

AMENDED
SUMMARY - MEETING NO. 311
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

November 1, 2006 – 9:00 a.m.

Hawaii Community Development Authority
677 Ala Moana Boulevard, Suite 1000, Conference Room
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: C. Scott Bradley; Amanda Chang; Grady Chun; Michael Goshi; Paul Kimura; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; and Russ Saito (DAGS).

Kalaeloa Members: Henry Eng (DPP); Evelyn Souza; and Maeda Timson.

Members Absent: William Aila, Jr. (Kalaeloa Member); Rodney Haraga (DOT); Micah Kane (DHHL Kalaeloa Member); Georgina Kawamura (B&F).

Others Present: Daniel Dinell; Melvin Nishimoto (Deputy AG); Matthew Akamu; Stanton Enomoto; Pearlyn Fukuba; Arnold Imaoka; Richard Kuitunen; Lilinoe Lindsey; Cal Machida; Deepak Neupane; Teney Takahashi; Susan Tamura; and Jill Sugihara; (also, see Meeting Attendance Record).

I. ROLL CALL

The meeting of the Hawaii Community Development Authority (HCDA) was called to order on November 1, 2006, by Chairperson Michael Goshi at 9:03 a.m. with the following roll call:

Chairperson Goshi	Present
Member Bradley	Present
Member Chang	Present
Member Chun	Present, left at 10:45 a.m.
Member Kimura	Present
Member Lai	Present

Member Liu	Present
Member Mukaigawa	Present
Member Saito	Present
Member Eng	Present, left at 10:36 a.m.
Member Souza	Present, left at 10:36 a.m.
Member Timson	Present, left at 10:36 a.m.

MATERIALS DISTRIBUTED

1. Agenda for November 1, 2006, Meeting;
2. Summary Minutes of Authority Meeting of October 4, 2006;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Information Item: Report and Recommendations by the Housing Task Force on Reserved Housing Study;
6. Action Item: Proposal to Contract with Consultants to Organize an Advisory Working Group to Advise on Land Uses for the 36½ acre Waterfront Project in Kakaako Makai; and
7. Authority Meeting Schedule for 2007 (distributed at the meeting).

Chairperson Goshi announced that this would be Katherine Thomason's last meeting as she will be rejoining the private sector. Ms. Thomason was seated in the audience as State Comptroller Russ Saito sat at the table. Mr. Saito would now be attending the Authority meetings. Chairperson Goshi thanked Member Thomason for serving ably and effectively as the designee for the Department of Accounting and General Services.

II. APPROVAL OF MINUTES

1. Minutes and Summary

Chairperson Goshi asked whether there were any corrections to the minutes of the regular meeting of October 4, 2006. There were none. It was moved by Member Bradley and seconded by Member Timson to approve the minutes as written. The motion passed 12 to 0.

Chairperson Goshi stated that in follow up to October's discussion about focusing more proactively on the needs of small businesses, he is recommending a Small Business Task Force to work with staff on identifying ways the Authority can support existing businesses and evaluating prototype developments for small land owners. Chairperson Goshi named

Members Bradley, Chang, and Chun to serve on the Task Force. The group will report back at a future Authority meeting.

III. REPORT OF THE EXECUTIVE DIRECTOR

Daniel Dinell noted that the full Executive Director's report was enclosed in the packet distributed to the Authority Members, and highlighted and updated the following:

- Mr. Dinell stated that Member Aila had intended to attend this morning's meeting; however, he was called away to assist in an emergency at the Ala Wai Small Boat Harbor.
- The Authority Meeting Schedule for 2007 was distributed to the Members. Mr. Dinell announced that the Authority usually meets on the first Wednesday of the month; with the exception of January 10, 2007, and July 5, 2007, due to holiday schedule.
- Mr. Dinell reported that the nightly bicycle patrol continues to cover the entire period when the Kakaako parks are closed. Daily reports show unauthorized after hours visitors are still a problem, but park personnel indicated improved park conditions, in terms of less trash, graffiti and vandalism, when opening the park in the morning. There is a continued average of two incidents reported each night. Staff has asked the security vendor for ideas they have to improve effectiveness.
- Staff is working with neighbors to improve security of the area. The Kakaako Makai neighborhood safety network meeting was held on October 25, 2006, and it received a great deal of enthusiastic support from those attending. Honolulu Police officers made a presentation and contact information was shared amongst those that have committed to joining the network. It was decided that quarterly meetings will be held and between meetings an e-mail alert system will be established.
- As a result of community concerns and requests for commercial permits, staff presented proposed park rule amendments to the Small Business Regulatory Review Board on October 18, 2006. The amendments will address certain gaps in current park rules; for instance, washing and hanging of laundry is not currently prohibited. Another is HCDA has the ability to establish a fee schedule for commercial uses/activities, but have not put this into practice. This provides an opportunity to do so. Pending approval by the Governor, a

public hearing on the proposed amendments is anticipated to take place in January 2007.

- The Ahui, Ohe, Olomehani Streets Improvement District 12 continues. On Monday, November 6, 2006, it is anticipated that the entire Ahui Street from Ilalo Street to John Dominis Restaurant will open, including the driveway to Point Panic parking lot. When this occurs, Koula Street between Ilalo and Olomehani Streets will be closed and the roadway demolished. Staff has informed all area tenants, the Ala Moana/Kakaako Neighborhood Board, and posted a notice on the HCDA website. Since alternative routes exist, staff does not anticipate any problems.
- A new sub-account is reflected in the September financial statement called "Receipts from Ceded Lands." This sub-account within the HCDA revolving fund complies with requirements set forth by Executive Order No. 06-06. This order requires every State agency to segregate ceded land receipts. There is also an extensive footnote on the quarterly allocation of certain overhead expenses. The Kakaako and Kalaeloa revolving funds support their respective operations. Thus, on a quarterly basis, a proration is made for certain administrative expenses for the two districts that cannot be readily segregated. The allocation is 95 percent Kakaako and 5 percent Kalaeloa.
- Staff has been informed by the University of Hawaii (UH) that they are continuing to work with Townsend Capital to develop scenarios for the placement of the Cancer Research Center, Regional Biosafety Laboratory (RBL) and necessary parking in the Makai area. The University is uncertain whether they will be going ahead with the RBL as originally envisioned because there has been a significant increase in construction costs since the original proposal was submitted to the National Institute of Health in 2004. UH is in the final stages of developing a business plan for the construction and operation of the RBL that should answer that question. HCDA staff has asked the University to make a presentation to the Authority as soon as they have an update.
- The Executive Director's travel report on transit-oriented development was attached in the Members' packets. Mr. Dinell reported that the group met with officials and reviewed developments in Vancouver, Canada; Portland, Oregon; and Denver, Colorado. His summary was that transit-oriented development isn't about transit in isolation, but rather about offering a range of people-oriented choices that revolve around mobility and lifestyle with the buy-in and support of residents and government/elected officials. Some of the necessary ingredients are to: 1) have a shared vision; 2) offer a broad choice of uses and offer mobility options; and 3) think long-term and be persistent.

Specific to Kalaeloa and Kakaako, it's essential that land use lead the way. The urban design is critical and it is equally important to link with civic and educational centers as well as employment and retail centers.

The bottom line is that transit-oriented development provides a useful organizing framework of principles to create great people-oriented places that offer a variety of choices that meet human needs. Mr. Dinell noted that HCDA Planner Susan Tamura also participated in a transit-oriented development trip organized by the City.

- Mr. Dinell recognized Stanton Enomoto's contributions over the past two years. Mr. Enomoto will be leaving HCDA on November 15 to join the Office of Hawaiian Affairs. He started with HCDA when there was no staff fully dedicated to Kalaeloa and only a strategic framework for Kalaeloa. Since then, Mr. Dinell noted that Mr. Enomoto has successfully guided the agency through the process of creating a formal strategic plan with a vision and mission and a Master Plan for the area. Since the district is at a critical juncture, HCDA is looking at attracting capable candidates to keep the momentum for Kalaeloa going.

Chairperson Goshi asked whether Members had any questions for the Executive Director.

Member Kimura noted that in the written Executive Director's Report, the pricing for the Improvement District 11 (ID-11) keeps increasing. He asked at what point the project would not be feasible to proceed.

