

SCHOOL FACILITIES AUTHORITY BOARD

MEETING MINUTES

Date: September 3, 2024

Time: 9:00 a.m.

Pauahi Tower

1003 Bishop Street, Suite 2395

The Wilhelm Group Conference Room

Honolulu, Hawai'i 96813

Members Present:

Harold Edwards, Vice-chairperson

Edmund Aczon

Jan Iwase

Logan Okita

Kimo Unten

Members Excused:

None

Staff Present:

Riki Fujitani, Executive Director

Kenyon Tam, Administrative Services Officer

Cindy Watarida, Business Management Officer

Cheri Nakamura, Policy & Program Officer

Douglas Cullison, Project Manager

Joji Matsumoto, Project Manager

AGENDA

I. Call to Order

Vice-chairperson Harold Edwards called the meeting to order at 9:00 a.m.

II. Roll Call and Determination of a Quorum

Vice-chairperson Edwards and Members Edmund Aczon, Jan Iwase, Logan Okita, and Kimo Unten were present at roll call. Quorum was established.

III. Approval of Meeting Minutes of August 6, 2024

Motion: Move to approve the August 6, 2024 meeting minutes

(Aczon/lwase). Motion carried unanimously with five (5) Ayes (Edwards, Aczon, lwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

IV. Public Testimony

There was no public testimony.

V. Workgroup and Subcommittee Reports

A. Subcommittee on Learning Spaces

1. Subcommittee Chairperson lwase reported the subcommittee has been meeting every other Thursday at 7:00 a.m. Executive Director Riki Fujitani and Project Manager Douglas Cullison have attended the meetings to provide updates to the subcommittee.

B. Subcommittee on Workforce Housing

1. Subcommittee Chairperson Edwards stated the details and future of workforce housing will be discussed later in the meeting.

C. Subcommittee on Operations

1. Subcommittee Chairperson Aczon noted that the subcommittee has no report.

VI. Report of the Executive Director

A. Programs

1. Preschools: Reported by Project Manager Cullison

a) Renovations

(1) Completed Renovations: The School Facilities Authority (SFA) completed 46 classroom renovations with 799 new seats for the current school year bringing the total to 57 renovated classrooms with 1,012 new pre-kindergarten seats.

(2) New Renovations: The plan for next year consists of renovating 15 classrooms to create 516 new seats. The projection for the following year is 10

classroom renovations to create 500 new seats. The original projected goal was for 25 classroom renovations, but the number of schools signing up has slowed down.

b) New Buildings, Traditional Construction

- (1) University of Hawai'i at Mānoa Children's Center: SFA attended a site tour; the project is 42% complete with the major structures complete. Currently in progress are the finishes, dry wall, and other minor items.
- (2) Pearl City Library: SFA transferred funds, and the Hawai'i State Public Library System is managing the procurement.
- (3) Mālama Honua Charter School: The project has started, and construction is to start soon.
- (4) SFA is looking into additional sites.

c) New Buildings, Prefabricated Construction

- (1) SFA has a few conceptual schematic designs for mass timber solutions from consultant Hawai'i Off-Grid and a presentation to the board can be provided in the future. Consultant MKThink is working on the Industrialized Construction Services (ICS) site analysis solution, and a presentation can be provided to the Board in the future.
- (2) SFA continues to work with the Preschools Steering Committee (consisting of the SFA, Executive Office on Early Learning, State Public Charter School Commission, Department of Education, Office of Lieutenant Governor) on identifying preschool hubs. Two sites have been identified: 'Imiloa Astronomy Center at the University of Hawai'i at Hilo and Kamaile Academy Public Charter School. Six other sites are currently undergoing the vetting process with a goal of 600 seats. Areas being considered

include Kekaulike High School, Kūlanihāko‘i High School, Kailua-Kona, Līhu‘e, Waikīkī-Kaimukī, Anahola, and Pearl Harbor-‘Aiea. Executive Director Fujitani provided additional background and stated \$100 million was recently appropriated for the preschool program initiative and needs to undergo the allotment request process.

2. School Modernization: Central Maui: Reported by Executive Director Fujitani

a) Executive Director Fujitani provide a brief history of school design and construction and a re-cap of phases/steps:

(1) Phase I: Currently in development: educational specifications, design guides, construction specifications, standard technical drawings, and commissioning plan.

(2) Phase II: Adding capacity incrementally (elementary, middle, and high schools). There is not enough money to build additional schools; thus, SFA is looking to build capacity at available areas immediately and later pursue building a new school (Phase III) at a sensible location.

(3) Phase III: Building New School

b) Board Member Unten questioned if the modernization of school is primarily focused at Central Maui or for all the Department of Education. Executive Director Fujitani responded that the SFA would like to apply the modernization model statewide, and as described in the budget request, the SFA plans to request money from the Legislature to fund planning statewide.

