

AGENDA

- I. Call to Order**
- II. Roll Call and Determination of a Quorum**
- III. Approval of Meeting Minutes of August 1, 2023 and September 5, 2023**
- IV. Public Testimony**
- V. Report of the School Facilities Authority (“SFA”) Executive Director**
 - A.** Update on Expanding Pre-Kindergarten Access, New Schools, and Education Workforce Housing
 - B.** Update on Operations: Office Space, Personnel, and Strategic Planning
- VI. Public Testimony**
- VII. Discussion Items**
 - A.** Presentation on status of Request for Qualifications for Maui education workforce housing project
- VIII. Adjournment**

Meeting material is available online at <https://www.hisfa.org/>.

The Board accepts written testimony on any agenda item and strongly encourages it as the primary means of submitting testimony. Written testimony received 49 hours before the meeting will be posted publicly and distributed to Board members before the meeting. Individuals may submit written testimony in advance of the meeting via email to sfboard@hisfa.org, or by mail addressed to: School Facilities Authority, 75 Aupuni Street, Basement, Hilo, Hawaii 96720.

Individuals interested in signing up to provide oral testimony at the meeting may submit their name, email, and phone number to sfboard@hisfa.org. Individuals may provide oral testimony in-person at the meeting.

In accordance with Hawaii’s Sunshine Law (Hawaii Revised Statutes, Chapter 92), all testimony, whether written or oral, should be related to an item that is on the agenda.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Cindy Watarida at (808) 430-5531, or by email at cindy.watarida@hisfa.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled.

Upon request, this notice is available in alternate/accessible formats.

For further information, email sfboard@hisfa.org.

/s/ Alan Oshima

Alan Oshima, School Facilities Authority Board Chairperson

III. Approval of Meeting Minutes of August 1, 2023

SCHOOL FACILITIES AUTHORITY BOARD MEETING

MINUTES

Date: August 1, 2023
Time: 8:30 a.m.
Teleconference via Zoom

Members Present:

Alan Oshima, Chairperson
Harold Edwards
Bettina Mehnert
Candy Suiso

Staff Present:

Chad Keone Farias, Executive Director
Anne Horiuchi, Department of the Attorney General
Emma Christopherson, Department of the Attorney General
Ronald Rodriguez, Department of the Attorney General
Cindy Watarida
Greg Zabinski

AGENDA

- I. Call to Order – Chairperson Oshima called the meeting to order at 8:30 a.m.
- II. Roll Call and Determination of a Quorum – Four members were present at roll call. Quorum is established.
- III. Approval of the Meeting Minutes **Motion: To approve the July 6, 2023 meeting minutes.**
 - a. Movant: Edwards; Second: Suiso
 - b. Discussion: None
 - c. Vote: *voting of all members could not be completed; see below.*

The teleconference was disrupted when unauthorized content was projected on the screen. SFA made several attempts to regain control of the meeting, but was unable to remove the person projecting the unauthorized content or block the content.

- IX. Adjournment
The meeting was adjourned at 8:35 a.m.

III. Approval of Meeting Minutes of September 5, 2023

SCHOOL FACILITIES AUTHORITY BOARD

MEETING MINUTES

Date: September 5, 2023

Time: 8:30 a.m.

Teleconference via Zoom

Members Present:

Harold Edwards

Bettina Mehnert

L. Candy Suiso

Member Excused:

Alan Oshima, Chairperson

Staff Present:

Chad Keone Farias, SFA Executive Director

Alison Kunishige, SFA Deputy Executive Director

Cindy Watarida, SFA Business Manager

Greg Zabinski, SFA Project Manager

Anne Horiuchi, Department of the Attorney General

Emma Christopherson, Department of the Attorney General

AGENDA

- I. Call to Order – Member Harold Edwards called the meeting to order at 8:30 a.m.
- II. Roll Call and Determination of a Quorum – Members Edwards, Bettina Mehnert, and Candy Suiso were present at roll call. Quorum was established.
- III. Approval of the Meeting Minutes
Motion: To approve the July 6, 2023 meeting minutes.
 - A. Movant: Suiso; Second: Mehnert
 - B. Vote: 3 Ayes (Edwards, Mehnert, Suiso), 0 Noes, 0 Abstentions
 - C. Motion carries; minutes are approved.
- IV. Public Testimony
 - A. There was no public testimony.
- V. Update from the SFA Executive Director