Mr. Dinell responded that the Authority previously approved a total project cost of \$15.6 million so if the project can be worked within that amount and meets the approved plans, then the project will go through. If the project is more than estimated, staff would need to return to the Authority to either justify more resources or reduce the project scope.

Member Kimura commented that he and Chairperson Goshi have been talking to some of the affected business owners about solutions for ID-11 and they are making progress. He commended Chairperson Goshi for his willingness to meet with the businesses to discuss various concerns. Member Kimura thought that more time was needed to come to some kind of consensus. He asked if it was possible to delay the project until there was a consensus from the public because he didn't want to see the project start without an agreement.

Mr. Dinell replied that it was a policy decision by the Authority. It was his understanding that ID-11 improvements (Queen Street improvements between

Kamakee and Ward) are to be built to City standards and HCDA would hold off on dedicating the road to the City to allow the adjacent land owners/tenants to use the curb lane for parking. Delays to the project increase the cost and at some point the project won't be financially feasible. Mr. Dinell asked the Chairperson whether he had more to elaborate on.

Chairperson Goshi responded that he has been meeting with members of the community concerned about ID-11 for a number of months. He stated that it is always a difficult situation because it is never a good time to do these types of projects. One of the problems is that the entitlement rules favor larger lot owners. Staff has been exploring ways with the Mauka Area Plan Consultants to make developing smaller lots more feasible. The other thing that can be done is to hold off on the street dedication so the curb lane doesn't become public parking right away. The small businesses requested more parking so a parking lot has been set up at Parcel 40. One of the main issues is the assessment; small businesses are not set up like larger entities that have more resources. Currently, the cost of ID-11 is about \$15 million, two-thirds of which is being paid by HCDA and the State. The other portion is being paid by the utility companies, the larger landowners, and the balance of about \$1.2 million is being assessed to the small business owners. The assessment will be billed after the construction is completed. There are also benefits to the community. There needs to be road improvements and there is no small business that could fund the \$15 million project on its own.

Member Liu commented that he was pleased to hear that the Chairperson and Member Kimura have made progress with the community, but asked why both processes could not continue and work together. His concern was that delaying the project could cause financial repercussions. Member Liu stated that he would be fully supportive of continuing discussions to ease the impact on the small businesses while the project proceeds.

Member Kimura stated that there are a number of reasons why HCDA should take a step back. The Mayor has two different proposals for the rail transit, one that would travel to Ala Moana Center and the other to Manoa. Queen Street is one of the routes on the list. Currently, the City is doing construction on Kamakee Street and Kapiolani Boulevard. If Queen Street were to undergo construction too, traffic would be a mess. In the past, big property owners welcomed HCDA to put in the ID because they could develop their properties. However, some people currently want the project and others don't. The businesses didn't ask for the improvements, yet it will impact them. Member Kimura thought that if a consensus could be reached, then he could support the project because the street needs improvements such as drainage. But at the same time there should be support from the businesses. He stated that if there was backing from the people, then he didn't have any problem with going ahead with the project.

Chairperson Goshi commented that there is also a public safety issue. The government always has the responsibility when something happens in the street. He realizes that there are small lots in the area and timing is not always perfect. HCDA has been working with the community and it is not likely to receive 100 percent agreement from them because people's timing are always different. The key is to have balance between that and public safety.

Member Lai commented that the Authority made a tough decision a while ago; but expressed his concern that the issue keeps resurfacing and that at some point a decision should be considered final. The issue has been discussed and it was reviewed thoroughly including subsequent to approval. He stated that for him the decision has been made. He questioned whether Member Kimura was trying to undo the vote that took place or was trying to tweak it so that it would be more palatable for the small lot owners.

Member Liu commented that the tweaking could continue.

Member Kimura replied that there was no obligation on the part of HCDA to actually do anything. When HCDA first was set up, it was going to build a parking structure and gave businesses various options; however, in the end HCDA took away all the options. His concern was that he didn't want to see that happen again to the businesses. Member Kimura suggested gathering the concerns and discussing it at the next meeting.

Chairperson Goshi asked whether there were any other questions.

Member Liu wanted to discuss the condition of the parks. He appreciated the effort that was made with the current security service provider and the neighborhood safety watch. Although there are incremental changes, it still may not be the type of improvement that maybe necessary. He noted that the Governor's office receives citizen's complaints about safety concerns and deterioration of the park. Member Liu stated that working with the police, the current security service provider, and neighbors should continue; however, that is still thinking within the box. He noted that urban parks always have safety and vandalism issues. This park in particular is isolated. He suggested working with a non-profit organization to manage the Kakaako Waterfront Park such as what Bryant Park in New York City did. The non-profit would be empowered with certain financing, fundraising and even assessment powers. In the past, Bryant Park was a place for drug dealers and the homeless; and now, it is a vibrant, safe, and interesting place to be. He questioned whether staff should think about the long-term structural issue about bringing in other people to manage the park.

Mr. Dinell responded that an existing vehicle (the Waterfront Association) has been set up to collect assessments to fund Makai Area common area expenses. It is a deed recorded AOA of land Makai of Ala Moana Boulevard, including most of the State lands. On the condition of vacating its master plan, Kamehameha Schools agreed to put their properties in the Waterfront Association upon redevelopment. Currently, the John A. Burns School of Medicine (JABSOM) is charged its prorata share of expenses. However, staff has not looked at the Association as an operating or management entity.

Member Liu suggested that staff look into it. Assuming that this is a long-term problem and incremental changes are not going to be sufficient to deal with those problems, then maybe alternate solutions should be looked into. He suggested considering the set up of a separate 501(c)(3) non-profit organization to specifically encompass the land, which is what people have done in urban parks and empowering that entity to do certain things.

Mr. Dinell replied that staff would look into it.

Chairperson Goshi asked whether there were any other questions. There were none.

Before moving to the Kalaeloa Status Report, Chairperson Goshi thanked Stanton Enomoto for his efforts on behalf of the Authority.

V. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

Stanton Enomoto summarized the Information Item distributed to the Authority concerning this matter.

Mr. Enomoto expressed his thanks to the Authority in trusting him to do the work that needed to be done in Kalaeloa. He acknowledged it was a team effort starting from the community, all the way up to the Governor, Legislature, City Council, and the Navy. Should the need arise; he would be available to assist Kalaeloa in the future.

Mr. Enomoto reported that work with Townscape on the community development rules is progressing. They are now ready to sit down with the City Department of Planning and Permitting to clarify the roles in the relationship between HCDA and the City and County of Honolulu.

The Kalaeloa public safety meeting was held on October 19, 2006. The National Guard was the newest group to join the meeting. Following are some of the highlights from that meeting:

- Staff is continuing to follow up with Haseko and the Navy on clearing the vegetation that is blocking Essex Road to White Plains Beach.
- The Department of Hawaiian Home Lands provided an update on their 31 tenants in Kalaeloa. Their tenants noted continued problems with vandalism and theft, which is a recurring theme at Kalaeloa.
- The Honolulu Police Department (HPD) reported that they recently apprehended copper wire thieves attempting to break into the National Guard facilities three nights in a row and caught them on the third night. They also acknowledged working with the Waianae Community Outreach Center with its new shelter, Onelauena. This has helped build synergy or collaboration as the population in Kalaeloa increases.
- The State Department of Transportation is working on assessing the intersection at the main gate of Roosevelt and Enterprise Avenues and Fort Barrette for installation of a crosswalk.
- The City Department of Transportation Services is also doing an assessment of their roads as well on signage and striping issues.
- The U.S. Coast Guard noted that incidents of bottles being thrown at their workers continue to occur. HPD and Navy Security are continuing their patrols along the ocean side of Coral Sea Road in the late evening to address this issue.

Mr. Enomoto noted that this group meeting is proving to be a good forum to bring things up and have action taken. The next meeting is scheduled for November 16, 2006.

In addition to the public safety meetings which are primarily government entities, an internal community network group composed of major landowners and major tenants and businesses have also started. The intent is to bring people together to increase the dialogue at the community level and identify issues that can be worked on jointly. Mr. Enomoto credited HCDA Program Specialist Pearlyn Fukuba for steering this effort and carrying it through.

