


Reviewed and approved by Executive Director: 
September 1, 2021

FOR INFORMATION

Honuakaha Senior Rental Housing Project

I. SUBJECT

Financial Position and Operations of the Honuakaha Limited Partnership, Owner of the Honuakaha Senior Rental Housing Project, located at 545 & 547 Queen Street, Honolulu, Hawaii, and Identified as Tax Map Key Numbers: 1-2-1-031-021.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5-(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities for the subject agenda item.

II. BACKGROUND

Honuakaha Limited Partnership: The Hawaii Community Development Authority ("HCDA") is the General Partner in the Honuakaha Limited Partnership ("HLP"). The HLP developed and operates the Honuakaha Senior Rental Housing Project ("Project").

Honuakaha Senior Rental Housing Project: This Project consists of 141 studio units and 9 one-bedroom units rented to individuals 62+ years of age with gross household income which does not exceed 60% of Area Median Income

III. DISCUSSION

The Project was developed in 1995 as a senior rental housing project utilizing Low-Income Housing Tax Credit (LIHTC) on land owned by the HCDA. The affordability requirement for a LIHTC project is 30 years and the Project needs to remain affordable at 60% of area median income (\$50,800 one-person household) until the year 2025. Given the demand for affordable senior rental housing units it is advisable to keep the Project affordable long-term.

Monthly rent for studios in the Project is \$600 and one bedroom is \$700. Currently the annual operating cost for the Project including the association maintenance fee is more than the revenue. The current operating deficit is approximately \$25,000 per month. The association maintenance fee delinquency is approximately \$800,000.

Staff is working on developing a financial plan to keep the Project as an affordable senior rental housing project long-term.

IV. NEXT STEPS

Develop a financial plan to keep the Honuakaha Senior Rental Housing Project as an affordable senior rental housing project long-term.

Prepared By: Craig Nakamoto, Communications Director *Craig Nakamoto*

Reviewed By: Garet Sasaki, Administrative Services Officer *Garet Sasaki*

Approved By: Deepak Neupane, P.E., AIA, Executive Director *JH*

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

Wednesday, September 1, 2021

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii met virtually (utilizing the state-supported Zoom Meeting platform) for a meeting on September 1, 2021.

Board Chairperson, Jason Okuhama, called the meeting to order at 11:16 a.m.
Those present were as follows:

Members Present:

Jason Okuhama, Chairperson
Kevin Sakoda
Philip Hasha
Chason Ishii
David Rodriguez, DOT (Ex-Officio)
Craig Hirai, B&F (Ex-Officio)
Susan Todani

Members Excused:

Dean Uchida, DPP (non-voting)
Wei Fang
Cultural Specialist (Vacant)

Legal Counsel:

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

Staff Present:

Deepak Neupane, Executive Director
Lindsey Doi Leaverton, Asset Manager
Craig Nakamoto, Compliance Assurance & Community Outreach Officer
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary

A quorum was present.

Acknowledgement that the Meeting is Being Convened Virtually

Chair Okuhama reiterated the wording contained in the Meeting Agenda regarding the state’s response to the COVID-19 pandemic, the state’s efforts to slow the community spread of the virus and Governor David Y. Ige’s issuance of Supplementary Emergency Proclamations which suspended Chapter 92 of the Hawaii Revised Statutes to the extent necessary to enable

public boards and commissions to conduct business without holding meetings open to the public.

With regard to the foregoing, Chair Okuhama reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link and HCDA's YouTube Channel contained in the meeting agenda, HCDA also welcomes public comment and public participation via submission of written and or verbal testimony (consistent with the social distancing guidelines and Emergency Proclamation directives in effect).

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

II. APPROVAL OF MINUTES

1. Regular Meeting Minutes of August 4, 2021

Minutes were approved as presented.

III. ACTION ITEM

2. Request to Establish a Permitted Interaction Group Pursuant to Hawaii Revised Statutes §92-2.5 (b) to Review the HCDA's Reserved Housing Program and Make Recommendations to the Authority on Maintaining Long-Term Affordability of Reserved Housing Units.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities and HRS §92-5(a)(8), to deliberate or make a decision upon a matter than requires the consideration of information that must be kept confidential pursuant to a state or federal law, or a court order for the subject agenda item.

Mr. Deepak Neupane, Executive Director presented the staff report. Mr. Neupane noted concerns regarding the long-term affordability of Reserved Housing, particularly from the Community as well as HCDA's board members because of the recent Association fee increase at Ke Kilohana. Therefore, there is an interest to create a Permitted Interaction Group to review HCDA's Reserved Housing program and make a recommendation to the Authority.

The request and recommendation is to establish a Permitted Interaction Group to review the HCDA's Reserved Housing Program and make recommendations to the Authority in maintaining long term affordability of the Reserved Housing Units.

Member Sakoda questioned whether the action item should have been placed on the General Agenda.

Mr. Neupane noted, currently Kakaako is the only district with Reserved Housing units, therefore it was placed on the Kakaako agenda.

Public Testimony

Chair Okuhama called for public testimony. There was no request to provide verbal testimony.

Motion

Member Sakoda motioned for the Authority to establish a Permitted Interaction Group to review HCDA's Reserved Housing program and Make Recommendations to the Authority on Maintaining a Long-Term Affordability of Reserved Housing Unites.

Member Hasha seconded the motion.

Mr. Neupane conducted the roll call vote. Motion passed with 7 yes votes and 2 excused.

Member Okuhama named the following members to the P.I.G.:

1. Member Kevin Sakoda
2. Member Chason Ishii
3. Member Phillip Hasha; and
4. Member Susan Todani

3. Authorize the Executive Director to Defer the Payment of Shared Equity to Allow the Owners of Ke Kilohana Unit 1409 to Change the Title to their Unit by Removing the 1% Interest Owner?