A. Update on Act 257, LSH 2022

- i. ED Farias reported that the first cohort of 11 pre-kindergarten classrooms, were successfully opened. He noted the consistency between the classrooms and expressed his desire for legislative action so that the initial 37 classrooms would be eligible for upgrades to make them consistent with the 11 classrooms in the first cohort.
- ii. ED Farias reported that 29 pre-kindergarten classrooms were cleared for full inspection. He also reported that SFA is working with vendors on a website with updated data that informs the public, staff, SFA Board and contractors of progress and also allows contractors to upload their input.
- iii. ED Farias reported that SFA's goal is to open a total of 44 classrooms for the upcoming school year. He stated that there is online survey designed to determine whether any Department of Education ("DOE") schools are interested in opening pre-kindergarten classrooms. ED Faris stated that SFA has begun work with the Hawaii State Public Charter School Commission ("Commission") to gauge interest in new builds and renovations. He stated that there is interest in creating 13 charter classrooms, but SFA needs to determine whether there are issues when charter schools are located on private land.

B. Administrative Activities

- i. ED Farias reported that SFA is waiting for a letter from the Department of Accounting and General Services ("DAGS") which would allow them to initiate lease drafting and legal review of the lease, which is the final step in the leasing process for the office space identified in the One Kapiolani building.
- ii. ED Farias reported that SFA has fully staffed its four original positions again and is working on the eight positions appropriated by the Legislature. He stated that SFA posted a program and policy officer position, which will close this coming week and is planning on posting positions for program managers, a planner, a purchasing specialist, and a land agent position. ED Farias stated that SFA will hold off on posting an office assistant and user technology position for now. He described how DOE establishes the positions, the Department of Human Resource Development ("DHRD") posts the positions, and DOE manages the positions.
- iii. ED Farias reported that the SFA website is up and fully functional.

C. Other Updates

- i. ED Farias updated the Board on progress on teacher housing, reporting that SFA has contractors working on communications and consulting work. He stated that he is determining whether to issue a request for proposals or a request for qualifications. But hopes to issue something soon for projects on Maui and Oahu and is working with B&F to get money released and placed in two tranches.
- ii. ED Farias updated the Board on progress on new schools, reporting that SFA began work with DOE in March and two firms for a new middle and elementary school on Maui. He noted that SFA put out a contract for a feasibility study for East Kapolei and for the Kaimuki area.
 - i. Member Suiso asked what happens if a community asks for teacher housing. ED Farias explained that legislation requires SFA to look at placing teacher housing on school campuses in Nanakuli, Waipahu, and Mililani and to look for a site in Koolaupoko. He

stated that he is working on issuing a Request for Proposals and noted that the amount allocated toward teacher housing was reduced from \$170 million to \$50 million, which is not much for seven sites. ED Farias stated that he will report to the Board on progress SFA has made on legislation and noted that it is close to contract or in contract on everything.

VI. Update from the Department of Education

A. Curt Otaguro, Department of Education, Deputy Superintendent of Operations reported that representatives from DOE and SFA met with Lieutenant Governor Sylvia Luke to transfer all pre-kindergarten classroom responsibilities from DOE to SFA. He clarified that DOE would still support SFA and would continue to work with SFA on identifying schools that need or want pre-kindergarten classrooms. Otaguro noted that the volunteer phase, where schools volunteer space on campus for a pre-kindergarten classroom, is done and now DOE needs to look at data and work with principals to identify spaces in schools. He noted that there are a myriad of issues and a spectrum of readiness in this next phase. Otaguro stated that DOE shared a matrix of responsibilities with ED Farias and Lieutenant Governor Luke to clarify and formalize the transfer of responsibilities. He noted that even after this transfer of responsibilities, SFA would still be able to use DOE's procurement processes, like Job Order Contracting (JOC) and prequalified small contractor award process (PSC) and that DOE would work with SFA to develop a MOU or other agreement to allow this.