Included in the Members' packet was a letter sent to the Governor dated October 10, 2006, from the Secretary of Navy Donald Winters and Assistant Secretary BJ Penn, in response to a meeting they had in August. They expressed their appreciation for HCDA's planning efforts in Kalaeloa and stated that they are working towards concurrence with the Master Plan.

The Navy has also been continuing maintenance on the eastern side of Kalaeloa. In this region, there was a building that became a target for vandalism and break-ins so the Navy cleared out the overgrown vegetation and litter, and now looks much better. However, continued maintenance will be required to keep the area from falling into further disrepair.

Mr. Dinell and Mr. Enomoto will be briefing Rear Admiral Tim Alexander, Commander Navy Region Hawaii, on November 8, 2006. It will be their first meeting with him since he took command in August 2006. Staff will go over a variety of issues that are impacting Kalaeloa such as land conveyances and maintenance and use of Navy property.

An article by William Cole appeared in the Honolulu Advertiser about the potential for an aircraft carrier coming to Hawaii. U.S. Senator Inouye made no definitive comments. Staff will stay in dialogue with the Senior Senator's staff, the Navy, and the Chamber of Commerce Military Affairs Council. Staff believes that the Kalaeloa Master Plan is flexible enough as written so that it can accommodate a variety of aircraft uses. The main concern raised has been to ensure that the airfield remains operational.

Chairperson Goshi asked whether there were any questions.

Member Timson commented that Mr. Enomoto had a tough job, and he made positive strides forward that Kalaeloa never experienced before. She wanted to comment about that newspaper article; it upset her because Senator Inouye said that he didn't want the Navy to turn anything over until the decision was made. It doesn't matter that HCDA is flexible, the Navy and Congress should be the one that is flexible. Member Timson urged staff to meet with Senator Inouye's office to find out what is going on since his thoughts will weigh in on the decisions made in Washington.

Mr. Dinell said that he would make an effort to discuss the issue with the Senator's staff.

B. Kalaeloa Navy Report

Mr. Enomoto introduced Lynn Tanaka from the U.S. Navy.

Ms. Tanaka reported that the Navy has completed a survey of all maintenance issues and is continuing the ground maintenance clean up throughout Kalaeloa. The Navy is doing short-term leases on vacant parcels. One such example is their lease with SWR Inc., where SWR maintains some of the area as in-kind services.

The fitness center closed on October 13 and the Kona Breeze pool closed on October 15. The Navy's Morale, Welfare and Recreation Division are keeping the pool in operation. The Navy has not received any word from other interested parties in taking over the operations. They plan to wait a few days and then possibly look at putting it out for short-term lease.

Chairperson Goshi asked whether there were any questions.

Member Timson requested the staff to go back to the City and State to ask them whether they are interested in the fitness and pool facility or not. She thanked the Navy for extending the maintenance of the pool. Member Timson asked Ms. Tanaka for the status on the short-term lease program; she wanted to know how many properties were vacant and how many were leased out.

Ms. Tanaka replied that there currently is only one lease with SWR, which stores cars for deployed military personnel. The next possible lease would be in the downtown area in the building across from the Touch and Go gas station where a tenant is moving out. The chapel has received a lot of interest, but nothing is finalized. Ms. Tanaka noted that the hard part on the Navy side is the screening process.

Member Timson questioned that in all the months of trying to lease out the properties, there was only one lease with SWR.

Ms. Tanaka responded that there are people interested in the properties, but the parcels need environmental and utility work which is expensive.

Member Timson commented that she is glad that the Navy is taking responsibility in cleaning up their properties that have become rundown.

Ms. Tanaka replied that they are trying their best.

Member Eng asked who the broker is handling the leasing of the Navy's properties.

Ms. Tanaka responded that Colliers Monroe and Friedlander is their broker.

Chairperson Goshi asked whether there were any further questions. There was none.

C. State of Hawaii Plan for Homeless Shelters on the Leeward Coast with Emphasis on Kalaeloa

Mr. Enomoto introduced Kaulana Park from the Governor's Office and Pamela Dodson, Assistant to the Governor (formerly Interim Executive Director from Hawaii Public Housing Authority).

Mr. Park, who is currently with the Governor's Office on loan from the Department of Hawaiian Home Lands (DHHL), introduced himself and briefed the Authority on his background. Mr. Park explained that DHHL has 70 percent of their land holdings on Oahu's Leeward Coast and they serve a large native Hawaiian population there. His job is to coordinate the various pieces.

Mr. Park explained that homelessness occurs not only on the Leeward side, it is everywhere and in the past few years it has been growing. One of the reasons is due to the State's economy. The Governor's Administration would like to create a model of success that can be planted in other communities as well as on the neighbor islands. The acronym for this initiative is "HEART," which stands for Homeless Efforts Achieving Results Together. That is really what the project is all about, having the heart for the needy and changing their lives.

The homeless shelter in Building 50 is now called "Onelauena." Mr. Park said that you can feel the *mana*, or spirit, there and the people coming in bring that with them. The Governor believes that the Leeward Coast will begin to change with renewed hope.

Onelauena was scheduled to open at the end of 2006, but the Department of Accounting and General Services was able to complete the job two months ahead of schedule and stayed within budget. As of Sunday, October 29, 150 people had moved into the second and third floors of the building. The first floor, which was previously occupied by the Youth Challenge program, is currently being worked on. The Governor wanted to make sure that the Youth

Challenge program was taken care of so Building 19 is now their permanent home. The first floor of Onelauena is scheduled to be completed by Mid-November, which means another 50 to 60 people can move in before Thanksgiving.

The Waianae Community Outreach Center assesses the homeless families. This is their first attempt to manage a facility. The good thing is that they already have relationships with the families that they have been tracking. The Makakilo/Kapolei/Honokai Hale Neighborhood Board suggested that families that were sleeping on the White Plains Beach be considered for Onelauena and 10 units and three families were identified. One family has already moved in and a couple more will move in shortly.

Security is a big issue for the community and they have created their own community neighborhood watch for the residents at Onemalu (the facility just across the parking area) and Onelauena shelters and most recently, hired a private security firm.

Building 36 is currently owned by UH and State Comptroller Russ Saito has been working on the transfer with the Federal Government. The Administration remains hopeful that they will be able to obtain that building as well. Restoring that building would accommodate another 200 people.

The Governor would also like to install some playground equipment and maybe even a community center between the two shelters, Onemalu and Onelauena. So they are looking at that possibility, working with area politicians and non-profit organizations.

The other project that is being worked on is the Civic Center in Waianae. It will house 300 people and is considered more of an emergency/transitional shelter similar to the Next Step shelter in Kakaako, but it will be open 24 hours, 7 days a week. Not only will it have showers and toilets, but it would have a center for services to assist those people living there.

The State Department of Education has been very good at accommodating transportation for the students living in the shelters and also allowing them to stay at their respective schools.

Mr. Park noted that even with Onelauena and the Civic Center projects housing 500 people, it is still not enough to take care of the need. There are eight other parcels that are being considered for transitional housing. The program progresses from emergency shelter, to transitional housing, to public housing and then permanent affordable housing. The key is providing

programs and services located on-site or nearby that will lead to self sufficiency. There are many components in the homeless issue and housing is just one component.

Chairperson Goshi asked whether there were any questions.

Member Timson commented that she wanted to be sure that people understood that the community is not against the homeless being in Kalaeloa, but they have concerns. The bigger issue is that the community wants to make sure that it doesn't appear that all the homeless live on the Leeward side. There needs to be other communities with affordable housing so that everyone is integrated and it doesn't look like a tenement or that the homeless are all located in one area. Another issue is transportation; there still is no bus service. Member Timson's concern is for these residents to have transportation to get in and out of the area so that they are not physically isolated and they are able to get to services and jobs. The nearest bus or transportation is far away, making it difficult for these people to get to work. She would like to see the State provide transportation immediately. Since the State placed the people there, they should ensure that the residents are able to move around and get to services and work places. Member Timson asked whether emergency funding could be used for sidewalks.

Mr. Park responded that the Administration approached the City for help in transportation and it came with a large price tag. There is a bus stop on Yorktown that is a block away from the structures that provides service once in the morning and once at night. Upon reviewing the Governor's emergency proclamation, they found that the City does have funds that can go towards emergency or transitional shelters. Unfortunately, that funding couldn't be used because they couldn't say that the bus is only used for the homeless. So they are looking at permanent transportation services. In the short-term, there are some non-profit and private companies that are providing shuttle services for Onelauena and Onemalu.