HCDA Asset Manager, Ms. Lindsey Leaverton Doi, provided a summary of the staff report and noted this is an Administrative item for board action. The owner of Ke Kilohana Unit 1409 is requesting to change the title to the unit without triggering the payment of shared equity. According to the Unit Deed, Mr. Yasuma holds an undivided 99% interest in the property while Ms. Fuller holds an undivided 1% interest as Tenants in Common. Ms. Fuller decided to move back to Japan and is no longer interested in maintaining her 1% ownership and would like to transfer her 1% ownership to Mr. Yasuma.

Member Sakoda asked why someone would set up a unit as such.

Mr. Yasuma noted that he provided the down payment as well as monthly payments and at the time Ms. Fuller did not have a job and they agreed it was a fair agreement.

There were no further questions or comments from board members.

Public Testimony

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

Motion

Member Hasha motioned for the board to authorize the Executive Director to Authorize the Executive Director to Defer the Payment of Shared Equity to Allow the Owners of Ke Kilohana Unit 1409 to Change the Title to their Unit by Removing the 1% Interest Owner?

Member Ishii seconded the motion.

Ms. Leaverton Doi conducted the roll call vote. The motion passed with 7 Yes votes and 2 excused.

IV. INFORMATION & DISCUSSION

4. Financial Position and Operations of the Honuakaha Limited Partnership, Owner of the Honuakaha Senior Rental Housing Project, located at 545 & 547 Queen Street, Honolulu, Hawaii and Identified as Tax Map Key Numbers: 1-2-1-031-021.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities for the subject agenda item.

Executive Director Neupane presented the staff report and noted that the Honuakaha Senior Rental Project is located next door to the HCDA's office. He added that as he came on board as the Executive Director in October 2020, he was unaware of the issues with the Honuakaha Senior Rental Project and discovered through discussions with the HCDA's Asset Manager and ASO it was obvious that the Honuakaha Limited Partnership (HCDA General Partner, First Hawaiian Bank Limited Partner) is in financial trouble. Mr. Neupane wanted to bring this item to the board and provide an update to board members.

The project is a combination of several components that include 93 fee simple units that have been sold, 150 units for Senior Rental Housing – financed through low income housing tax credits, there is also a commercial component where Legal Aid Services of Hawaii is renting and also includes HCDA's offices.

Mr. Neupane added that the Honuakaha Senior Rental Housing Project includes 141 Studio units that are being rented for \$600.00 per month and 9 one-bedroom units at \$700.00 per month. He also stated that the last rental increase was in 2013. There is currently an operating deficit of \$25,000.00 per month, and also recently discovered that HCDA is delinquent in its share of maintenance fees that totals close to \$800,000.00. Mr. Neupane noted that he is working on a financial plan that will include looking into other financial liabilities, if any. He noted for the board that the details of the financial plan will be given to the board in executive session.

Public Testimony

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

Executive Session

Member Ishii motioned to enter Executive Session. Member Hasha seconded.

Chair Okuhama called for a voice vote; all members unanimously affirmed. Chair Okuhama requested the following people to participate in the Executive Session: HCDA Deputy Attorney General, Ms. Kelly Suzuka & Lori Sunakoda, HCDA Executive Director, Mr. Deepak Neupane, HCDA Secretary, Ms. Tommilyn Soares, and HCDA Program Specialist, Ms. Francine Murray.

Pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 11:43 a.m.

The Authority met in Executive Session until 12:56 p.m.

Chair Okuhama reconvened the meeting in public session at 12:56 p.m.

V. REPORT OF THE EXECUTIVE DIRECTOR

5. Monthly Report and Other Status Reports

- a. Approved permit applications that did not require HRS 206E-5.6 public hearings

Mr. Neupane provided an update on HCDA’s vacant positions and noted that Mr. Mark Hakoda joined HCDA as a Planner, there was an offer made to fill the Kalaeloa position. HCDA is pending Governor’s approval to fill two more positions – 1 Secretary and 1 Project Manager position. Mr. Neupane added that by October 1, 2021 all of HCDA’s vacant positions, with the exception of one Program Specialist IV position, will be filled.

There were no questions or comments from board members.

Public Testimony

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

VI. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Chair Okuhama thanked those who joined the meeting on Zoom and adjourned the meeting at 12:58 p.m.

Wei Fang, Secretary

Date approved by Board

Reviewed and Approved by Executive Director: 
October 6, 2021

FOR ACTION

I. REQUEST

Consider Authorizing the Executive Director to Make a Loan of Up To One Million Dollars (\$1,000,000.00) from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to the Honuakaha Limited Partnership (“HLP”) to Immediately Pay Off the Maintenance Fees Owed to the Association of Apartment Owners of Honuakaha (“AOAO”).

II. BACKGROUND

The financial status of the Honuakaha Senior Rental project (“Project”) was presented for information to the Kakaako board at its September 1, 2021 meeting.

Currently, the annual operating cost for the Project, including the AOAO maintenance fee, exceeds the annual revenue. The negative financial situation of HLP has resulted in HLP deferring payment of HLP’s allocable share of maintenance fees to the AOAO since July 2020. The deferred maintenance fees are \$654,144 as of October 2021 and will increase to \$981,216 by June 2022.


III. DISCUSSION


HLP is legally obligated to pay maintenance fees attributable to the Project. The payment of the maintenance fees has been deferred since July 1, 2020 and the payment should not be deferred any longer.

Staff is recommending that the Authority authorize a loan of up to \$1,000,000 to HLP, and cause HLP to use the loan proceeds to immediately pay off the maintenance fees. Staff is also recommending that the loan be an unsecured loan with no interest and a maturity period of 20 years with no prepayment penalty.

IV. RECOMMENDATION

Authorize the Executive Director to make a loan of up to \$1,000,000.00 from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to HLP, to immediately pay off the maintenance fees owed to the AOAO and undertake all tasks necessary to effectuate the purpose(s) of this For Action.