VII. Board Action Item:

A. Board Permitted Interaction Group Composition (PIGs)

- Maui Response

Motion: to create a permitted interaction group to investigate the Maui response with Chairperson Oshima and Member Suiso as members of the PIG.

i. Movant: Suiso; Second: Mehnert

ii. Discussion: Members discussed what the PIG members would be tasked with doing, the skills that each brings, and the DOE's role. ED Farias clarified that the PIG would provide him with guidance as work moves forward on schools on Maui.

iii. Vote: 3 Ayes (Edwards, Mehnert, Suiso), 0 Noes, 0 Abstentions

iv. Motion carries; motion is approved.

VIII. Additional Public Testimony

A. There was no additional testimony.

IX. Announcements

A. No announcements were made.

X. Adjournment:

A. Motion to adjourn the meeting.

i. Movant: Mehnert, Second: Suiso

ii. Discussion: None

iii. Vote: 3 Ayes (Edwards, Mehnert, Suiso), 0 Noes, 0

Abstention.

B. Motion carries; meeting adjourned at 9:25 a.m.

DRAFT

V. Report of the School Facilities Authority (“SFA”) Executive Director

A. Update on Expanding Pre-Kindergarten Access, New Schools, and Education Workforce Housing

B. Update on Operations: Office Space, Personnel, and Strategic Planning

Report of the School Facilities Authority Executive Director

October 3, 2023

EXPANDING PRE-KINDERGARTEN ACCESS

Pursuant to Act 257 (2022), the School Facilities Authority (“SFA”) was tasked with assisting the State in its efforts to expand pre-kindergarten access statewide through the construction of new school facilities, renovation, improvement, and expansion of existing school facilities. SFA is also involved in numerous collaborative meetings related to the pre-kindergarten expansion plan. Lieutenant Governor Sylvia Luke leads a monthly meeting attended by SFA and various public and private partners to discuss the progress and furthering the efforts of the State’s [Ready Keiki](#) initiative.

Update:

DOE. Last month, the Department of Education (“DOE”) reported that it was transferring all responsibilities for pre-kindergarten classrooms to SFA. On September 19, 2023, SFA started scheduling and facilitating bi-weekly check-in meetings with DOE, EOEL, and its consultants. SFA has set a bi-weekly check-in schedule through the end of the 2023-2024 school year. DOE is working with SFA to ensure there is documentation in place that enables SFA to use DOE’s procurement processes, including job order contracting (“JOC”) and pre-qualified small contractor award process (“PSC”) to continue classroom renovations. SFA’s goal is to open 44 pre-kindergarten classrooms for the 2024-2025 school year. At this time, SFA has identified 33 classrooms, so it is on-track to meet its goal.

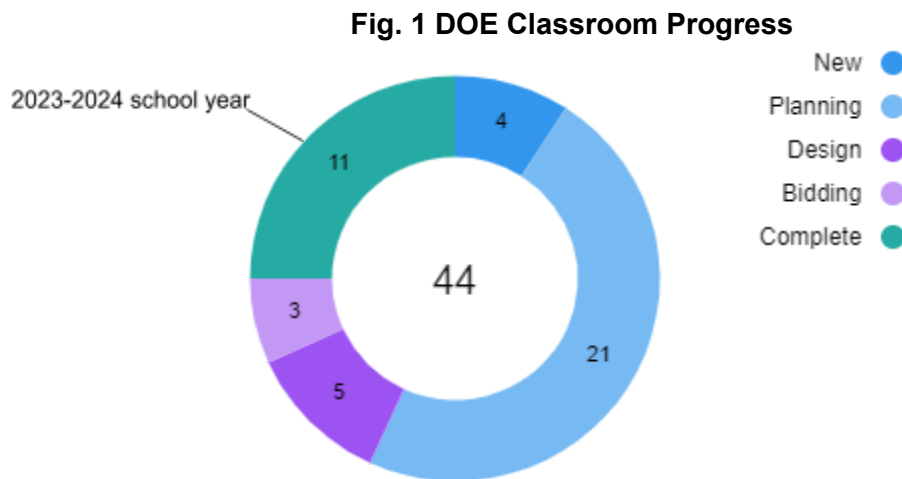


Fig. 1 Source: Salesforce, September 26, 2023

2-year Goal: Open 55 classrooms (11 in 2023-2024 and 44 in 2024-2025)
Current Need: Identify 11 more classrooms for 2024-2025 School year