Member Souza asked what is the average income of those families staying at the shelter and how would a person be transitioned if they don't have a better job. She also wanted to know how much rent they pay.

Mr. Park responded that they are still assessing the families one by one to find out what their financial position is. Some may be able to pay rent, but for others it may take a few months.

Member Souza asked whether these facilities need to be referred to as shelters since children are sensitive to things like that.

Mr. Park replied that he calls it, “transitional housing” with the key word being “transitional.”

Member Souza questioned whether the programs enable these people to remain status quo or is it to transition them in a way that they can improve their lives.

Mr. Park responded it is more like a tracking program that provides a progression of housing. They are currently working with the Waianae Community Outreach Center to build a database so that these families can be assessed and tracked on an annual basis.

Member Souza asked for a timeline.

Mr. Park replied that they estimate no more than a year in transitional housing, then two years in public housing and hopefully within three years these people are moving on.

Member Timson suggested that for future meetings the homeless issue be listed on the agenda because it is not just a Kalaeloa issue, but also a Kakaako issue. That way everyone can be kept abreast of the problems and concerns and remind everyone what their job is and how it is progressing. It should be tracked so that it is as important as any other development.

Chairperson Goshi asked whether there were any further questions. There were none. He thanked Mr. Park and Ms. Dodson for providing an update.

Mr. Dinell added that the issue could be addressed in the Executive Director’s written report and that he would work with the Chairperson on the appropriate reporting system.

D. Report and Recommendations by the Housing Task Force on Reserved Housing Study

Teney Takahashi summarized the Information Item distributed to the Authority concerning this matter.

Mr. Takahashi reported on behalf of the Housing Task Force which the Authority formed in August 2005, consisting of Members Lai, Mukaigawa, Kawamura or designee Shiraki, and Liu or designee Anderson.

The purpose of the Task Force was to review the HCDA reserved housing rules contained in the Mauka and Makai Area Rules and to make recommendations for revisions and improvements. Additionally, Kalaeloa Members expressed an interest in the Housing Task Force as it relates to the administrative rule-making process that just commenced for Kalaeloa. Staff believes that while the two districts are at different development stages, it is wise to learn from the findings and practical experiences from the more mature Kakaako reserved housing program. Mr. Takahashi also noted that HCDA's charter, HRS Chapter 206E, directs HCDA to provide reserved housing in both districts, further underscoring the merit of this approach.

HCDA refers to "reserved" housing instead of "affordable" housing in order to maintain a distinction between the various "affordable" income levels. HCDA's focus is on buyers earning up to 140 percent of median income, and renters earning up to 100 percent of median income, which may be better referred to as "gap group" or "workforce" housing.

After several meetings, the Task Force reiterated the focus on reserved income levels, and further recommended that HCDA retain buyback provisions, maintain preference for units over in-lieu fees, expressed a willingness to offer bonuses as incentives to developers, to form joint ventures when appropriate, and to simplify and merge the Mauka and Makai rules. The policy guidelines were elaborated in Attachment A of the Task Force report.

A focus group was also held for developers, design professionals, and community leaders. This focus group provided input summarized in Attachment B of the report that included objectives for the reserved housing and pointed out problems in the existing housing rules and proposed potential solutions.

Staff's main priority remains to complete a comprehensive update of HCDA rules to best support the goals to increase the reserved housing inventory. DBEDT, as well as HCDA and other housing agencies, considers housing a top priority and an important strategic objective. Data from the Task Force and focus group must now be analyzed by experienced consultants who will also be able to research on housing rules from other jurisdictions, solicit developer input, and recommend changes to optimize the rules to meet HCDA objectives and goals. This needs to be completed by the middle of 2007 so that the new housing rules can be merged into the revised Mauka Rules being done concurrently.

The Housing Task Force intends to recommend a budget for and contract with a knowledgeable consultant to complete these tasks. They also anticipate the

need to solicit additional detailed input from the community at-large, which will be done by HCDA staff.

Mr. Takahashi explained that the purpose of this Information Item is to solicit input from the Authority. Upon receiving Members' input, staff will estimate costs according to an appropriate scope of work and will return to the Authority with a request for funding and approval to contract the work.

Chairperson Goshi asked whether there were any questions.

Member Liu asked why does HCDA need to hire an outside consultant; why couldn't it be done together with the Hawaii Housing and Finance Development Corporation (HHFDC), which has a large depository of experience, knowledge and contact with developers. HHFDC is equally concerned about the issue of reserved housing, creating incentives for the development of more reserved housing and keeping it in the affordable pool. It seems that the same information could be obtained from HHFDC.

Mr. Takahashi responded that one of the things that need to be done is to consult with the developers who would be affected by the rules. HHFDC is one of the developers, but they do not cover the whole gamut of housing alternatives. The other thing is that internally staff doesn't have the expertise and time to conduct a very complex process. For example, awarding bonuses might be an incentive. In researching this issue, staff would need to look at other jurisdictions and compare what worked and what didn't. It will soon snowball into more and more questions, which the staff doesn't have the capability, time and expertise to handle.

Member Liu responded that HHFDC is not only a developer, but they have daily communications with all the developers from profit to non-profit, across the range of affordability. On a regular basis HHFDC is getting input and feedback from developers who are equally interested in density bonuses. The developers are making suggestions as to what the State, from a policy prospective, could be doing to offer density bonuses especially for urban infill. A consultant would go out there and talk to developers and there is already an agency that talks to developers on a regular basis. Member Liu recognizes HCDA's staff limitations, but his suggestion was for HHFDC staff to provide the research. Nani Medeiros from HHFDC was in the audience, Member Liu asked her whether that was possible or not.

Ms. Medeiros responded that she thought it would be something that HHFDC would be interested in taking a look at. They have the daily conversations

with the entire spectrum of developers from profit to non-profit developers. Their mission is trying to build workforce and affordable housing.

Member Liu stated that he was foreseeing a process that would be lengthy because staff would have to come back to the Authority next month to request the funding to hire a consultant, then an RFP would need to be done, consultants retained and recommendations made to the Authority. His point was that HHFDC could start working on the project immediately and it could be completed earlier than mid-2007.

Mr. Dinell stated that he talked to Dan Davidson, Executive Director of HHFDC, and he came to HCDA's last meeting, to get a flavor of the kind of urban infill development that HCDA has planned for Kakaako. Ms. Medeiros will be attending HCDA's Authority meetings on a regular basis and this is an example of the cooperation that is being established. Mr. Dinell viewed the project as a three-legged stool with HCDA staff, HHFDC input and outside input to make the comprehensive suggestions necessary. As Mr. Takahashi indicated, the project is on track with the Mauka Area Plan and Rules with a public meeting taking place in December. Through the public input, staff learned that there was a lot of concern about housing affordability. Whether the reserved housing portion is completed early, it would still need to be coordinated with the Mauka Area Plan and Rules which will not be completed until June 2007.

Mr. Takahashi responded that staff has had discussions with HHFDC and are aware of their capabilities and experiences; but staff views them as another source of information, as opposed to the leader of the project effort. HHFDC could be involved to a degree, but it needs to be taken in a broader perspective because the goal is to have the rule amendment and not only solutions to the housing problems.

Chairperson Goshi commented that the housing issue is very complex. He suggested a meeting to talk about the gap.

Mr. Dinell noted that having an outside consultant could help to validate the concepts. For instance, if HCDA were to increase density, it might have a snowball effect. Would there be enough sewer capacity, water and has all the proper planning been done? The need is to validate the concepts developed by the Task Force because it may or may not give the developers the practical ability to build.

Member Liu stated that there has been enough discussion for the past three or four years about the affordable housing crisis in Hawaii, what he doesn't want

to see is that the consultant will tell the Authority something that is already known.

Chairperson Goshi agreed. He thought that working with HHFDC to discuss the scope of work might be helpful.

Mr. Takahashi commented that out of courtesy to HHFDC that this should not be sprung on them without consulting with them first. He thought it would be a good idea to talk to HHFDC first because one dedicated person would probably be needed to do this project.