Prepared By: Craig Nakamoto, Communications Director 

Approved By: Deepak Neupane, P.E., AIA, Executive Director 

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

**Wednesday, October 06, 2021
MINUTES**

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii met virtually (utilizing the state-supported Zoom Meeting platform) for a meeting on October 06, 2021.

Board Chairperson, Jason Okuhama, called the meeting to order at 9:32 a.m.
Those present were as follows:

Members Present:

Jason Okuhama, Chairperson
Kevin Sakoda
Philip Hasha
Wei Fang
Chason Ishii
David Rodriguez, DOT (Ex-Officio)
Craig Hirai, B&F (Ex-Officio)

Members Excused:

Susan Todani
Dean Uchida, DPP (non-voting)
Cultural Specialist (VACANT)

Legal Counsel:

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

Staff Present:

Deepak Neupane, Executive Director
Lindsey Doi Leaverton, Asset Manager
Carson Schultz, Director of Planning & Development - Kakaako
Craig Nakamoto, Comp. Assurance & Comm. Outreach Officer
Garet Sasaki, Administrative Services Officer
Tessa Malama, Director of Planning & Development - Kalaeloa
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary

A quorum was present.

Acknowledgement that the Meeting is Being Convened Virtually

Chair Okuhama reiterated the wording contained in the Meeting Agenda regarding the state’s response to the COVID-19 pandemic, the state’s efforts to slow the community spread of the virus and Governor David Y. Ige’s issuance of Supplementary Emergency Proclamations which suspended Chapter 92 of the Hawaii Revised Statutes to the extent necessary to enable

public boards and commissions to conduct business without holding meetings open to the public.

With regard to the foregoing, Chair Okuhama reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link and HCDA's YouTube Channel contained in the meeting agenda, HCDA also welcomes public comment and public participation via submission of written and or verbal testimony (consistent with the social distancing guidelines and Emergency Proclamation directives in effect).

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

II. APPROVAL OF MINUTES

1. Regular Meeting Minutes of September 1, 2021

Minutes were approved as presented.

III. ACTION ITEM

2. Consider Authorizing the Executive Director to Make a Loan of Up To One Million Dollars (\$1,000,000.00) from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to the Honuakaha Limited Partnership to Immediately Pay Off the Maintenance Fees Owed to the Association of Apartment Owners of Honuakaha.

The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities, and liabilities for the subject agenda item.

HCDA Executive Director, Mr. Deepak Neupane, provided a summary of the staff report for this item. Mr. Neupane noted that he has put together a financial plan to address the situation. He explained the planned rent increases for current residents and greater increase for new residents. He added saying he has been contacted by multiple developers and affordable housing managers who are interested in purchasing the building. Mr. Neupane stated he has met with the Limited Partner, First Hawaiian Bank, and they have discussed different options moving forward. Lastly, Mr. Neupane explained his recommendation regarding the terms of the loan.

There were no questions or comments from board members.

Public Testimony

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

Member Sakoda motioned to enter Executive Session. Member Hasha seconded.

Chair Okuhama called for a voice vote; all members unanimously affirmed. Chair Okuhama requested HCDA Deputy Attorney Generals, Ms. Lori Sunakoda and Ms. Kelly Suzuka,

HCDA Executive Director, Mr. Deepak Neupane, HCDA Secretary, Ms. Tommilyn Soares, HCDA Compliance Assurance & Community Outreach Officer, Craig Nakamoto, and HCDA Program Specialist, Ms. Francine Murray to join the board in Executive Session.

Pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 9:44 a.m.

The Authority met in Executive Session until 11:10 a.m.

Chair Okuhama reconvened the meeting in public session at 11:10 a.m.

Motion

Member Fang motioned for the Authority to authorize the Executive Director to make a loan of up to one million dollars (\$1,000,000.00) from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to the Honuakaha Limited Partnership to immediately pay off the maintenance fees owned the Association of Apartment Owners of Honuakaha.

Member Sakoda seconded the motion.

Mr. Neupane conducted the roll call vote. Motion passed with 7 votes and 2 excused.

IV. REPORT OF THE EXECUTIVE DIRECTOR

3. Monthly Report and Other Status Reports

- a. Approved permit applications that did not require HRS 206E-5.6 public hearings

Mr. Neupane chose to stand on the written report as presented. He added saying that HCDA has filled three positions that were vacant: Kalaeloa Program Specialist, Project Director, and Planning & Development Secretary. Mr. Neupane noted there is still one more vacant position and HCDA has requested for the Governor’s approval to fill that position.

There were no questions or comments from board members.

Public Testimony

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

V. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Chair Okuhama thanked those who joined the meeting on Zoom and adjourned the meeting at 11:14 a.m.

Wei Fang, Secretary

Date

Reviewed and Approved by Executive Director: *J. H. [Signature]*
November 3, 2021

FOR ACTION

I. REQUEST

Request to Establish a Permitted Interaction Group (“PIG”), Pursuant to Hawaii Revised Statutes §92–2.5(b), to Examine the Operations and Management of the Honuakaha Limited Partnership (“HLP”) relating to the Honuakaha Senior Rental Housing Project (located at 545 and 547 Queen Street, Honolulu, Hawaii 96813 and identified by TMK Number: 1-2-1-031-021) (“Project”) and Present the PIG’s Findings and Recommendations to the Authority.

II. DISCUSSION

The financial status of the Project was presented to the Kakaako Board at its September 1, 2021 and its October 6, 2021 meeting during an executive session.

After discussion in executive session at its October 6, 2021 meeting, the Kakaako Board authorized the Executive Director to make a loan of up to \$1,000,000.00 from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to HLP, to immediately pay off the maintenance fees owed to the Association of Apartment Owners of Honuakaha (“AOAO”) and undertake all tasks necessary to effectuate the purpose(s) of the action taken.

