

**STATE OF HAWAII  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
AT-LARGE BOARD MEETING**

**Wednesday, November 2, 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 (“State”) met virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on November 2, 2022.

Chairperson Chason Ishii called the November 2, 2022, HCDA At-Large Authority Regular meeting to order at 10:07 a.m.

Acknowledgement that the Meeting is Being Convened Virtually

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

Regarding the foregoing, Executive Director Nakamoto reiterated wording contained in the Meeting Agenda, noting that the HCDA welcomes public attendance via the Zoom link provided and also at the meeting site, located at The American Brewery Building, 547 Queen Street, 2<sup>nd</sup> Floor Board room, Honolulu, Hawaii 96813. He noted that the meeting would be live streamed on the HCDA’s YouTube Channel contained in the Meeting Agenda and that the HCDA also welcomes public comment and public participation via submission of written or oral testimony. Executive Director Nakamoto stated that individuals, if any, from the public who had requested to provide testimony were on standby and would be permitted to speak during the public testimony session of the specific agenda item.

Vice Chair Apo conducted the roll call. Those present and excused were as follows:

**Members Present:**

Sterling Higa  
Phillip Hasha  
Mike McCartney, DBEDT (Ex-Officio)  
Dane Wicker, City & County of HNL DPP (Ex-Officio)  
Kevin Sakoda  
Punihei Lipe  
Kuhio Lewis  
Peter Apo, Vice Chairperson  
Chason Ishii, Chairperson

**Members Excused:** Michele McLean, Maui County DPP (Ex-Officio)  
Craig Hirai, B&F (Ex-Officio)  
Russell Tsuji, DLNR (Ex-Officio)  
David Rodriguez, DOT (Ex-Officio)  
David Rae  
Heeia Seat – Vacant  
Pulehunui Seat – Vacant  
Pulehunui Seat - Vacant

**Legal Counsel:** Kelly Suzuka, Deputy Attorney General

**Staff Present:** Craig Nakamoto, Executive Director  
Garet Sasaki, Administrative Services Officer  
Francine Murray, HCDA Program Specialist  
Tommilyn Soares, HCDA Secretary

A quorum was present.

## **II. APPROVAL OF MINUTES**

### **Regular Meeting Minutes of October 5, 2022**

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

## **III. INFORMATION AND DISCUSSION**

### **Presentation by the State of Hawaii, Office of Planning and Sustainable Development, Regarding Sea Level Rise.**

Ms. Danielle Bass, Sustainability Coordinator and Ms. Sarah Chang, Coastal Zone Management Project Analyst of the Office of Planning and Sustainable Development (OPSD) presented a slide deck.

Ms. Bass provided an overview of the multiple policies on sea level rise and regulations that have been adopted throughout the State of Hawaii between 2017 – 2022. The presentation included the following:

1. OPSD’s roles and responsibilities.
2. The State of Hawaii’s climate change impacts.
3. Overview of climate change adaptation planning; and
4. Hawaii’s Sea Level Rise Laws and Policies.

Ms. Bass encouraged those interested in “Hawaii’s Sea Level Rise Adaptation and Vulnerability” to read through its report published in 2017. OPSD will be providing a 5 year update to that report but much of the data remains the same. The report incorporates

models of passive flooding, shoreline erosion and annual high wave run up of an exposure of 3.2 ft of sea level rise.

In 2018 the Hawaii Sea Level Rise Viewer was launched, which is, an interactive map to help users visualize the statewide assessment and Hawaii's vulnerability to sea level rise. Ms. Bass used that viewer to highlight HCDA's Kakaako district and Urban Honolulu so that board members could see what the exposure area of Sea Level Rise looks like in the Kakaako Community Development District. Also, in 2018 Act 17, Session Laws of Hawaii (SLH) passed that requires all Environmental Assessments and Environmental Impact Statements to include consideration of Sea Level Rise.

In 2019, the Land Use Commission adopted Sea Level Rise Development Planning which requires developers to consider the impacts of Sea Level Rise in proposed developments as well as any infrastructure adaptations that address the impacts of climate change – which includes sewer, water and roadway improvements.