Chairperson Goshi suggested that staff have a meeting with HHFDC to talk about the scope first. As part of the Task Force's recommendation it says to work with the Authority for input, perhaps HHFDC should also be included in those discussions.

Member Liu suggested that staff reconsider whether or not to seek an outside consultant after the discussions with HHFDC to figure out whether it could be handled in-house, which would expedite the process.

Member Saito commented that the work done by the Task Force is in Exhibit A. He thought that at the very least the Authority needs to review Exhibit A and discuss those ideas. He suggested scheduling that discussion at another Authority meeting or separate session since there are a lot of issues.

Mr. Dinell stated that the Task Force had many meetings to discuss the issues and that was the product of those discussions.

Chairperson Goshi suggested broadening the scope of discussion.

Mr. Dinell stated that staff would do so.

There being no further comments, Chairperson Goshi called for a recess at 10:36 a.m. to allow the Kalaeloa Members (Members Eng, Souza and Timson) to depart, as the remaining agenda items were Kakaako related.

The meeting reconvened at 10:38 a.m.

V. ITEM FOR ACTION – DISCUSSION AND/OR DECISION MAKING

2. Proposal to Contract with Consultants to Organize an Advisory Working Group to Advise on Land Uses for the 36½ acre Waterfront Project in Kakaako Makai

Teney Takahashi summarized the Action Item distributed to the Authority and presented the staff's recommendation.

Mr. Takahashi explained that in May 2006, staff proposed the establishment of an Advisory Working Group to recommend the most beneficial use for the 36.5 acres of waterfront lands included in the Waterfront Request for Proposal.

In September 2006, staff presented four approaches for community participatory planning processes. The Authority and the public clearly preferred a process that: 1) allowed for broad base public participation; 2) was fair and transparent; and 3) offered multiple avenues for outreach and public participation.

The objective was to form the Waterfront Advisory Working Group from the ground up. Based on the feedback from the Authority and the public, staff believes that a two phase approach best meets the criteria expressed by the Authority and the public, the first phase will form the Advisory Working Group and the second phase will recommend land uses.

Following State procurement rules, staff has reviewed the list of professional service providers and ranked Townscape, Inc. as the most qualified consultant to provide facilitation service for Phase I of the planning process.

Townscape is a local planning firm, which has worked with HCDA as the facilitator for developing the strategic plan for Kalaeloa.

As part of Phase I, Townscape will conduct a series of meetings with each of the identified stakeholder groups and key individuals, the larger community as well as additional stakeholders who may surface during the information gathering process. It will be assisted by Kuiwalu as the community outreach team. It will identify and document key issues and ideas and will make recommendations to the Authority based on the information gathered.

Following the series of meetings, Townscape and HCDA will develop an invitation list of organizations who will be asked to nominate one member plus an alternate to serve on the Advisory Working Group. HCDA will then

convene the first meeting of the Advisory Working Group to establish a process for selecting a consultant for Phase II and to confirm roles and responsibilities, procedures, outcomes and work products for Phase II of the planning process. Townscape will assist in preparations, and will facilitate this first Advisory Working Group meeting.

Contract deliverables will include documentation of each meeting, a summary of key issues and themes from these meetings, and guidelines for the Advisory Working Group Phase II process regarding roles, responsibilities and procedures.

Phase I is expected to take about 6 months, and will involve the Townscape team of Bruce Tsuchida and Janis Reischmann, as well as Kuiwalu as the community outreach team. Kuiwalu's scope will extend through Phase II.

Phase II will establish an appropriate vision and philosophy as well as the preferred land uses for the waterfront. Phase II could also include additional professionals such as engineers, architects, financial and marketing advisers, as may be necessary to provide technical support for the Advisory Working Group.

The budget for Phase II will be developed after the scope is established, and reviewed by the Authority separately.

Mr. Takahashi introduced Bruce Tsuchida, President of Townscape, to expand on this approach and answer questions.

Mr. Tsuchida emphasized the community outreach effort. He explained his firm's approach to community outreach. The typical government agency procedure is to notify the public that a meeting will be held and that they are invited to attend to provide input. Townscape proposes going out to the community by identifying community groups and constituencies and attending their meetings or meeting one-on-one to hear their concerns. Mr. Tsuchida also stressed that the process be as inclusive as possible, which means trying to reach out to as many groups, public entities, agencies, legislators and key individuals as possible. Many people are concerned about the valuable land resource, so inclusiveness is critical. Mr. Tsuchida emphasized that Townscape really tries to reach out to everyone.

Chairperson Goshi asked whether there were any questions.

Member Bradley commented that he appreciated that approach of going out to the community and being proactive instead of just conducting a public

meeting. He asked Mr. Tsuchida to elaborate on how he identifies the groups he would go out to because there has been some criticism in the past of notices not going out and there are some people who have not necessarily been in the process.

Mr. Tsuchida responded that they would usually start with people who have already been involved in some aspect of the process, then in turn ask them to refer individuals, groups and organizations who have not yet been involved, but who they feel are important stakeholders. It would basically build a network of people trying to be inclusive as possible. Once the advisory group is formed, if there are still other stakeholders who are identified that should be at the table, then they are invited to participate.

Member Bradley stated that it sounds to be more through word-of-mouth networking as opposed to publicizing the meeting.

Mr. Tsuchida responded that they could do formal public notices in terms of the media.

Member Bradley encouraged public notices as part of the process because if a person was not part of the network, they would not receive any word about it and there should be an effort to notify the public at-large, that this is an opportunity for input.

Member Chang asked whether there was any timeline on the process.

Mr. Tsuchida replied that HCDA staff suggested a two phase process. Phase I is the outreach process which is estimated to take about six months to do outreach, conduct small group meetings and sessions, and then documenting that input and putting together a suggested process for Phase II. Phase II would actually be the advisory committee being formed and moving forward with ideas for development.

Member Chang commented that she liked Mr. Tsuchida's approach of being proactive and going out to the community and at the same time holding public meetings.

Mr. Tsuchida responded that the problem with general public meetings is that people often expect concepts or plans to be presented. In this case, the public meetings are to try to further identify stakeholders; his sense is that those meetings could get very chaotic.

Member Chang expressed her concern that it is good to do outreach, but at the same time people that are not contacted may not know what is going on, if there isn't a statewide effort to obtain input. It should be made clear to them that the purpose of the meeting is to gather input.

Mr. Dinell restated what he thought the Members were suggesting, which is in addition to going out to the community is to use Kuiuwalu in terms of press or media to reach those that might be interested to contact HCDA and from there Mr. Tsuchida can contact them as individuals or groups. An example of that is the Aloha Tower Development Corporation recently issued a press release asking whoever is interested in being a part of the group to assist in their Pier 5 and 6 development project to contact them. Mr. Dinell suggested getting the word out in multiple ways and then collect that information would meet the inclusiveness goal previously outlined.

Member Saito stated that he did not want to give up on the notion of bringing people together in a group meeting, because sometimes people don't want to participate individually. If there is a public meeting, collectively people will turn out and they also play off of each other. It creates synergy because someone might mention something that was not thought of and then they could chime in. Member Saito thought that having a public meeting would not be chaotic, but would provide a good forum.

Mr. Dinell replied that is part of the Phase II process which is the advisory working group.

Mr. Tsuchida stated that was the way it was outlined; however, Mr. Saito is suggesting the public meeting be part of Phase I.

Member Saito commented that HCDA is seeking a good representation and he thought that a segment of people might be lost if they are not allowed as a group.

Member Chun asked how the information would be conveyed back to the stakeholders and the Authority.

Mr. Tsuchida responded that he would prepare a report to the Authority and report back to the individuals that provided input. But after that, those people may serve on the Phase II advisory committee that would be meeting through a series of meetings and workshops to develop recommendations for the development of the site. The effort in Phase I is to identify as inclusively as possible those stakeholders and then invite them to participate in the advisory committee in Phase II.

Member Kimura commented that he agreed with the statements of the previous Members that the process needs to be totally transparent so if anyone wants to provide input should be able to do so and not necessarily get invited to attend. He agreed that it should be opened to as many people possible who want to participate.

Chairperson Goshi questioned how large the advisory committee would be.