Questions remain about the operation and management of HLP and the financial and non-financial impact such operations and management may have on the Project and the Hawaii Community Development Authority (“HCDA”) in its role as the general partner of HLP.

III. RECOMMENDATION

It is recommended that the Authority establish a Permitted Interaction Group to examine the operations and management of the HLP relating to the Honuakaha Senior Rental Housing Project (located at 545 and 547 Queen Street, Honolulu, Hawaii 96813 and identified by TMK Number: 1-2-1-031-021) and present the Permitted Interaction Group’s findings and recommendations to the Authority.

Prepared By: Craig Nakamoto, Comp. Assurance & Comm. Outreach Officer *Craig Nakamoto*
Reviewed By: Garet Sasaki, Administrative Services Officer *Garet Sasaki*
Reviewed By: Deepak Neupane, P.E., AIA, Executive Director *J. H. [Signature]*

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

Wednesday, November 3, 2021

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii met virtually (utilizing the state-supported Zoom Meeting platform) for a meeting on November 3, 2021.

Board Vice Chairperson, Chason Ishii, called the meeting to order at 11:46 a.m. Those present were as follows:

Members Present: Chason Ishii, Vice Chairperson
Susan Todani
Peter Apo
David Rodriguez, DOT (Ex-Officio)
Gloria Chang, B&F (Ex-Officio)
Eugene Takahashi, DPP (non-voting)
Kevin Sakoda
Phillip Hasha
Vernon Inoshita

Members Excused: Wei Fang

Legal Counsel: Kelly Suzuka, Deputy Attorney General

Staff Present: Deepak Neupane, HCDA Executive Director
Garet Sasaki, HCDA Administrative Services Officer
Craig Nakamoto, HCDA Compliance Assurance & Community Outreach Officer
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary

A quorum was present.

Acknowledgement that the Meeting is Being Convened Virtually

Vice Chair Ishii reiterated the wording contained in the Meeting Agenda regarding the state’s response to the COVID-19 pandemic, the state’s efforts to slow the community spread of the virus and Governor David Y. Ige’s issuance of Supplementary Emergency Proclamations which suspended Chapter 92 of the Hawaii Revised Statutes to the extent necessary to enable public boards and commissions to conduct business without holding meetings open to the public.

With regard to the foregoing, Vice Chair Ishii reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link and HCDA's YouTube Channel contained in the meeting agenda, HCDA also welcomes public comment and public participation via submission of written and or verbal testimony (consistent with the social distancing guidelines and Emergency Proclamation directives in effect).

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

II. APPROVAL OF MINUTES

1. Regular Meeting Minutes of October 6, 2021

Minutes were approved as presented.

III. DECISION MAKING

2. Request to Establish a Permitted Interaction Group, Pursuant to Section §92-2.5(b) Hawaii Revised Statutes, to Provide Guidance to Staff on the Kakaako Mauka Area Rule (Hawaii Administrative Rule Chapter 15-217) Amendment and Appoint Authority Members to the Permitted Interaction Group.

HCDA Kakaako Director of Planning and Development, Mr. Carson Schultz, presented the staff report for this item. He reviewed the process of approvals and actions that the Kakaako Board and HCDA Staff have completed regarding the Mauka Area Rule Amendments and noted that forming this Permitted Interaction Group (PIG) is the next step in moving things along.

Members Todani, Inoshita, and Apo expressed their interest in participating in the PIG.

Member Todani asked if community members could be appointed to this group, and if so, do they need to be approved through this process or is it only the board members that need to be voted on and approved. Mr. Neupane stated it is only the board members at the current time and added that there is already an outside advisory group and that community members will be reached out to separately.

There were no additional questions or comments from board members.

Public Testimony

Vice Chair Ishii called for public testimony. There were no requests to provide verbal testimony.

Motion

Member Hasha moved to establish a Permitted Interaction Group, pursuant to Section §92-2.5(b) Hawaii Revised Statutes, to provide guidance to Staff on the Kakaako Mauka Area Rule (Hawaii Administrative Rule Chapter 15-217) Amendment and appoint Authority Members to the Permitted Interaction Group.

Member Todani seconded the motion.

Mr. Schultz conducted the roll call vote. Motion passed with 8 votes and 1 excused.

Vice Chair Ishii thanked the following Members for volunteering to participate in the PIG:

- Member Todani
- Member Inoshita
- Member Apo

3. Request to Establish a Permitted Interaction Group, Pursuant to Hawaii Revised Statutes §92-2.5(b), to Examine the Operations and Management of the Honuakaha Limited Partnership relating to the Honuakaha Senior Housing Project (located at 545 and 547 Queen Street, Honolulu, Hawaii 96813 and identified by TMK 1-2-031-021) and Present the Permitted Interaction Group's Findings and Recommendations to the Authority.

HCDA Executive Director, Mr. Deepak Neupane, presented the staff report for this item. Mr. Neupane provided an overview of the ongoing matter regarding Honuakaha and explained some future possibilities that have been discussed.

Member Sakoda asked what Mr. Neupane's expectations are for the PIG and where help is necessary. Mr. Neupane stated Members had previously expressed wanting to determine if there was any "bad act" that occurred to cause the delinquency, adding that Members had also wished to review the financial documents and financial reporting. He noted the PIG could also assist HCDA Staff in reviewing the possibility of selling the property to a Reserved Housing Developer.

Member Inoshita asked if either a forensic audit or a normal audit has been done. Mr. Neupane stated there have been annual audits of the financials of the project, but no forensic audit; he added, saying that may be something that the PIG could recommend.

There were no additional questions or comments from board members.

Public Testimony

Vice Chair Ishii called for public testimony. There were no requests to provide verbal testimony.

Motion

Member Hasha moved to establish a Permitted Interaction Group, pursuant to Hawaii Revised Statutes §92-2.5(b), to examine the operations and management of the Honuakaha Limited Partnership relating to the Honuakaha Senior Housing Project (located at 545 and 547 Queen Street, Honolulu, Hawaii 96813 and identified by TMK 1-2-031-021) and present the Permitted Interaction Group's findings and recommendations to the Authority.