Charter Schools. SFA is continuing to work with charter schools to identify classrooms for renovation and construction. At this point, there are 13 charter school classrooms identified.¹ Two firms are working on educational specifications for charter school pre-kindergarten classrooms. I visited Waialae Charter School with Aldric Ulep from the Lieutenant Governor's office, to see the three classrooms they have identified for pre-kindergarten renovation and the outside spaces that they hope to incorporate for aina-based learning. The next step is for architect and engineering consultants to do a site assessment and measure square footage, among other things.

UH Manoa - Children's Center. \$10,000,000 in Act 257 funds will be used to fund the construction of pre-k instructional and support spaces at the University of Hawaii at Manoa Children's Center, including a minimum of six pre-k classrooms. The University of Hawaii is breaking ground on this facility on October 4, 2023.

UH Hilo - Imiloa/Charter. The University of Hawaii at Hilo, in partnership with the Imiloa Astronomy Center is also planning construction of a Hawaiian immersion pre-kindergarten center where pre-kindergarten classrooms are integrated with curriculum development and testing. The current plan would have the center located on the University of Hawaii at Hilo campus, but operated under the charter of Ke Kula 'O Nāwahītokalani'ōpu'u Iki Lab Public Charter School. In mid-September, SFA initiated contact between the potential consultant and client to initiate site visits and begin researching site control and approval requirements.

Kealakehe High School - Education Academy Pathway. SFA is in negotiations to purchase a building (the Malie Learning Center), which is located on the Kealakehe High School campus, but is currently owned by a non-profit organization. After purchase, SFA will turn the building over to the DOE to operate as a part of Kealakehe High School's pre-kindergarten education academy pathway. SFA is scheduled to meet with DOE next week to further discuss the land acquisition and process. SFA hopes to acquire the property by mid-2024 and complete all renovations by August 2025. DOE will be able to start operations after SFA's acquisition and before completion of all renovations, so the property will be in use in some form before August 2025.

NEW SCHOOLS

Central Maui new elementary and middle school. SFA was appropriated \$30,000,000 in Capital Improvement Project funds for the planning and design of a new elementary and middle school in Central Maui.

Update: SFA is considering a consultant proposal to collect enrollment and population data in the central Maui area to help SFA find a site for the school. During the next

¹ Note that the data in Fig. 1 does not include charter school data at this time. SFA is working to get this information incorporated into its reporting system.

month, SFA will initiate regular and structured communications with DOE to establish an understanding of roles and responsibilities.

East Kapolei high school, feasibility study. SFA was appropriated \$100,000 in CIP funds for “plans and design for a feasibility study to build a new high school in East Kapolei, O’ahu, including consideration of leveraging potential federal funding from USDA Rural Development and other sources” (Act 248, (Session Laws of Hawaii “SLH” 2022)).

Update: SFA has entered into a Memorandum of Agreement with the University of Hawaii Community Design Center (“UHCDC”) and UHCDC will commence with work on performing a feasibility study once B&F releases funding. SFA is working with B&F on this funding release. Note that UHCSC’s work is limited to performing a feasibility study focused on finding monies to fund the project. It does not include programming or planning aspects. DOE completed the programming and planning portion of the project and SFA plans to use that information in the future. Over the next month, SFA will work with DOE to determine how this project will work moving forward, whether the project will be turned over to SFA or whether SFA and DOE will work together in a partnership model.

West Maui new school. SFA is monitoring the school situation in West Maui, which is currently being handled by DOE and various federal agencies. The short-term focus is on reopening West Maui schools after fall break. The mid-term focus is the erection of a temporary campus for King Kamehameha III Elementary School at the Pulelehua project. DOE and various federal agencies will work on this mid-term goal. The long-term focus would be the construction of a permanent replacement school, which could be an SFA project as it would be a new and not a renovated school facility. However, by law, the Legislature, Governor Josh Green, or the Board of Education will determine whether SFA is assigned this project.² In any event, SFA must collaborate with others to ensure that the respective roles contribute to an efficient process and a well-planned new campus and pressing needs will require collaboration and flexibility. SFA has and continues to offer DOE support and stands ready to assist in any way requested.