Mr. Tsuchida replied that is always the dilemma in this kind of process. If the group is very large it may be difficult to manage to have coherent discussions, but if the group is too small then a lot of people would ask, "why was I excluded?" He answered that he didn't have a magic number. Once the process is started, it will determine how large the group will be. If the group needs to be larger rather than smaller, he would have to figure out a way of having reasonable discussions with a larger group. Mr. Tsuchida suggested that one of the ways to do that is to have subcommittees that take on particular aspects of the project and then coming back together. The worst thing is to be perceived as being highly selective in who participates in that advisory group.

Member Saito suggested inviting everyone to attend. Typically coalitions form when people seek each other out who have similar concerns, so committees form themselves.

Member Lai suggested contacting the developers who took part in the RFP process the last time because they gathered a lot of data and they may also be able to refer other stakeholders.

Mr. Tsuchida responded that was a good point.

Member Liu commented that the size and composition of the ultimate advisory group can not be prejudged. He cautioned that when talking to stakeholders that they are not given the impression that by obtaining their input that they would automatically be part of the ultimate advisory group.

Mr. Tsuchida replied that he would be clear on that.

Member Bradley commented that in the beginning of the process people might have input or questions and that might change along the way as more information is provided. He asked whether there would be multiple stages of public input so that HCDA could solicit reactions to the plans early as opposed to having a concept, going out for an RFP and then having the public find out that it is too late to submit input.

Mr. Tsuchida answered that even after the advisory group has been officially formed in Phase II, the group would still be open to additional participants if they choose to.

Member Bradley stated that the key would be future public notices.

Mr. Tsuchida commented that the process needs to continually inform people of where the process is and the status.

Chairperson Goshi asked whether there was anyone from the audience who wished to make a statement.

Nancy Hedlund is a member of Ala Moana/Kakaako Neighborhood Board; however, she was not speaking on their behalf. She provided written testimony that is attached for the record.

Ms. Hedlund expressed her concern that the process is not responsive to House Concurrent Resolution 30 (HCR 30) because the focus is not on the groups and individuals who were part of the process and the plans are not for Kakaako Makai as a whole, but just a piece of it.

Ms. Hedlund commented that it is not really considered community participation until you bring everyone into the same room. Everyone will learn from each other when you hold community meetings. The advisory group does not address those who participated in the past year's activity. Ms. Hedlund is concerned that in Phase II engineers, architects and marketing people are being added and it might turn into a professional advisory group. There is nothing in the language that refers to a community advisory group.

Ms. Hedlund noted that \$120,000 is to be allocated and spent on the first phase of the project before the advisory working group is even formed.

Ms. Hedlund's other concern was that it doesn't address all of Kakaako Makai, but just a piece of it. The concept of interactivity extends into Kakaako Makai. She would like to see a holistic vision be applied to achieve a responsible scope of preservation in Kakaako Makai – one that includes Kewalo Park, the Kewalo Basin, those 36 acres of interest, and the pump station and surrounding areas.

Chairperson Goshi asked whether there was anyone else who wished to make a statement.

Michelle Matson represents the Kewalo Boaters Association. She provided written testimony that is attached for the record.

She supported the sentiments of the previous speaker. She stated that the staff recommendation is vague in areas and overlooks some facts.

The language in HCR 30, which was unanimously adopted by both the House and the Senate in April 2006, specifically, says to:

“...immediately convene a working group of interested stakeholders, particularly the groups and individuals that have surfaced in this controversy, to meaningfully participate in the development, acceptance, and implementation of any future plans for the development of Kakaako Makai.”

The intent of the Legislature’s advice to the HCDA was to immediately convene a working group, not six months or a year from the adoption of HCR 30. Further, the area to be addressed was clarified as Kakaako Makai, the area Makai of Ala Moana Boulevard that includes Kewalo Basin and the historic Kakaako Pump Station – not merely the 36.5 acres proposed to be developed in the January 2005 RPF. Thus, the future plans should be comprehensive and inclusive of all elements and assets of publicly-held lands in Kakaako Makai, not segmented plans contemplated in a piecemeal manner.

Both HCDA and the consultant are encouraged to maintain and respect the need for the community’s full participation and interaction at publicly-noticed meetings when the interested and affected groups and individuals are able to meet together.

In HCDA’s staff presentation in May 2006, it stated that the working group would develop by consensus the “key issues and ideas on future uses” of Kakaako Makai. Further, the advisory group composition would not be determined by the consultant, but would already be in place with defined roles, responsibilities and procedures.

Ms. Matson questioned why it would take six months at \$20,000 per month to select a permanent facilitator for Phase II. If meetings were to be held once a week at a reasonable time, the community outreach phase could be completed in two months or less. The remaining funds could then be allocated to Phase II of the advisory group.

Ms. Matson suggested that the experts and professionals participation on the advisory working group should be as ex-officio and non-voting members. She stated that with attention given to those issues and concerns she raised and with the associated remedies, the HCDA's approval of a contract with the chosen consultant would be fully supported at this time.

State Representative Anne Stevens stated that she was delighted that the community outreach would be starting. One thing that she learned through the past process that she found to be very helpful to the public was the interactive website that A&B set up to receive public comments. She didn't hear it mentioned and she thought it was a great way to gather information from the public at-large and something that the consultant should consider as well.

Ron Iwami, representing Save Our Kakaako, stated that he promised the people of the organization he heads that he would follow through on the Kakaako Makai issue and that they would be part of the planning process. He thanked HCDA for a planning process. However, he has some concerns. Mr. Iwami wanted to know how Townscape was selected because the facilitator plays an important role in the planning process; it develops the advisory working group setting and protocol. He thought the public should be part of the planning process to select the facilitator. Mr. Iwami also asked about a timeline because that wasn't clear and he wanted to give the people involved with the Save Our Kakaako Coalition assurances that the right development would eventually come to Kakaako.

Chairperson Goshi stated that there has been a lot of discussion. Before voting, he wanted to make it very clear that the Authority is not selecting a plan or concept. It is just a first step in the outreach to the community. The community will decide the next steps. Chairperson Goshi commented that he suspected an element of mistrust in the room and assured that this was the first step. He emphasized that it was not about picking a solution, but selecting a method.

Member Saito commented that as a first time Authority Member reading the resolution, the resolution says to immediately convene a working group. He wanted to know what the Authority has done to convene such a group.

Mr. Dinell answered that when the Information Item was presented in September, questions were raised on who would be on the advisory group and how would individuals be selected as well as being transparent and open and inclusive as possible. Staff took a step back and decided the most effective approach was to engage a neutral third-party to do the outreach and then come back to the Authority with the information gathered. Staff could immediately

convene a working group, but then the Authority would need to decide who would be in the group.

Member Saito said that reading from the resolution, it says, “to immediately convene the interested stakeholders, particularly the groups and individuals that have surfaced in this controversy.” So at the very least those people who have been participating should be in the working group.

Mr. Dinell replied that could be done, but the question was who else should be included.

Member Saito replied that the group should be immediately convened with those people that participated and to let those people figure out who else should be included, possibly with the help of a consultant. It appeared to him that HCDA was not complying with the resolution. If the intent were to comply with the resolution, it says to immediately convene, that means as fast as possible. He thought that is what should be done.

Mr. Dinell stated that the feedback staff received in September was the cautionary note of who else should be included and thus having a fair, transparent and open process was more important than expediency.

Member Saito replied that the group can decide, but it should start with the known people.

Chairperson Goshi stated that he sees the word “immediately” in a different point of view. To be effective is to get a broad base outreach to the community. If not the Authority would suffer the same way. The other issue is that people are busy, for a large group of 50 or 60, it will be lucky if all could show up on the same day.

Member Saito stated that he understood the Chairperson’s argument that it logically made sense. But referring back to the first part of the resolution it says immediately convene because they want this group to meaningfully participate in the development, if HCDA doesn’t convene this group immediately, the Authority shouldn’t be doing anything. Any kind of planning and development in the meantime would be in violation of this resolution, because the Legislature wants this working group to meaningfully participate in the discussion.

Member Liu commented that at this point there is no plan.

Member Saito questioned whether there were any other project being worked on in the Makai area.

Member Kimura commented that the Authority did meet and discuss the issue. HCDA chose to do it in a way that is logical and rational so as to not be criticized for not being transparent.

Member Saito stated that no development planning could occur until the meeting is convened.