Member Sakoda seconded the motion.

Mr. Neupane conducted the roll call vote. Motion passed with 8 votes and 1 excused.

Member Todani commented that volunteers are needed. Member Hasha stated volunteers could be called forward after voting to establish. Member Apo stated that Members could also be appointed to the PIG by the Chair, as long as the number of members allowed on the PIG is not exceeded. Mr. Neupane confirmed Member Apo's statement and stated there can be up to four Members on the PIG.

Vice Chair Ishii asked for volunteers to participate in the PIG. Members Hasha, Sakoda, Todani, Ishii volunteered to participate in the PIG.

Vice Chair Ishii thanked the following Members for volunteering to participate in the PIG:

- Member Hasha
- Member Sakoda
- Member Todani
- Vice Chair Ishii

IV. REPORT OF THE EXECUTIVE DIRECTOR

4. Monthly Report and Other Status Reports

a. Approved permit applications that did not require HRS 206E-5.6 public hearings

Mr. Neupane chose to stand on his report as it was written and provided to the Board Members and asked if there were any questions.

Member Sakoda commented on the diversity of the finances of all the HCDA Community Development Districts after sitting in on the He'eia meeting. He stated that having that perspective would be beneficial for all Board Members. Vice Chair Ishii asked Mr. Neupane to confirm whether Board Members are welcome to attend other HCDA Board Meetings besides their own. Mr. Neupane confirmed. Mr. Neupane also invited Members to reach out if they wanted a tour of the He'eia Community Development District.

Public Testimony

Vice Chair Ishii called for public testimony. There were no requests to provide verbal testimony.

V. ADJOURNMENT

There being no further comment or questions on the Report of the Executive Director, Vice Chair Ishii thanked those who joined the meeting on Zoom and adjourned the meeting at 12:14p.m.

Wei Fang, Secretary

Date

July 6, 2022

FOR INFORMATION

I. SUBJECT

Findings and recommendations of the Permitted Interaction Group (“PIG”) established at the November 3, 2021, HCDA Kakaako Board Meeting, pursuant to Hawaii Revised Statutes 92-2.5(b), to examine the operations and management of the Honuakaha Limited Partnership (“HLP”) relating to the Honuakaha Senior Rental Housing Project (“Project”) located at 545 and 547 Queen Street, Honolulu Hawaii 96813 and Identified by TMK 1-2-031-021.

Partners in the HLP include:

- HCDA – General Partner (1%)
- First Hawaiian Bank – Limited Partner (99%)

II. BACKGROUND

The PIG was established on November 3, 2021, due to questions about the operation and management of HLP and the financial and non-financial impact such operations and management may have on the Project and HCDA in its role as the general partner of HLP.

The members of the PIG are Chair Susan Todani, Vice Chair Chason Ishii, Member Kevin Sakoda, and Member Philip Hasha.

III. DISCUSSION AND/OR ANALYSIS

The following documents were provided to the PIG.

1. HLP Agreements
2. HLP Audit Reports (2011-2020)
3. HLP Monthly Financial Reports (2017-2020)
4. HLP Reserve Study (2020)
5. HLP Tax Returns (2017-2020)
6. AOA Honuakaha Agreements
7. AOA Honuakaha Audit Report (2016 and 2017)
8. AOA Honuakaha Monthly Financial Reports (2017-2020)
9. AOA Honuakaha Reserve Study (2020)

The PIG convened on Thursday November 18, 2021, and discussed the history of the Project, current status, and future plans. The PIG requested additional revenue and expense data.

The PIG convened on Monday, February 14, 2022, and reviewed the additional revenue and expense data, discussed funding requests and opportunities, and developed a preliminary strategy for the management of the Project.

Reviewed and Approved by Executive Director: *Craig Nakamoto*

September 7, 2022

FOR ACTION

I. REQUEST

Consider Authorizing an Additional Loan of Five Hundred Thousand Dollars (\$500,000.00) from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to the Honuakaha Limited Partnership, to Cover Continuing Operating Losses for the 12-month period July 2022 to June 2023 Relating to the Honuakaha Senior Rental Housing Project located at 545 Queen Street, Honolulu, Hawaii 96813, and Identified by Tax Map Key No. 2-1-031-021.

II. BACKGROUND

The financial status of the Honuakaha Senior Rental Project ("Project") was presented for information to the Kakaako board at its September 1, 2021 meeting. Operating expenses exceed the annual revenue.

The Kakaako board authorized the Executive Director to make a loan of up to \$1,000,000.00 at its October 6, 2021 meeting.

A Permitted Interaction Group was established on November 3, 2021 and presented its findings and recommendations on August 3, 2022. One recommendation was to increase rent 5% annually; however, the breakeven increase is approximately 25%.

III. DISCUSSION

The operating losses for the 12-month period June 202 – July 2022, excluding interest, depreciation, and amortization was approximately \$400,000. The request is for \$500,000 due to anticipated increases in costs (e.g., utilities and appliances).

A loan is needed to supplement the operations of the Project.

IV. RECOMMENDATION

Authorize the Executive Director to Make an Additional Loan of Five Hundred Thousand Dollars (\$500,000.00) from the Hawaii Community Development Special Fund, Reserved Housing Subaccount, to the Honuakaha Limited Partnership, to Cover Continuing Operating Losses for the 12-month period July 2022 to June 2023 Relating to the Project located at 545 Queen Street, Honolulu, Hawaii 96813, and Identified by Tax Map Key No. 2-1-031-021.

Prepared By: Garet Sasaki, Administrative Services Officer *Garet Sasaki*

Reviewed By: Craig Nakamoto, Executive Director *Craig Nakamoto*

The PIG convened on Friday, May 20, 2022, and finalized the findings and recommendations to be shared with the Authority.