In 2020 the Coastal Zone Management law was updated to incorporate Sea Level Rise to protect Hawaii's beaches and ecosystems against the impact of Sea Level Rise and coastal erosion. Also prevents seawalls and shoreline hardening structures in beach areas unless a variance is granted. Also, establishes a 40 ft shoreline setback from a coastal development.

In May 2021 Act 179 SLH was amended to update the Real Estate Mandatory Seller Disclosure to include properties within the sea level rise exposure area as identified by the Hawaii Sea Level Rise report. Ms. Bass added that The Hawaii Association of Realtors supported the law.

In 2022, Act 299 SLH requires the Department of Transportation to plan for sea level rise in all future or amended transportation projects based on the latest science and estimates. Also, Act 223 SLH expands the counties authority to regulate the transfer of development rights to help protect areas vulnerable to sea level rise; allowing counties to find more appropriate areas for development and away from these at-risk areas of coastal erosion, flooding and sea level rise.

Ms. Sarah Chang, Coastal Zone Management Project Analyst of OPSD provided an overview of Act 178, SLH 2021. Act 178 requires OPSD, in coordination with state agencies that have operational responsibilities of state facilities, to identify existing and planned facilities that are vulnerable to sea level rise, flooding impacts, and natural hazards; to assess options to mitigate those impacts to these state facilities. OPSD is also required to provide an annual report to the Governor, and Legislature of these assessments.

Ms. Chang highlighted the Kakaako and Kalaeloa district portions of the 2021 Annual Report for the HCDA board to get an idea of the 2021 exposure assessment. She added that statewide there is an increase in the number of vulnerable facilities as sea level rise impacts increase. DOT, DLNR and DOE state facilities are the most impacted in the 2021 findings. OPSD conducted a review on how other coastal states and cities are using sea level rise and adaptation guidance and found a wide range of variations on how states are

creating very broad best practices, guidance documents, etc. to very specific and standardized specific templates. OPSD is recommending a more specific template for Hawaii to follow and highlighted the City of San Francisco and New York's guidance template which includes an individual project assessment checklist as well as its process of training, guidance, and formatting. The goal is to help create a seamless integration process for OPSD to implement across all State Departments.

Member Apo thanked OPSD for its presentation and the San Francisco and New York models; however, stated that because Hawaii is a set of Islands, he would assume the State of Hawaii is a lot more vulnerable and unpredictable and asked if there is a long-term in depth study on the rate of coastal erosion and how do we control it, and how do we project the life of a project that may be affected by that?

Ms. Chang stated that based on science research of measuring and projecting erosion rates the School of Ocean and Earth Science and Technology, also known as "SOEST", is doing several projects on hotspots in tracking erosion rates and projecting future conditions. However, OPSD is looking at the situation from a regional management perspective rather than a parcel-by-parcel (hotspot) perspective; and the first step to that is understanding how to define a region in the State of Hawaii, because the coastal lines are varied. As homeowners come in and request to do coastal projects, OPSD then has an opportunity to intervene and conduct research. It is a long-term research project and reiterated that OPSD is looking at it from a regional scale type management for shoreline and coastal erosion intervention, rather than a parcel-by-parcel (hotspot) measure.

Member Apo noted that he would be interested in that report as there may be future development projects, by the Office of Hawaiian Affairs, along Kakaako Makai that would be impacted by coastal erosion and would like information as projects are reviewed by the HCDA board to know the life expectancy of these projects.

Ms. Bass stated that is a current conversation all states are having across the United States. She mentioned she is currently attending a conference in Colorado with all state resiliency officers across the states where there are opportunities for each to share ongoing flooding and management issues across each state. They are noticing in these conversations that there is a need for more data; thinking of Member Apo's questions, OPSD will need more data across the state on the rate of coastal erosion. She noted Ms. Chang's mention of regional issues, and you'll see that certain regions will have more erosion than others; and this is the data that the State of Hawaii will need across the islands.

There were no further questions and comments from board members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

Chair Ishii thanked Ms. Bass and Ms. Chang for its presentation.