Mr. Dinell responded that would impact projects like the University of Hawaii and Office of Hawaiian Affairs (OHA). Staff could tell those organizations that HCDA can't do anything until this process is finished, but that would be a policy decision on the Authority's part.

Member Liu stated that at this time there is no master plan and no direction for Kakaako Makai. The attempt that the Authority did with A&B was the best effort based on a previous planning process. There is a misunderstanding that the Authority came up with the A&B proposal and that wasn't the case. There were years of community input and planning which led to a conceptual plan which the Authority decided to turn into a RFP and surfaced the bidders. That is currently off the books, and there is no master plan. Individual proposals such as OHA's development weren't part of HCDA's plan. The UH Cancer Research Center and Kamehameha Schools also have their projects. The question now being asked is whether Kakaako Makai should include everything.

Member Saito asked whether the Authority received legal advice from the Deputy Attorney General. The resolution says any future plans for the development of Kakaako Makai; it doesn't say only the master plan. He requested an opinion.

Member Lai asked Deputy Attorney General Mel Nishimoto for a copy of the resolution to review the language.

Member Liu stated that immediately after the resolution was passed, Mr. Dinell asked the question. There were some groups that were more visible through the process than others. There were those that commented on the website. The question was does the Authority include everybody, does the Authority pick and choose, those are the things staff grappled with. Once you don't select someone, they have some cause of action to say that it was not inclusive.

Member Saito stated that he thought the message that the Legislature was saying was that HCDA should listen to this group that convinced the Legislature to stop the Waterfront project.

Member Liu stated that this process does include them. This is just the start of that process. This process is the Authority's best attempt to meet the legislative intent as stated in the HCR. The practical aspect of the environment that the Authority is facing needs to be factored into the process.

Chairperson Goshi stated that the key was to do the right thing and the right thing is to include everybody.

Member Saito said that he could accept that if the most immediate time that the meeting could be convened was in six months.

Member Liu replied that this process, in the Authority's judgement, is the most immediate way, based on the environment that HCDA is facing. It is the best way to meet the Legislature's request.

Chairperson Goshi noted that this is a two step process. No plans are being talked about and the next step will be determined after Phase I. Part of the process is getting started and that is what the Authority is doing. He stated that he doesn't know where the process will lead and he wants to keep it open and to see where the process ends up.

Member Bradley asked that the definition of Kakaako Makai be addressed.

Mr. Dinell responded that from staff's point of view, since HCR 30 surfaced over A&B's waterfront development at the same time the Legislature passed the cigarette tax so the University could build the Cancer Research Center (CRC) and legislators were also aware of OHA's planned development, staff did not interpret that the Legislature intended to stop those developments only the A&B project and the RFP. The working group needs to focus on what is available, and that is the 36.5 acres of land and how it relates to the surrounding developments. The challenge is interpreting what the Legislature is trying to say because there were several things happening simultaneously during the last session.

Member Bradley stated that it makes sense that the Legislature funded the Cancer Research Center so why would they impede that development. However, he questioned the pump station and Kewalo Basin developments.

Mr. Dinell responded that staff has purposely not done anything to limit future options with those sites. There was a study done on the pump station, but nothing more has been done except establish a small parking area. With regard to Kewalo Basin, on July 1, 2007, DOT is relinquishing management so a user group has been formed to plan on how to continue the operations at Kewalo Basin. Staff has received direction from the Authority not to do anything there that precludes any future options. In fact, at an upcoming Authority meeting, a business plan for Kewalo Basin will be presented to explain the operation and management. The idea is not to enter into any long-term agreement for the pump station or the boat harbor.

Chairperson Goshi stated that the difficult part is forming the advisory group. The Authority has two choices: either the Authority forms the advisory group; or the consultant conducts community outreach and then the Authority convenes the advisory group. The Authority felt that selecting the later choice was the more open and transparent way to do it. Thus, Chairperson Goshi believes that this is the first step. He suggested letting Mr. Tsuchida go out into the community to gather information and then the Authority would be able to make better decisions.

Member Bradley commented that if something was done in the form of a charrette that would be considered a working group. He also stated that he did not want to select the people for the advisory group.

Chairperson Goshi stated that the Authority is trying to start Phase I, which is to do outreach in the community and then form the group. No one is comfortable in picking the people who should be on the advisory group.

Member Saito requested the Deputy Attorney General's opinion on what plans could move forward.

Deputy Attorney General Mel Nishimoto stated that whatever plans the Authority has now would still be in effect. For the Makai Area, it says "acceptance of implementation of any future plans for the development of Kakaako Makai," he interpreted that to mean that nothing can be done until the plans are prepared for Kakaako Makai.

Member Saito questioned what kind of plans does that include.

Deputy Attorney General Nishimoto replied that he thought it meant all encompassing.

Chairperson Goshi questioned whether future matters needed to be deferred.

Mr. Dinell replied that the matter doesn't have to be deferred, but rather that meaningful community participation takes place. He stated that he would hate to see development of the CRC be stopped because of this resolution as he did not believe that was the Legislature's intent.

Deputy Attorney General Nishimoto stated that if there is meaningful participation and there is no final plan, his interpretation is for a comprehensive plan for the whole Kakaako Makai.

Mr. Dinell stated staff's recommendation is to authorize the executive director to contract with consultants necessary to form the advisory working group and expend up to \$120,000 of available funds subject to the release of funds and approval of the Governor.

Chairperson Goshi asked whether the scope of the advisory group was mentioned.

Mr. Dinell replied in the negative. He reiterated that this would be a two-step process. The contract is for Townscape to go out and talk to the community and bring the information back, from that a follow-on process will be developed to establish guiding principles that will result in the establishment of an appropriate vision and preferred land uses. Outreach should include additional public input through publicity and perhaps setting up an interactive website. There also needs to be a balance of expectations, just because a group or individual provided input doesn't mean that they will be on the advisory group. Also, the whole process needs to continually inform the public.

Member Liu reread the motion: "the recommendation is to authorize the executive director to contract with consultants necessary to form the advisory working group and expend up to \$120,000 of available funds subject to the release of funds and approval of the Governor."

Chairperson Goshi stated that the vote is to start the process and that the scope is not part of it. Chairperson Goshi requested a motion to adopt staff's recommendation. It was moved by Member Kimura and seconded by Member Lai to adopt the staff's recommendation. Chairperson Goshi called for a vote. The motion was unanimously approved 7 to 0, with 1 abstention (Member Saito), 1 excused (Member Chun) and excluding Kalaeloa Members.

Member Bradley asked for clarification on the last motion.

Member Liu commented that he thought that the OHA and CRC development could proceed as long as there is meaningful participation.

Member Saito requested the Attorney General's opinion on that because the resolution says to form the advisory working group to meaningfully participate.

Chairperson Goshi recommended that time be spent on the language and then bring it up for discussion. He stated that he wanted to focus on starting the process.

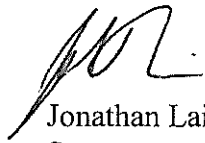
Mr. Dinell replied that staff would seek guidance from the Attorney General's office.

Chairperson Goshi stated that more time will be spent on the issues; staff will review and come back to the Authority.

V. ADJOURNMENT

There being no further business, it was moved by Member Mukaigawa and seconded by Member Kimura to adjourn the meeting at 11:44 a.m. The motion passed 8 to 0, with 1 excused (Member Chun) and excluding the Kalaeloa Members.

Respectfully submitted,


Jonathan Lai
Secretary

Statement Submitted to the Hawai'i Community Development Authority
November 1, 2006

Nancy Hedlund, Member, Ala Moana/Kaka'ako Neighborhood Board

My first comment is to commend the HCDA for moving forward on identifying Townscape to facilitate the planning process. But the remainder of my comments are concerns about the proposed activity.

Although the proposed consultancy is said to be responsive to the House Concurrent Resolution 30, the proposed course of action is clearly not responsive to the actual resolution, which asked HCDA to "immediately convene a working group of interested stakeholders, *particularly the groups and individuals* that have surfaced in this controversy, *to meaningfully participate in the development, acceptance, and implementation* of any future plans for the development of Kakaako Makai."