Findings:

1. **Rent Increases:** Rent increases are needed to cover increases in expenses, reduce operating losses and maintain an adequate reserve. The last rent increase was in 2013 and rent should have increased incrementally over time. As a result, an operating deficit developed. The deficit was also compounded by the installation of air conditioner in all units, which increased utility expenses.

In January 2022, rents were increased for the first time in 9 years for existing tenants by 5%.

2. **Operating Losses:** The project is currently generating operating losses of about \$200K to \$460K annually.
3. **Reserve Study:** Reserve studies are needed to estimate the costs of repairing and replacing major components of the Project over time. The last reserve study was performed in 2001. As a result, large projects were not properly budgeted for.

In August 2020, a reserve study was performed. It indicated that during that year about \$240,000 was needed to be set aside by the AOA during that year. This reserve amount needs to increase every year to enable the project to fund the estimated \$3.48 million in needed future capital improvements.

Recommendations:

1. **Increase Rent Annually:** The PIG recommends the HCDA prepare a detailed budget every year and increase rent 5% annually.
2. **Unit Turnover:** Upon turnover of units, rents on new units are able to be increased to prevailing market rents which are substantially higher than current rents of existing tenants. However, higher rents are partially offset by a "turnover/releasing" period and any capital costs incurred to maintain units in preparation for new occupants.
3. **Reserve Study:** The PIG recommends the HCDA commission a reserve study bi-annually to ensure adequate funding of reserves, and associated budget requests.
4. **Performance Metrics:** The PIG recommends the HCDA develop, closely monitor and manage project operations based on a dashboard report which shows trends on a running monthly basis to include occupancy, net operating income, Section 8 statistics, unit turnover and receivables.

Final Comments:

1. The objective over the next two years will be to closely monitor the project performance, actively improve/stabilize cashflows and reduce the operating shortfalls.
2. The HLP was formed on December 3, 1993 and terminates on December 31, 2030. As in all real estate investments, it is prudent to revisit future strategy well in advance of the partnership termination date so that appropriate re-investment and operational decisions can be made. HCDA should revisit its strategy, which involves discussion with FHB, in 2024.
3. Loan Request: Despite the rent increase of 5%/year, given the expected continuation of operating shortfalls, supplemental funding will be needed – HCDA will requests funds annually for the subsequent fiscal year.

Prepared By: Garet Sasaki, Administrative Services Officer *Garet Sasaki*

Reviewed By: Craig Nakamoto, Executive Director *Craig Nakamoto*

Approved By:

Chair Susan Todani *Susan Todani*

Vice Chair Chason Ishii *Chason Ishii*

Member Kevin Sakoda *Kevin Sakoda*

Member Philip Hasha *Philip Hasha*

FOR ACTION

I. REQUEST

Whether the Authority Shall Adopt the Findings of the Permitted Interaction Group and Accept the Recommendations of the Permitted Interaction Group Established at the November 3, 2021, HCDA Kakaako Board Meeting, Pursuant to Hawaii Revised Statutes 92-2.5(b), to Examine the Operations and Management of the Honuakaha Limited Partnership Relating to the Honuakaha Senior Rental Housing Project located at 545 Queen Street, Honolulu, Hawaii 96813 and Identified by Tax Map Key No. 2-1-031-021 Presented During the August 3, 2022 HCDA Kakaako Board Meeting.

II. BACKGROUND

The Permitted Interaction Group (“PIG”) was established on November 3, 2021 and presented its findings and recommendations on August 3, 2022.

III. DISCUSSION

Findings:

1. Rent Increases: Rent increases are needed to cover increases in expenses, reduce operating losses and maintain an adequate reserve. The last rent increase was in 2013 and rent should have increased incrementally over time. As a result, an operating deficit developed. The deficit was also compounded by the installation of air conditioner in all units, which increased utility expenses.

In January 2022, rents were increased for the first time in 9 years for existing tenants by 5%.

2. Operating Losses: The project is currently generating operating losses of about \$200K to \$460K annually.
3. Reserve Study: Reserve studies are needed to estimate the costs of repairing and replacing major components of the Project over time. The last reserve study was performed in 2001. As a result, large projects were not properly budgeted for.

In August 2020, a reserve study was performed. It indicated that during that year about \$300,000 was needed to be set aside by the Honuakaha Limited Partnership (“HLP”) during that year. This reserve amount needs to increase every year to enable the project to fund the estimated \$5.70 million in needed future capital improvements.

Recommendations:

1. Increase Rent Annually: The PIG recommends the HCDA prepare a detailed budget every year and increase rent 5% annually.
2. Unit Turnover: Upon turnover of units, rents on new units are able to be increased to prevailing market rents which are substantially higher than current rents of existing tenants. However, higher rents are partially offset by a "turnover/releasing" period and any capital costs incurred to maintain units in preparation for new occupants.
3. Reserve Study: The PIG recommends the HCDA commission a reserve study bi-annually to ensure adequate funding of reserves, and associated budget requests.
4. Performance Metrics: The PIG recommends the HCDA develop, closely monitor and manage project operations based on a dashboard report which shows trends on a running monthly basis to include occupancy, net operating income, Section 8 statistics, unit turnover and receivables.

IV. RECOMMENDATION

Adopt the Findings of the PIG and Accept the Recommendations of the PIG Established at the November 3, 2021, HCDA Kakaako Board Meeting, Pursuant to Hawaii Revised Statutes 92-2.5(b), to Examine the Operations and Management of the HLP Relating to the Honuakaha Senior Rental Housing Project located at 545 Queen Street, Honolulu, Hawaii 96813 and Identified by Tax Map Key No. 2-1-031-021 Presented During the August 3, 2022, HCDA Kakaako Board Meeting.