Update: On September 26, 2023, DOE announced its [phased reopening plan](#) for West Maui schools, starting on October 16, 2023. Lahainaluna High School students will return to their campus on October 16, 2023 and Lahaina Intermediate students will return to their campus on October 17, 2023. King Kamehameha III Elementary students will share campus facilities with Princess Nahienaena Elementary starting October 18, 2023 and until the completion of a temporary school at Puleleuha for King Kamehameha III Elementary students. The U.S. Army Corps of Engineers is estimating that the temporary school could take at least 95 days to complete.

² Hawaii Revised Statutes Section 302A-1703(a), provides: “[e]xcept as otherwise limited by this chapter, the authority shall be responsible for all public school development, planning, and construction related to capital improvement projects assigned by the legislature, governor, or board of education.” Emphasis added. Available at: https://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1703.htm

EDUCATION WORKFORCE HOUSING

Legislators have recognized educator salaries trail behind the nation and the adjusted cost of living plays a significant role in Hawaii's shortage of licensed educators. Legislators have identified two key strategies to address the challenges of recruiting and retaining teachers: financial incentives and affordable housing. Pursuant to [Act 172 \(SLH 2023\)](#), the School Facilities Authority is tasked with the latter. [Act 164 \(SLH 2023\)](#) to SFA to plan, design, and construct housing for teachers, educators, and staff. Initially, the legislature has asked that SFA look at developing housing in seven areas, Mililani High School, Nanakuli High School, Waipahu High School, the Koolaupoko area, and Hawaii County, Maui County, and Kauai County.

Maui County. SFA is planning to release a Request for Qualifications ("RFQ") by October 31, 2023. I will present more information on the Maui County RFQ later this meeting.

Waipahu High School. On September 26, 2023, I visited the Waipahu High School campus with SFA's consultant to get an understanding of site topography, current use, the school's understanding of site control, the school's needs, and any restrictions given the proximity of the campus to Pearl Harbor. Waipahu High School Principal Zachary Sheets hosted the visit and helped us to understand the school's programmatic use of existing facilities and future needs.

Supplemental Budget Request. I am planning on requesting an additional \$15 million to continue work on education workforce housing through the 2024-2025 supplemental budget request process. Because SFA has been tasked with exploring housing in seven areas (Mililani High School, Nanakuli High School, Waipahu High School, the Koolaupoko area, and Hawaii County, Maui County, and Kauai County), additional funds will be necessary to continue this work.

OPERATIONS

Office Space: Oahu. SFA is working with the State Department of Accounting and General Services ("DAGS") Planning and Leasing Services Branch to lease an office space located at 600 Kapiolani Boulevard

Update: Last month I reported that SFA was waiting for the Department of Accounting and General Services ("DAGS") to initiate lease drafting. Over the last month the leasing process has advanced significantly. DAGS drafted the lease and provided it to the landlord. The landlord signed the lease and DAGS submitted the lease to its deputy attorneys general for legal review, the last step in the process. The landlord completed all necessary construction, so the space is move-in ready. The goal is to complete the leasing process by late October and officially move into the space on November 1, 2023.

Personnel. SFA started with four staff members. In 2023, the Legislature allocated an additional eight positions to SFA. SFA plans to fill all of its 12 positions by the end of the 2023 calendar year.

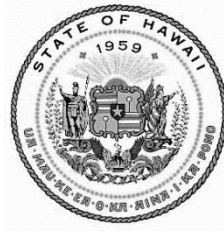
Update: Last month I reported that SFA hired Alison Kunishige as its Deputy Executive Director, filling all four of SFA's original staff positions. SFA is making steady progress on filling the additional eight positions. This month, I am happy to announce that Kenyon Tam has accepted an offer to serve as SFA's Policy and Program Officer and will start in mid-October, filling the first of the additional eight positions.

SFA posted the project manager positions and received a good number of applications. I am in the process of interviewing the applicants and hope to fill these positions soon. The remaining positions are purchasing specialist, land agent, planner, office assistant, and information technology specialist.

