

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
AT-LARGE BOARD MEETING**

**Wednesday, March 6, 2024
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 (“State”) met in-person at the HCDA’s physical meeting site, American Brewery Building, 547 Queen Street, 2nd floor Board room and provided an option to attend virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on March 6, 2024.

Chairperson Chason Ishii called the March 6, 2024, HCDA At-Large Authority Regular meeting to order at 10:02 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, to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

Regarding the foregoing, Mr. 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, 2nd Floor Board room, Honolulu, Hawai‘i 96813. HCDA welcomes public comment and public participation via submission of written or oral testimony. 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. Mr. Nakamoto also noted the time limits for public testimony.

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

Members Present: Chason Ishii, Chairperson
Sterling Higa, Vice Chairperson
Peter Apo, Secretary
Melissa Miranda-Johnson, DOT (Ex-Officio)
Mark Anderson, B&F (Ex-Officio)
Tim Streitz, City & County of HNL DPP (Ex-Officio)
Mary Alice Evans, DBEDT (Ex-Officio)
Russell Tsuji, DLNR (Ex-Officio)
Kevin Sakoda
Jo-Ann Leong

Members Excused: Kate Blystone, Maui County DPP (Ex-Officio)
Kaiwipunihei Lipe
David Rae
Kaka‘ako Member (Vacant)
Kalaeloa Member (Vacant)
Pulehunui Member (Vacant)
Pulehunui Member (Vacant)

A quorum was present.

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

Staff Present: Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Chief Financial Officer
Lindsey Doi-Leaverton, HCDA Director of Asset Management
Mark Hakoda, HCDA Director of Capital Improvement Projects
Francine Murray, HCDA Community Outreach Officer
Tommilyn Soares, HCDA Executive Secretary
Ryan Tam, HCDA Director of Planning and Development

II. APPROVAL OF MINUTES
Regular Meeting Minutes of January 3, 2024

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

III. INFORMATION & DISCUSSION
Update on Proposed Bills that Affect the Hawaii Community Development Authority During this 2024 Legislative Session:

- i. **SB 3050/HB 2361 Relating to the Hawaii Community Development Authority**
- ii. **HB 1800 Relating to the State Budget – Operations and Capital Improvement Projects for Iwilei-Kapalama, University West Oahu, Kalaeloa, Saratoga, and Heeia**
- iii. **HB 2776 Relating to Capital Improvement Projects for the Benefit of the First Representative District – Waiakea Peninsula**
- iv. **HB 2724 HD1 Relating to the Hawaii Community Development Authority – Kona**
- v. **SB 2766/HB 1781 Relating to the Hawaii Community Development Authority – Panaewa**
- vi. **SB 3381 Relating to Lahaina**

Executive Director Craig Nakamoto presented this staff report, beginning with appreciation to HCDA staff for their support in this 2024 Legislative Session. He, along with Chief Financial Officer Garet Sasaki, provided the following updates on the proposed bill:

- **SB 3050/HB 2361:** As part of the Governor’s package, these bills provide housekeeping and clarifying language regarding HCDA’s assistance to other state and county agencies. SB 3050 has crossed over to the House and HB 2361 crossed over to the Senate for hearings.
- **HB 1800:** The State Budget bill includes HCDA’s operating budget request and includes the same amount as FY24 plus collective bargaining and fringe benefit increases to cover the cost of payroll and administrative expenses. HCDA’s CIP budget requests includes the following projects: 1) UH West Oahu onsite infrastructure, \$25 million; 2) Saratoga electrical upgrades, \$12.125 million; 3) Kalaeloa electrical upgrades, \$4.5 million; and 4) He‘eia Stream access road, \$1 million.
- **HB 2776:** Appropriates \$1M for HCDA to provide master planning and infrastructure master planning for the Waiakea peninsula.
- **SB 3381:** This bill crossed over to the House, and creates a community district that encompasses the moku of Lahaina governed by a nine-member elected board (Lele board) of individuals from the district. This district board is completely separate from, and structured uniquely in comparison to, other existing HCDA boards. The HCDA Executive Director would serve as as the primary link between the Lele Board and the proposed nine HCDA staff members designated specifically for the Lele Community District. It has been made clear to the reviewing committees that, should the funding or staffing be altered as the bill progresses, it would strongly affect HCDA’s ability to implement this bill.

Member Tsuji joined the meeting at 10:10 am.

Member Apo asked if Executive Director Nakamoto could clarify and explain the expanding role of HCDA, in terms of assisting other state departments in land use management. HCDA is beginning to have responsibilities in various areas outside of the established HCDA development districts. Member Apo also asked the Executive Director for clarification as it seems like HCDA is responding and being driven by the Legislature rather than the Governor’s Administration. He added that this may not be the time for this discussion but would like clarification on HCDA’s role.

Executive Director Nakamoto answered that although the Governor’s Administration oversees each state department, HCDA was created and funded by the Legislature to develop community districts. Therefore, HCDA and its staff strives to work with the Administration and the Legislature. HCDA also is willing to provide assistance to other state departments if there is staff capacity to do so.

Member Apo clarified that he is not opposed to the new work being assigned to HCDA, but wanted to offer comments that HCDA should be adequately funded and staffed in order to develop and serve these communities, and to do it in a quality manner; otherwise staff will be stretched and work will not be done in an orderly and successful manner.

Member Higa offered a comment and noted that he views the intent of the establishment of HCDA in the 1976 statute, that it is the Legislature’s purview to designate and add community development districts to HCDA. He added that he views HCDA’s charter as serving the Legislature as they designate additional districts like Kona and Pulehunui. He

agrees with Member Apo's comment that funding should be commensurate to projects and districts that the Legislature assigns to HCDA.