Prepared By: Garet Sasaki, Administrative Services Officer *Garet Sasaki*

Reviewed By: Craig Nakamoto, Executive Director *Craig Nakamoto*

Approved By:

Chair Chason Ishii *Chason Ishii*

Member Kevin Sakoda *Kevin G Sakoda*

Member Phillip Hasha *Phillip Hasha*

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

Wednesday, September 7, 2022

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii, met virtually (utilizing the state-supported Zoom Meeting platform) for a Regular meeting on September 7, 2022.

Chairperson Chason Ishii called the September 7, 2022, HCDA Kakaako Authority Regular meeting to order at 10:30 a.m.

Acknowledgement that the Meeting is Being Convened Virtually

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

About the foregoing, Chair Ishii reiterated wording contained in the Meeting Agenda noting that 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, Hawaii 96813. He noted that the meeting would be live streamed on HCDA’s YouTube Channel contained in the Meeting Agenda and that HCDA also welcomes public comment and public participation via submission of written and or verbal testimony. Vice Chair Ishii stated that individuals, if any, from the public who have requested to provide testimony are on standby and will be permitted to speak during the public testimony session of the specific agenda item.

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

Members Present: Peter Apo
Sterling Higa
Mike McCartney, DBEDT (Ex Officio)
David Rodriguez, DOT (Ex Officio)
Dane Wicker, City and County of Honolulu DPP (Ex Officio)
Kevin Sakoda
Chason Ishii, Chairperson

Members Excused: Phillip Hasha
Craig Hirai, B&F (Ex Officio)

Legal Counsel: Kelly Suzuka, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General

Staff Present:

Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Administrative Services Officer
Lindsey Doi, HCDA Asset Manager
Tommilyn Soares, HCDA Executive Secretary

A quorum was present.

II. APPROVAL OF MINUTES

Regular Meeting Minutes of August 3, 2022

Chair Ishii asked for comments or corrections. There were none. The meeting minutes were approved as presented.

III. DECISION MAKING

Consider Authorizing the Executive Director to Enter into a Purchase and Sale Agreement with Victoria Ward, Ltd. (VWL) or its Affiliate, Involving HCDA's Purchase from VWL of the following Mixed-Use Parcels Owned by VWL, Located at 956/958 Queen Street, Honolulu, Hawaii 96813, and Further Described by Tax Map Key No. (1) 2-3-003-022, and Located at 955/957 Kawaiahao Street, Honolulu, Hawaii 96813, and Further Described by TMK No. (1) 2-3:094, for the Purpose of HCDA's Proposed Development of an Affordable Housing, Mixed Use Project on the VWL Parcels, the Total Purchase Price Which Shall Not Exceed \$6,250,000.00 as follows:

- a. Cash not to exceed the total amount of \$1,000,000.00 and,
- b. the transfer to Victoria Ward Limited, a total of 70,000 square feet of supplemental floor area from the Floor Area Bank (F.A.R.), with an agreed upon value of \$5,250,000.00, which VWL may transfer to development lots within its Masterplan,

and upon other terms and conditions as follows:

- c. Recognition by HCDA that approximately 70,019 sq. ft. of industrial floor area that could have been built by VWL on the VWL Parcels shall be applied as a credit against VWL's master plan requirement to provide approximately 740,000 sq. ft. of industrial floor area in VWL's master plan area; and
- d. Recognition by HCDA that VWL's obligation to maintain a minimum F.A.R. of 1.5 on VWL's Land Block 6, has been satisfied; and
- e. Subject to due diligence satisfactory to the Executive Director, the execution of a purchase and sale agreement for the VWL Parcels by December 31, 2022, provided, however, that if the parties are making good faith progress in preparing an agreement, the deadline may be extended by mutual agreement; and
- f. Other standard and customary representations, warranties, conditions,

terms, and agreements consistent with similar purchase and sale transactions.

HCDA Executive Director, Mr. Craig Nakamoto, presented the staff report provided in the board packet.

Member Sakoda asked if there is precedence in using this method to finance purchase.

Mr. Nakamoto responded that the current Floor Area (FA) bank holds FA derived from remnant parcels of land owned by HCDA and has limited market for this type of FA, in the past it has proven to have value to certain large-scale developers in this manner. In the past, HCDA has sold FA from the FA Bank to the developers of the Symphony and 404 Piikoi Phase IV projects. He also added that HCDA is fortunate to work with Howard Hughes and Victoria Ward Limited in a way that utilizes the FA bank to develop affordable housing mixed use projects within the district.

Member Wicker asked to confirm the two parcels, one along Queen Street and one along Kawaiahao Street.

Mr. Nakamoto confirmed and added that both parcels are 10,000 square-feet.

Member Wicker then asked how this concept was brought forth to HCDA.

Mr. Nakamoto responded that during the previous Executive Director's time, HCDA staff approached Howard Hughes/Victoria Ward Limited with the innovative idea in searching for land within Kakaako to develop as an affordable housing, mixed-use project.

Member Wicker asked if HCDA plans to market the planned units as rental or fee simple.

Mr. Nakamoto stated that is still yet to be determined and added that LIHTC rental housing provides the longest duration for affordability.

Member Wicker asked, once HCDA acquires these parcels, is it the intent to develop a plan sooner or is that up for discussion?

Mr. Nakamoto noted that once the due diligence is completed and satisfactory and the purchase is closed, HCDA would then develop as soon as possible through a request for proposal procurement process.

Member Sakoda stated that area is prone to flooding and asked if that is part of the due diligence process.

Mr. Nakamoto confirmed that will be included in the due diligence process. He added that there is a storage project being planned/constructed in the area and HCDA will monitor the area as the storage project is completed, he also stated that the City & County of Honolulu also plans to make improvements to the area.

Member Sakoda asked regarding the agreed upon price; with the third party's estimated price, how does that price compare with the annual income of the unit, in terms of a cap rate.

