replied that he likes what he sees being done under Mr. Nakamoto's leadership and hopes that the sentiment toward the HCDA will improve and be reflected in more funding to enable getting more and better people into the agency to continue doing more good things. He said that he thinks that is occurring, but there is still a far way to go. Mr. Nakamoto acknowledged Member Sakoda's comments and added that it takes time to rebuild trust, and it starts with one step at a time. He added that it is one thing to get the money, but then you need to execute, especially with these types of funds. He will work with HCDA staff to plan how to execute these projects and then will also report back to the legislature. He thanked Member Sakoda again for his comments.

Chair Ishii asked Mr. Nakamoto how he plans to navigate the City and County matching portion. It is one thing for the State to indicate having the City and County match, but another to create that reality with the City. Member Hirai commented that the City and State will work it out, and Mr. Nakamoto confirmed that he will be working with Member Hirai on that. He added that the working relationship between the State and the

City has improved, and he appreciates the collaborative relationship that HCDA has with the City and its staff; together they can navigate the matching.

There were no further questions or comments from Board members.

Public Testimony

Chair Ishii called for public testimony.

There was a request from Patricia Shields, a resident of Honuakaha, who was participating remotely. She was not sure if this meeting was the appropriate forum for her question, but she asked if any of the monies provided by the legislature to the HCDA for the projects mentioned includes any for Honuakaha. Mr. Nakamoto responded that the budget does not include an appropriation for Honuakaha. However, he added that for the senior rental side of the building, the limited partnership has ongoing maintenance responsibilities for the units which the limited partnership will execute. That is separate and apart from the budget but is an obligation that the limited partnership accepts as the owner of Honuakaha senior rentals. The limited partnership also has the obligation to improve things at Honuakaha, and Mr. Nakamoto is committed to do that, along with his staff. He further offered to meet with Ms. Shields individually, in-person. Ms. Shields thanked him and said they will talk later.

There were no further inquiries to provide oral testimony, and no written testimonies were received.

V. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom or the HCDA's YouTube and adjourned the meeting at 10:28 a.m.



Sterling Higa, Secretary

June 7, 2023

Date Approved by the Board