1. The **timing and method** described for Townscape's first six months calls only for "reaching out to stakeholders" in a systematic way and *from this* (after this) making recommendations as to the composition of the "Advisory Working Group." This means that almost a **full year** (11 months) will pass between the resolution and the naming of the group. I note that in earlier discussions, this was referred to as a community advisory group and process, but the "community" appears to have been removed. In fact, the only appearance of the word "**community**" in the document is in the name of the HCDA and the reference to Townscape's community outreach team.
2. Nothing in the "action document" for today's meeting assures that the AWG group will be composed of the people referenced in Resolution 30: "interested stakeholders, *particularly the groups and individuals* that have surfaced in this controversy, *to meaningfully participate in the development, acceptance, and implementation* of any future plans for the development of Kakaako Makai." Instead, the document references only the addition in Phase II of professionals, such as engineers, architects, marketing, and realtors.
3. The Action document for today's meeting does not suggest a planning process for Kaka'ako Makai, and instead defines the scope as *excluding* certain land that was going to be developed as part of the previous RFP. I am referring to Kewalo Park, which was earlier destined to be the location for one or two restaurants, underground parking, and at one time even a bridge over the channel.
4. Finally I note that fully \$120,000 is to be allocated and spent on the first phase of the project before the [no-longer-community] advisory working group is even formed.

Some of us had dared to hope for the potential to see development of a broad-based commitment to the preservation of land, landmarks, open spaces, and parkland opportunities in Kaka'ako Makai so Honolulu can achieve the vision of a major city park on a par with Ala Moana and Kapiolani Parks – and even create our own equivalent of a grand park like NYC's Central Park.

The need for a large area of bona fide park space is well-justified by current growth in residential high-rise developments in Kaka'ako and Downtown. The population growth into the 20-30 thousand people range gives ample evidence that the standards for public park space are worthy of respect and commitment by the HCDA. To date, these standards do not appear to be included in the considerations for the Kaka'ako neighborhood.

The unique position of Kaka'ako relative to Downtown and Ala Moana/Waikiki is deserving of equal respect by HCDA. I am here referring to the recent report by Plan Pacific for Kaka'ako which highlighted the interactivity of Kaka'ako with other neighborhoods on its boundaries.

This concept of interactivity extends into Kaka'ako Makai. We ask that a holistic vision be applied to achieve a responsible scope of preservation in Kaka'ako Makai – one that includes Kewalo Park, the Kewalo basin, those 36 acres of interest, AND the pump station and surrounding areas.

Two of us from this community recently participated in an International Waterfront Development Conference in Portland, Oregon, and I will be submitting a report on this conference to the HCDA Board by mid-December. This conference gave public recognition to a myriad of beautiful developments of waterfronts around the world, from China to Long Island City to Vancouver to Milwaukee.

In common to all of these developments was respect for the beauty of shorelines and respect for public access to these shorefront areas for recreation and quality of life. This principle was founded on preservation of shorelines for future generations. Engagement of interested and affected communities and stakeholders was also respected, though more in some projects than others.

But across every project was the theme that the “users” of these areas want to participate in the decisions about how to respect, beautify, and preserve the space for our children's children.

What do I call this? I call this VISION. A vision for the shoreline that holds beauty, access, preservation, and community decision-making as the highest principles.

We now ask you for VISION. Not the vision of million-dollar apartments or more restaurants in Kaka'ako. But VISION in the form of a consultancy with the appropriate scope and methods to fully protect the Honolulu shoreline and assure safe access that contributes to quality of life and thriving of the community -- instead of how to make money from the shoreline. If we do the right thing with this land for Hawai'i's future, the social and economic dividends will become possible because doing the right thing will bring its own supply of means and support to the endeavor.

It won't make developers or realtors millions of dollars in profits. But it will achieve far more for humanity, for our civilization, by preserving this land for the future.

Please revise this Phase I workplan to include the community in a vital and meaningful engagement with the planning process.

Nancy Hedlund

Action for the November 1, 2006, HCDA Board Meeting
Testimony by Michelle S. Matson - Kaka'ako Shoreline Park Plan

The staff recommendation to the HCDA Board regarding the action item pertaining to a "Contract with Consultants to Organize an Advisory Working Group" is welcome, but it is vague in areas and overlooks some facts.

First, the State Legislature's advice to the HCDA under HCR 30, which was unanimously adopted by both the House and the Senate in April, 2006, was specifically to:

"...immediately convene a working group of interested stakeholders, particularly the groups and individuals that have surfaced in this controversy, to meaningfully participate in the development, acceptance, and implementation of any future plans for the development of Kakaako Makai." (Emphasis added.)

To those of us who were present throughout the legislative hearings, the meaning of HCR 30 is crystal clear. The intent of the Legislature's advice to the HCDA was to immediately convene a working group. Not six months or a year from the unanimous adoption of HCR 30 - but to immediately convene a *collective working group* of the directly interested and affected groups and individuals familiar to the Legislature - and particularly not segmented meetings over "multiple avenues" with undefined entities, as the staff recommendation leads some to believe.

Further, the area to be addressed was clarified as Kaka'ako Makai. Kaka'ako Makai is the area makai of Ala Moana Boulevard that includes historic Kewalo Basin to the east and the historic Kaka'ako Pump Station to the west - not merely the 36.5 acres proposed to be developed in the January 2005 RFP. The HCR does not segment Kaka'ako Makai in this way, nor should the HCDA. Thus, the "meaningful development, acceptance and implementation of any future plans for the development of Kaka'ako Makai" should be comprehensive, and inclusive of all elements and assets of publicly-held lands in Kaka'ako Makai, not segmented plans contemplated in a piecemeal manner.

Indeed, Bruce Tsuchida of Townscape has a commendable track record in successful consensus building and community-based planning. But this recognized reputation was built with all the interested and affected community members gathered together. Both the HCDA and the consultant are encouraged to maintain this course and respect the need for the community's full participation and interaction at publicly-noticed meetings when the interested and affected groups and individuals are able to meet together, which would not ordinarily be during daily working hours.

In addition, we are reminded of the HCDA's staff presentation of the proposed advisory working group in May, 2006. It would be the working group, not the consultant, who would develop by consensus, with the consultant as facilitator, the "key issues and ideas on future uses" of Kaka'ako Makai. Further, the "AWG composition" would not be determined by the consultant, but would already be in place with defined roles,

responsibilities and procedures. This has not yet occurred, so perhaps the HCDA staff does need consultative assistance with this process. However, the Advisory Working Group has been defined by the Legislature and the HCDA has the list and contact information for the directly interested and affected groups and individuals referenced in HCR 30.

There is also a question why it would take six months at \$20,000 per month to “select a ‘permanent’ facilitator for Phase II” to continue the planning process, as discussed on page 2. In the HDCA staff’s original presentation, it was the Advisory Working Group that was to determine the “permanent” facilitator following development of rules and procedures. And there appears to be little reason to change canoes midstream if open review determines that the present “interim” consultant-elect has continued on their experienced path of participatory community-based planning and consensus-building.

The essential actions of establishing the “appropriate vision and philosophy and the preferred land use(s)” for Kaka’ako Makai will logically begin following open presentation of all recommendations and ideas garnered during the community outreach phase. But the community outreach phase should not take six months to accomplish. If a community outreach meeting were held once a week at a reasonable time when working participants can be present, the community outreach phase could be completed in two months or less.

The remaining four months of funds could then be allocated to the existing Advisory Working Group’s task of establishing the “appropriate vision and philosophy and the preferred land use(s)” for Kaka’ako Makai in the second phase of the planning process. Thus, there would be no need for a budget to “await the formation of the Advisory Working Group to establish the scope and need for professional support.”

Here, during the second phase of this participatory planning process, the advice and recommendations by *independent experts* such as soils and structural engineers, health department advisors, cultural and historic preservation practitioners, urban public-use facility planners, building and landscape architects, and other professionals will be a valuable contribution to the comprehensive context of the Kaka’ako Makai master plan. However, as these experts should participate on an independent advisory level, and since some may be special interests in and of themselves, their participation on the Advisory Working Group should be in an ex-officio non-voting capacity. Further, there would be no need for the special interests of labor leaders, developers, realtors and business executives to intervene during this phase.

With attention given to the above and with the associated remedies, the HCDA’s approval of a contract with the chosen consultant could be fully supported at this time.