

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
KAKA‘AKO MEETING**

**Wednesday, October 4, 2023
MINUTES**

I. CALL TO ORDER/ROLL CALL

The Hawai‘i Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawai‘i, met virtually (utilizing the state-supported Zoom Meeting platform) and at the meeting site for a Regular meeting on October 4, 2023.

Chairperson Chason Ishii called the October 4, 2023, HCDA Kaka‘ako 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, Hawai‘i Revised Statutes (“HRS”), to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

About the foregoing, Mr. Nakamoto reiterated wording contained in the Meeting Agenda, noting that the HCDA welcomes public attendance via the Zoom link provided and at the meeting site, located at The American Brewery Building, 547 Queen Street, 2nd Floor Board room, Honolulu, Hawai‘i 96813. Mr. 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.

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

Members Present: Chason Ishii, Chairperson
Sterling Higa, Vice Chairperson
Melissa Miranda-Johnson, DOT (Ex Officio)
Mary Alice Evans, DBEDT (Ex Officio)
Mark Anderson, B&F (Ex Officio)
Kevin Sakoda

Members Excused Peter Apo, Secretary
Craig Hirai, DPP (Ex Officio)

A quorum was present.

Legal Counsel: Kelly Suzuka, Deputy Attorney General
Kevin Tongg, Deputy Attorney General

Staff Present: Craig Nakamoto, HCDA Executive Director
Francine Murray, HCDA Community Outreach Officer
Ryan Tam, HCDA Director of Planning and Development
Lindsey Doi-Leaverton, HCDA Asset Manager
Tommilyn Soares, HCDA Executive Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of September 6, 2023

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

III. INFORMATION AND DISCUSSION
Presentation by HCDA Staff regarding the expiration of the Ward Neighborhood Master Plan Permit on January 14, 2024.

Mr. Ryan Tam, Director of Planning and Development, presented the staff report included in the Kaka‘ako Board Meeting packet. Mr. Tam highlighted that the Authority approved a master plan permit for approximately 60 acres of land in Kaka‘ako owned by General Growth Properties and its affiliate - Victoria Ward Limited (VWL) in January 2009. To correct a clerical omission from the Findings of Fact, Conclusions of Law, and Decision and order for the master plan permit, the Authority adopted a Nunc Pro Tunc order in May 2009. The Authority then issued a Declaratory Order in October 2012 regarding a condition that had been rendered moot by the adoption of a new Mauka Area Plan in November 2011. Mr. Tam provided a brief overview of what VWL will have completed with its last project. He added the next step would be that VWL provide a presentation at the November 2023 Kaka‘ako Authority meeting that will provide an in-depth overview of the development accomplishments under this master plan. HCDA Staff will work with VWL to develop a framework to account for any remaining permit obligations beyond the end of the master plan in January 2024.

Executive Director Nakamoto added that VWL will not be extending its master plan expiration date beyond the January 2024 date; Land Block 5 has not been permitted for any projects and if VWL plans to develop that parcel, the permit application will be processed under the existing Kakaako Mauka Area Plan and Rules.

Chair Ishii proposed in preparation for the November 1, 2023, presentation by VWL, it would be helpful to receive the following information from VWL:

1. The initial plan and units proposed for Reserved Housing units in Kakaako under the master Plan and the actual number of Reserved Housing units delivered.
2. The square footage of open space originally planned and the actual open space square footage VWL delivered.
3. The square footage of industrial and commercial square footage originally planned and what VWL delivered.

Mr. Tam noted Chair Ishii's request and stated he will forward that request on to VWL.

Member Evans asked if the Kamehameha Schools master plan also expires in January 2024. Also, of the towers that were entitled in the Victoria Ward Limited Master plan, how many towers were started, completed and how many are pending that would be entitled to begin prior to the expiration date of the master plan; and will there be any entitled towers pending that will not be constructed?

Mr. Tam responded that Kamehameha Schools extended its master plan, and that master plan now expires in 2031.

Mr. Nakamoto added that HCDA does not believe that those entitled towers approved by the HCDA board (i.e., Blocks D & E and Mahana) prior to the expiration of VWL master plan will not be built.

Member Evans clarified her question and asked if there are any towers proposed in the master plan that VWL has decided not to build?

Mr. Tam noted there is one block near Ward that has not been slated for development.

Member Evans thanked Chair and staff for their patience with her questions and noted she is looking forward to hearing VWL's presentation in November and hopes it'll answer some of her questions.

Member Sakoda asked if Howard Hughes can clearly delineate all the common areas within Ward Village. One of the issues is the Ward Village Owners Association which will handle a lot of the common areas within Ward Village, for example the Parks that are maintained by the Ward Village Owners Association; as a resident of Kakaako, Member Sakoda noted that it has not been clear what the individual associations pay for (i.e., landscaping) and what the City or State is responsible for. This information will help, going forward, to deal with the expenses of the Ward Villages Owners Association. Member Sakoda noted, currently, each unit pays \$8 or \$9 dollars a unit per month to cover those Ward Village Owners Association expenses.

Mr. Nakamoto stated that information will be passed on to VWL for presentation to the HCDA Board.

Member Anderson stated it would be interesting to hear the lessons from utilizing the master plan; the pros and cons of it, versus using the development rules in general. Also, he is interested to see how much land area would have been required to build the same number of single-family dwellings. There was a map that was shown with the land area used to create this type of urban living and wondered if the State were to create single family homes, how much land would that take.

There were no comments or questions from the board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide oral testimony, and no written testimonies were received.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

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

Executive Director Nakamoto referred to the report provided in the board packet and highlighted the following:

1. In September 2023, HCDA entered into a contract with the Hawaii Home Ownership Center (HHOC) to be HCDA's buyback agent for Reserved Housing Units that come up for sale during the regulated term. Since then, there were two units that became available for a possible buyback by HHOC under the new contract:
 - An A'ali'i small studio unit. HHOC declined buyback because of its small size and anticipated difficulties selling the unit, as there are currently other A'ali'i units with no reserved housing restrictions on the market that have not sold in several months; and
 - A Ke Kilohana 2-bedroom unit. HHOC declined buyback because of concerns regarding pending litigation involving the building affecting new buyers from obtaining financing.

Member Evans asked if both units will retain the same reserved housing unit requirements when sold to the new buyer?

Executive Director Nakamoto responded; once HCDA waives buyback, the owner can sell the unit at market, and once that unit is sold, the shared equity will be paid to HCDA.

Chair stated his understanding is that once a unit is sold, HCDA will collect the equity share on that unit.

Member Sakoda commented; that as these towers are being built in Kakaako, the flood and property insurance premiums will be an ongoing issue with its increasing costs. He stated, so far within Kakaako, many buildings have gone through some sort of construction defect litigation that inhibits financing. He noted his conflict is that HCDA is trying to build reserved housing and some of these issues will prevent or have major impacts in increased costs for the buyer, and HCDA will need to consider how to address these issues going forward. There is a concern that as the Waiea and Ke Kilohana condominium projects go through litigation, there may be risks for the affordable buyer, and that is something the board should consider.

There were no further comments or questions from the Board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide oral testimony, and no written testimonies were received.

V. ADJOURNMENT

Chair Ishii thanked those who joined the meeting on Zoom and then adjourned the meeting at 10:35 a.m.

Peter Apo, Secretary

Date Board Approved