Strategic Planning. The Hawaii Institute for Public Affairs ("HIPA") is facilitating work on the SFA Board's first strategic plan.

Update: HIPA provided SFA with an initial draft report, which included key strategies. SFA worked with Board Chairperson Alan Oshima and Bill Kaneko of HIPA to create a summary sheet with a revised mission, vision, areas of focus, and 5-year goals. SFA requested feedback on the summary sheet from Board Members and is working this week to get feedback from stakeholders. SFA is planning on bringing the strategic plan to the Board for action at its November meeting and bringing an executive director evaluation process and priorities based on the strategic plan to the Board in December.

**VII.A. Presentation on status of Request for Qualifications for Maui education
workforce housing project**



STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
75 AUPUNI STREET, STE. BASEMENT
HILO, HAWAII 96720

October 3, 2023

MEMORANDUM

TO: Alan Oshima
Board Chairperson

FROM: Chad K. Farias
Executive Director

SUBJECT: Presentation on status of Request for Qualifications for Maui education workforce housing project

I. EXECUTIVE SUMMARY

- The School Facilities Authority (“SFA”) was appropriated \$50 million to plan, design, and construct housing that prioritizes teachers, educators, and staff.
- SFA plans on releasing a Request for Qualifications (“RFQ”) by October 31, 2023.

II. BACKGROUND

During its 2023 session, the Legislature passed Act 172 (Session Laws of Hawaii (“SLH”) 2023), which extended the authority of the SFA to include partnerships to develop housing on or off campus and to transfer property to another entity to manage the leasing and property management of such housing projects.¹ Act 172 also appropriated out of the SFA special fund the sum of \$170 million for the

¹ Act 172 (Session Laws of Hawaii 2023), Section 2, provides, in pertinent part: “Section 302A-1703, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

(c) Except as otherwise limited by this chapter, the authority may also:

- ...
 - (15) Partner with public and private development agencies to develop:
 - (A) Housing on or off campus; and
 - (B) Classrooms;
 - (16) Request any state or county agency to render services to the authority;
 - (17) Transfer the property to another public agency or contract to manage the leasing and property management of housing projects[.]”

2023-2024 fiscal year for the “construction of housing prioritized for teachers, educators, and staff[.]”² Increasing the supply of affordable housing available for teachers is a well-established solution to address barriers to teacher recruitment and retention efforts. The initial discussions to address housing shortages started over ten years ago prior to recent catastrophes like the pandemic and Lahaina fire.

On July 3, 2023, Governor Josh Green, M.D. signed Act 172, SLH 2023 into law to help address the challenges of recruiting and retaining teachers in Hawaii. However, as a part of his efforts to balance the 2023-2025 biennium budget, Governor Josh Green reduced the \$170 million appropriated by Act 172 (SLH 2023) to \$50 million.

The SFA Board formed a permitted interaction group tasked with investigating educational workforce housing. SFA Board Members Harold Edwards and Bettina Mehnert are on this permitted interaction group.

I have been working with SFA’s consultant to develop a Request for Qualifications (“RFQ”) for an education workforce housing project in Maui County. Working with the education workforce housing permitted interaction group, the determination was made that an RFQ would be the best mechanism to use to try to broaden the applicant pool. Because this is SFA’s initial foray into the area of education workforce housing, it wanted to get a good picture of the landscape and entertain a broad a range of possibilities while still giving applicants a clear picture of expectations.

The RFQ will be designed to request qualifications from persons or firms to enter into a long-term ground lease and development agreement and/or a grant or loan funding agreement with SFA to develop and operate teacher workforce housing in Maui County. In addition to these qualifications, the RFQ will also seek partners that demonstrate their ability to engage the community and take feedback into consideration as a part of their planning process. The RFQ is being drafted and the public notice and distribution of the RFQ is anticipated to be issued by October 31, 2023.

² Act 172 (SLH 2023), Section 5, provides:

“There is appropriated out of the school facilities special fund the sum of \$170,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for:

- (1) The construction of housing prioritized for teachers, educators, and staff; and
- (2) Personnel and other related expenses as deemed appropriate.

The sums appropriated shall be expended by the school 15 facilities authority for the purposes of this Act.”