#### IV. DECISION MAKING

**Consider Adopting and Accepting the Findings and Recommendations of the Permitted Interaction Group, established at the At-Large Authority Special Meeting, held on February 16, 2022, Pursuant to Hawaii Revised Statutes 92-2.5(b)(1), to Direct the HCDA Executive Director to Develop a Strategic Vision Plan and Financial Management Plan, including the Agency's and Executive Director's Goals and 1-, 3-, and 5-year Plan, and make a Recommendation to the Authority.**

Executive Director Craig Nakamoto presented the P.I.G.'s recommendations and findings. He reminded board members that the P.I.G. was created in February 2022 to direct the Executive Director to develop a strategic and financial management plan for the agency and Executive Director's goals. The P.I.G. met to discuss the plan and at its last board meeting, the P.I.G. presented its recommendations and findings for information.

The strategic plan looks at the strengths, weaknesses, and challenges of the agency and how to best address those elements and also looks at the unique experience and expertise to pave the way forward for the agency. The strategic plan will need to be updated to align with future conditions and goals, per year. If approved, he will present the plan to all of HCDA's staff for information. He also thanked the Permitted Interaction Group Members, Chair Ishii, Members Lipe, Sakoda and Rae; and also former board members Susan Todani, JoAnn Leong, and Mitchell Tyananes and their efforts to develop and finalize the Strategic Plan.

Member Higa noted the funding and staffing portion of the report and asked what methods will be used to ensure the current resources allocated will be adequate to the new functions listed in the report.

Mr. Nakamoto said as much as possible HCDA will utilize the existing staff. With the recent reorganization of the agency, HCDA's Planning and Development section (managed by the Planning and Development Director) is now split in two sections and is now referred to as CIP (Capital Improvements Branch) led by the CIP Manager and the Planning and Development section led by its manager. The financial plan for the infrastructure projects is that staff will continue to present requests to the board; and in accordance with the Department of Accounting and General Services fee schedule, HCDA intends to charge agencies for project management services in hopes that it will be self-sufficient. Mr. Nakamoto added that he is hesitant to request for additional permanent staffing per financial and fiscal management, however, one of the ideas is to request for project funded staff positions (i.e., Pulehunui project) in the 2023 legislative session. There are ideas of augmenting planning staff and possibly recruiting an intern position to utilize students from UH, School of Architecture or Engineering to assist our Planning office.

Vice Chair Apo stated that as the Legislature decides to expand HCDA's jurisdiction to the neighbor islands, like Pulehunui, he hopes that the board will think about including

residents from those places in any discussions, planning phases and possibly staffing of each project.

Mr. Nakamoto acknowledged Member Apo's comment. He noted that his idea is to find project funded staffing who is based on the neighbor island, respectively. Mr. Nakamoto added that his hope is to also find that person an office, possibly space in a state office who is willing to share its space.

There were no further questions and comments from board members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

### **MOTION:**

Chair Ishii asked if there was a motion for the Authority to Adopt and Accept the Findings and Recommendations of the Permitted Interaction Group, established at the At-Large Authority Special Meeting, held on February 16, 2022, Pursuant to Hawaii Revised Statutes 92-2.5(b)(1), to Direct the HCDA Executive Director to Develop a Strategic Vision Plan and Financial Management Plan, including the Agency's and Executive Director's Goals and 1-, 3-, and 5-year Plan, and make a Recommendation to the Authority

Member McCartney motioned. Member Lewis seconded the motion.

Chair Ishii asked if there is a discussion before the roll call vote. There was no discussion by board members.

Mr. Nakamoto conducted the roll call vote.

The motion passed with 9 ayes, and 8 excused.

**Consider Dissolving the Permitted Interaction Group, established at the At-Large Authority Special Meeting, held on February 16, 2022, Pursuant to Hawaii Revised Statutes 92-2.5(b)(1), to Direct the HCDA Executive Director to Develop a Strategic Vision Plan and Financial Management Plan, including the Agency's and Executive Director's Goals and 1-, 3-, and 5-year Plan, and make a Recommendation to the Authority.**

Mr. Nakamoto noted that as the board approved the findings and recommendations of the Permitted Interaction Group who were tasked with developing the Strategic Vision plan and Financial Management Plan, it is recommended that the board dissolve that Permitted Interaction Group as it has fulfilled its goal.