3. Workforce Housing: Reported by Executive Director Fujitani

a) Pilot Phase: The SFA received multiple offers and received best and final offers. The award was posted last Friday to the Pacific Housing Assistance Corporation. Executive Director Fujitani confirmed the posting was just an award and not the official contract.

The SFA is currently undergoing the protest period. After the protest period, the SFA will begin negotiations with the awarded contractor (which may take 1.5 years).

- b) Goal for Phase I: Identify five sites statewide based on the criteria set by the Board (to be discussed and approved later in the meeting). The next requests for proposals (RFPs) will involve more due diligence to reduce the risk to the State and developers.

- (1) Board Member Aczon requested clarification on the Board's role in awarding and contracting of RFPs. Executive Director Fujitani and Administrative Services Officer Kenyon Tam responded that the Board sets the parameters for workforce housing and the contract itself does not need Board approval. The SFA ensures the RFPs and contracting is in compliance with the parameters set by the Board.

- (2) Board Member Aczon questioned if the Board should be further involved in the awarding and contracting process. Board Vice-Chairperson Edwards validated Board Member Aczon concerns but also noted there is an evaluation committee that is involved in the process. Board involvement should not delay the procurement process or project. Board Vice-Chairperson Edwards added future discussion with SFA staff can be conducted regarding Board involvement after the negotiation process as well as SFA's execution.

B. Operations: Reported by Executive Director Fujitani

- 1. Personnel: The SFA currently has eight exempt positions and four civil service positions. Seven positions are currently filled; however, the civil service positions are on hold until clarification is made on the statutory interpretations.
- 2. Executive Director Fujitani deferred to his written report on investment capital.

3. Administrative Services Officer Tam outlined the status and process of SFA's administrative rules.

VII. Public Testimony

There was no public testimony.

VIII. Action Items

A. Board action on Learning Spaces Subcommittee recommendation concerning plans to construct new pre-kindergarten learning hubs, continue renovating and converting existing classrooms to pre-kindergarten classrooms, and execute other strategies to increase pre-kindergarten student capacity

1. Subcommittee Chairperson Iwase directed Board Members to the memo in the board packet.

Motion: Move to approve the use of \$100,000,000 in general obligation bond funds appropriated by Act 230, 2024 Session Laws of Hawai'i (SLH), to continue expanding pre-kindergarten student capacity within the state as described in Learning Spaces Subcommittee Chairperson Iwase's memorandum dated September 3, 2024 (Iwase/Aczon). Motion carried unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

B. Board action on Learning Spaces Subcommittee recommendation concerning the lapsing of funds allocated to the redevelopment of Queen Lili'uokalani Elementary School property

1. Subcommittee Chairperson Iwase directed Board Members to the memo in the board packet.

Motion: Move to approve the lapsing of \$100,000 in general obligation bond funds appropriated by Act 164, 2023 SLH, for "plans and designs for redevelopment of Queen Lili'uokalani Elementary School property to pre-kindergarten classrooms and teacher housing, including traffic studies, community outreach, and utilities/sewer assessments" (Iwase/Okita). Motion carried unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

C. Board action on Workforce Housing Subcommittee recommendation concerning criteria for selecting workforce housing sites

1. Subcommittee Chairperson Edwards directed Board Members to the memo and Exhibit A in the board packet.

Motion: Move to approve the criteria for prioritizing site selection for workforce housing on school property, attached as Exhibit A to Workforce Housing Subcommittee Chairperson Edwards' memorandum dated September 3, 2024 (Edwards/Iwase). Motion carried unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

D. Board action on Fiscal Biennium 2025-2027 budget requests

Motion: Move to approve the Fiscal Biennium 2025-2027 budget request attached as Exhibit A to Executive Director Fujitani's memorandum dated September 3, 2024 (Okita/Unten). Motion carried unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

E. Board action on selection of board officers and appointment of subcommittee membership

1. Board Vice-Chairperson Edwards stated amendments or further discussion can be conducted after a motion is made.

Motion: Move to:

1. **Select Board Member Unten as chairperson of the Board;**
2. **Appoint Board Member Iwase as chairperson and Board Member Aczon as a member of the Subcommittee on Learning Spaces;**
3. **Appoint Board Member Edwards as chairperson and Board Member Okita as a member of the Subcommittee on Workforce Housing; and**
4. **Appoint Board Member Unten as chairperson and Board Member Edwards as member of the Subcommittee on Operations (Edwards/Aczon).**

Motion carried unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions.

IX. Adjournment

Motion to adjourn the meeting (Edwards/Aczon). Motion carried

unanimously with five (5) Ayes (Edwards, Aczon, Iwase, Okita, and Unten), zero (0) Nos, and zero (0) Abstentions. The meeting adjourned at 9:32 a.m.

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