Mr. Nakamoto responded that HCDA received an Appraisal of the property and the \$6,250,000.00 is at the mid-range of the estimated value of the property. Currently, the property includes four leases that is estimated at \$200,000 per year. He added that will also be included in the due diligence of the property and HCDA anticipates it will need to take responsibility in some of the maintenance. The notion is that with the \$300,000, HCDA may be able to recover the \$1,000,000.00 within three years.

Mr. Nakamoto noted that Victoria Ward Limited is present online if board members have any questions for them.

There were no further questions from board members.

Public Testimony

HCDA received two written testimonies in support.

Ms. Reina Miyamoto, Hawaii HomeOwnership Center provided verbal testimony in support.

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

Chair Ishii asked for a motion to enter an executive meeting.

There was no motion made for an executive meeting.

Chair Ishii asked for a motion.

MOTION

Member Sakoda motioned for the Authority to authorize the Executive Director to Executive Director to Enter into a Purchase and Sale Agreement with Victoria Ward, Ltd. (VWL) or its Affiliate, Involving HCDA's Purchase from VWL of the following Mixed-Use Parcels Owned by VWL, Located at 956/958 Queen Street, Honolulu, Hawaii 96813, and Further Described by Tax Map Key No. (1) 2-3-003-022, and Located at 955/957 Kawaiahao Street, Honolulu, Hawaii 96813, and Further Described by TMK No. (1) 2-3:094, for the Purpose of HCDA's Proposed Development of an Affordable Housing, Mixed Use Project on the VWL Parcels, the Total Purchase Price Which Shall Not Exceed \$6,250,000.00 as follows:

- a. Cash not to exceed the total amount of \$1,000,000.00 and,
- b. the transfer to Victoria Ward Limited, a total of 70,000 square feet of supplemental floor area from the Floor Area Bank, with an agreed upon value of \$5,250,000.00,

and upon other terms and conditions as follows:

- c. Recognition by HCDA that approximately 70,019 sq. ft. of industrial floor area that could have been built by VWL on the VWL Parcels shall be applied as a credit against VWL's master plan requirement to provide approximately 740,000 sq. ft. of industrial floor area in VWL's master plan area; and
- d. Recognition by HCDA that VWL's obligation to maintain a minimum F.A.R. of 1.5 on VWL's Land Block 6, has been satisfied; and
- e. Subject to due diligence satisfactory to the Executive Director, the execution of a purchase and sale agreement for the VWL Parcels by December 31, 2022, provided, however, that if the parties are making good faith progress in preparing an agreement, the deadline may be extended by mutual agreement; and
- f. Other standard and customary representations, warranties, conditions, terms, and agreements consistent with similar purchase and sale transactions and further authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this for action.

Member Wicker seconded the motion.

There was no discussion, by board members, on the motion.

Mr. Nakamoto conducted the roll call vote.

The motion passed with 7 yes votes, and 2 excused.

Consider Adopting the Findings of the Permitted Interaction Group and Accept the Recommendations of the Permitted Interaction Group Established at the November 3, 2021, HCDA Kakaako Board Meeting, Pursuant to Hawaii Revised Statutes 92-2.5(b), to Examine the Operations and Management of the Honuakaha Limited Partnership Relating to the Honuakaha Senior Rental Housing Project located at 545 Queen Street, Honolulu, Hawaii 96813 and Identified by Tax Map Key No. 2-1-031-021 Presented During the August 3, 2022 HCDA Kakaako Board Meeting.

Executive Director Nakamoto presented the report of the Permitted Interaction Group (P.I.G.). The Honuakaha Limited Partnership (LP) is a Partnership between First Hawaiian Bank and HCDA to develop 150 studio and 1-bedroom units for Senior Citizens at an income level of 60% AMI or below, referred to as the Honuakaha Senior Rental Housing Project (Project). The Project is located next to HCDA's American Brewery Building. Affordable rental housing is an essential part of HCDA's mission and function. In 2021, the financial condition and operations of the Project were brought to the board's attention. The Kakaako board then convened the P.I.G. to examine the operations and management of the LP related to the Project. Starting in November 2021, HCDA staff presented background information and financial reports to the P.I.G. and the findings of the P.I.G. recognized that monthly rent should have been increased over time, which has not happened, resulting in a deficit. The last rent increase occurred in 2013. Contributing to the deficit were increases in expenses including the installation of air

conditioning units in all units, which increased utility expenses, supply chain issues, and increases in construction expenses when units are vacated and renovated. In addition to increasing rents, when tenants move out, the LP should renovate the vacant units in a timely manner to prepare for new tenants.

The P.I.G. found that the project continues to have operating losses and found that a reserve study needs to be updated to evaluate the current condition and estimated costs of maintaining the units and the Project.

The following are the P.I.G. recommendations:

1. Existing and new tenants to receive a 5% rent increase, annually;
2. Rent for new tenants (upon turnover of a unit) will be increased higher than that of the existing tenants. As a starting point, \$960 will be charged for a studio, per month and \$1150 for a 1 bedroom. Both rates are below HUD rates and will also be increased by 5% annually;
3. HCDA to commission a reserve study bi-annually to ensure adequate funding; and
4. Performance metrics will be closely monitored by HCDA and presented to the board.

There were no further questions from board members.

Public Testimony

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

There was no motion to enter into executive session.

Chair Ishii asked for a motion.

MOTION

Member Apo motioned for the Authority to adopt the recommendations of the Permitted Interaction Group established at the November 3, 2021, HCDA Kakaako Board Meeting, Pursuant to Hawaii Revised Statutes 92-2.5(b), to Examine the Operations and Management of the Honuakaha Limited Partnership Relating to the Honuakaha Senior Rental Housing Project located at 545 Queen Street, Honolulu, Hawaii 96813 and Identified by Tax Map Key No. 2-1-031-021 Presented During the August 3, 2022 HCDA Kakaako Board Meeting.

Member McCartney seconded the motion.

There was no discussion, by board members, on the motion.

Mr. Nakamoto conducted the roll call vote.