There were no questions or comments by board members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

### **MOTION:**

Chair Ishii asked if there was a motion for the Authority to dissolve the Permitted Interaction Group, established at the At-Large Authority Special Meeting, held on February 16, 2022, Pursuant to Hawaii Revised Statutes 92-2.5(b)(1), to Direct the HCDA Executive Director to Develop a Strategic Vision Plan and Financial Management Plan, including the Agency's and Executive Director's Goals and 1-, 3-, and 5-year Plan, and make a Recommendation to the Authority.

Member Lewis motioned. Member McCartney seconded.

Chair Ishii asked if there is a discussion before the roll call vote. There was no discussion by board members.

Mr. Nakamoto conducted the roll call vote.

The motion passed with 9 ayes, and 8 excused.

**Consider Revising the Threshold for Contracts and Expenditures Requiring Pre-Approval from the Authority by modifying the delegation to the Executive Director as follows:**

- a. Contracts procured in accordance with §103D Hawaii Revised Statutes, in the ordinary course of the Agency's business, regardless of amount, do not require prior Authority approval;**
- b. Expenditures in the ordinary course of the Agency's business, less than \$100,000.00, do not require prior Authority approval; and**
- c. Transactions, whether a contract, loan, expenditure of funds, or any other transaction, that are not in the ordinary course of the Agency's business, regardless of amount, require prior Authority approval.**

Mr. Gareth Sasaki presented the staff report. He noted the staff report is under tab 5 in the board packet and stated this is a follow up to the information provided to the board at its October 5, 2022 At-Large board meeting. He added that the request is as stated by Chair Ishii and HCDA contracts procured according to §103D HRS will not require board approval. Information for those contracts will be included in the monthly financial highlights for board members information. He added that expenditures in the ordinary course of business, less than \$100,000.00 will also be highlighted and listed in the monthly report for members and transactions not in the ordinary course of business will be brought to the Authority for approval. For example, in addition to the loan that is

stated, any Memorandum of Agreements, Memorandum of Understanding where HCDA has a financial liability will be brought to the Authority. Any Asset transfers and settlement of lawsuits are some examples that are not in the ordinary course of business.

There were no comments or questions from board members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

### **MOTION:**

Chair Ishii asked if there was a motion for the Authority to revise the Threshold for Contracts and Expenditures Requiring Pre-Approval from the Authority by modifying the delegation to the Executive Director as follows:

Contracts procured in accordance with §103D Hawaii Revised Statutes, in the ordinary course of the Agency's business, regardless of amount, do not require prior Authority approval;

Expenditures in the ordinary course of the Agency's business, less than \$100,000.00, do not require prior Authority approval; and

Transactions, whether a contract, loan, expenditure of funds, or any other transaction, that are not in the ordinary course of the Agency's business, regardless of amount, require prior Authority approval.

And further move that the Executive Director report to the Authority contracts awarded, regardless of amount, along with a short description of the nature and amount of the contracts awarded?

Member Apo motioned. Member Lewis seconded.

Chair Ishii asked if there was any discussion on the motion.

Member Lewis stated that he feels a successful model for governance is to have faith that the Executive Director is going to lead us in the right direction, and one thing that autonomy allows is to cut through "red tape" to help move projects along faster and is pleased to help HCDA with this action item by removing the bureaucracy.

Mr. Sasaki conducted the roll call vote.

The motion passed with 9 ayes, and 8 excused.



**V. REPORT OF THE EXECUTIVE DIRECTOR**  
**Monthly Financial Highlights of September 2022**

Executive Director Nakamoto stated that Mr. Sasaki, Administrative Services Officer is present for any questions that board members may have. Mr. Nakamoto highlighted one significant activity that board members may want to note is that the \$1,000,000.00 was transferred from the Kalaeloa Special Fund to the Kakaako Special Fund for the stockpile cleanup at the Kalaeloa Heritage Park.

Chair Ishii asked members if there were any comments or questions on the report. There were none.

**Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide oral testimony.

**VI. ADJOURNMENT**

There being no further comments or questions regarding the Report of the Executive Director, Chair Ishii thanked those who joined today's meeting on Zoom or the HCDA's YouTube and adjourned the meeting at 11:18 a.m.

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Sterling Higa, Secretary

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Date Approved by the Board