Executive Director Nakamoto continued to answer that, regarding involvement and assistance offered to other state agencies, these relationships align with HCDA's Strategic Plan (revised in September 2023) and are only to the extent that staffing and work capacity allows. If the Board makes the determination that HCDA should no longer be involved or assist other state agencies, the Board may do so by changing the Strategic Plan. Another option is for HCDA to request certain fees for assistance provided to other state agencies through DAGS's fee schedule.

Member Tsuji added that DLNR provided contract funding to HCDA when assistance was provided on their projects in the past. For the proposed Panaewa district, Member Tsuji mentioned that portions of this land is designated as conservation land and partially owned by the Department of Agriculture, so HCDA should look into funding options available for this project.

Regarding the SB 3381, Member Apo asked if the elected Lele Board members will be compensated.

Executive Director Nakamoto answered that these positions will not be compensated, and their service on the Board is voluntary. The election for these nine positions will be held in January 2025, and qualifications are still being considered.

Chair Ishii added and reiterated that they will be completely separate from the HCDA At-Large Board members.

Chair Ishii asked for additional questions or comments from the board members.

Member Streitz comments that, since the Lele Board is completely separate from the current HCDA At-Large Board members, there is potential for HCDA's administration to receive conflicting directives. He is concerned if it is appropriate for the At-Large Board to provide comments on such a bill that would directly impact this current Board, as it may create a conflict of priorities and use of resources between the two Boards.

Executive Director Nakamoto answered by providing a brief recap of SB 3381's evolution through the Legislature thus far, emphasizing that the bill continues to be refined as the reviewing committees, and especially the community members, voice their concerns. The initial form of SB 3381 put an appointed Lele Board under HCDA's At-Large Board, like the He'eia, Kaka'ako and Kalaeloa community district boards are.

There were no further questions or comments from the Board.

Public Testimony

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

Presentation by the HCDA Staff on the Status of Funding and Procurement of various Transit-Oriented Development (TOD) and Pulehunui Related Projects:

- i. Pulehunui Infrastructure: Planning, Design & Construction**
- ii. Iwilei-Kapalama TOD Infrastructure: Design & Construction**
- iii. East Kapolei Infrastructure Master Plan & Programmatic EIS**
- iv. University of Hawaii, West Oahu: On-site Infrastructure for Twenty-Acre Parcel, Design & Construction**
- v. Saratoga Avenue Electrical Upgrades**
- vi. Kalaeloa Electrical Upgrades District Wide**

Mark Hakoda, HCDA Director of Capital Improvements, presented the staff report included in the board packet. The Pulehunui project has been allocated \$60 million to conduct planning, design, and construction of a community development district in central Maui, and the design-build RFP that was issued at the end of last year is expected to be awarded on March 15, 2024. These TOD projects are in collaboration with other applicable state agencies; for example, the Pulehunui project involves the Department of Corrections and Rehabilitation because of the proposed relocation of the Maui jail to on lands within the Pulehunui community development district, and possibly building a new judiciary complex.

Chair Ishii asked if there are other discussions to further expand the judiciary complex, possibly considering transitional homes or other programs in the area.

Mr. Hakoda answered that it has not been presented yet. Executive Director Nakamoto added that this is a design-build contract, so that possibility may come up in the planning process. However, the funds for this project must be encumbered by June 30, 2024 so work is being expedited in order to follow this timeline.

Chair Ishii and Executive Director Nakamoto emphasized that, given that Pulehunui's timeline is quickly progressing, it is a priority to establish a Pulehunui Board. Executive Director Nakamoto mentioned that about six names have been submitted to the Governor's office, so HCDA is now pending confirmation of two names in this Legislative Session.

Mr. Hakoda continued, stating that there is an RFP for the Iwilei-Kapalama project to provide electrical upgrades for the support of state projects and City housing developments in the area. The funding for this project was secured in the 2023 Legislative Session, and the anticipated award date is April 18, 2024.

The East Kapolei Infrastructure master plan also received funding in the 2023 Legislative Session, and has already been encumbered by OPSD by completing an RFP for planning and environmental impact statement.

For the University of Hawaii West Oahu Roadway and Infrastructure project, HCDA is currently working with University of Hawaii (UH) to sign an MOA to allow on-site infrastructure work for a roadway and utilities to support the housing development by Hawaii Housing Finance and Development Corporation and UH.

Saratoga Avenue and Kalaeloa Electrical Upgrades projects, as mentioned by Mr. Sasaki regarding HB 1800, is pending funding approval in this Legislative Session.

HCDA has received \$500,000 for Kalaeloa Electrical Upgrades. HCDA will use the funds to upgrade its infrastructure master plan, including the electrical master plan. These funds must be encumbered by June 30, 2024.

Chair Ishii asked for clarification on how HCDA has been collaborating with the City.

Mr. Hakoda answered that HCDA has been in contact with county agencies since 2022 to discuss different initiatives; for example, the County of Maui has been involved in Pulehunui discussions because Kihei is included in the South Maui community plan, as well as Maui Department of Planning and Permitting, Hawaiian Electric, and Maui Department of Water Supply.

There were no further questions or comments from the Board.

Public Testimony

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

REPORT OF THE EXECUTIVE DIRECTOR
Monthly Financial Highlights for January 2024

Executive Director Nakamoto referred to the financial highlights provided in the board packet, and added that Garet Sasaki, HCDA Chief Financial Officer, is also on standby for questions.

There were no questions or comments by the Board.

Public Testimony

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

IV. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom and adjourned the meeting at 10:46 a.m.

Peter Apo, Secretary

Date Approved by the Board