

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

**Wednesday, December 6, 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 December 6, 2023.

Chairperson Chason Ishii called the December 6, 2023, HCDA Kaka‘ako Authority Regular meeting to order at 9:31 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
Armaine Tomacder, HCDA Secretary
Garet Sasaki, HCDA Chief Financial Officer

II. APPROVAL OF MINUTES

Regular Meeting Minutes of October 4, 2023

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

III. INFORMATION AND DISCUSSION

Presentation by Victoria Ward Limited Regarding Proposed Amended and Restated Master Plan Development Agreement to Document Implementation Matters, Rights, Entitlements, Completion of Public Benefits, and Aspects of Possible Future Development Beyond the Expiration of the Ward Village 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 in January 2009, for approximately 60 acres of land in Kaka'ako owned by General Growth Properties and its affiliate, Victoria Ward Limited (VWL). VWL's master plan permit expires in January 2024, and VWL is proposing to amend and restate the master plan development agreement. The amended agreement may include provisions regarding improvements, reserve housing credits, and other main obligations. The HCDA staff intend to present the proposed agreement for approval in January 2024.

Chair Ishii asked for comments or questions from the board members. There were none.

Ms. Kaiulani Sodaro, Senior Vice President of Planning and Development at Victoria Ward Limited presented the VWL report, and was accompanied by Mr. Doug Johnstone, President of Victoria Ward Limited and Howard Hughes Hawaii region, and Mr. Brian Kang, Legal Counsel. Ms. Sodaro summarized the history of Victoria Ward Limited and the transition to a locally-based Howard Hughes team in the 2000s.

Ms. Sodaro recapped the accomplishments of the executed master plan to date. She also discussed the Ward Village Owners' Association, which is a Master Association that maintains the area common elements. The individual condominium boards are responsible for collecting and paying the Master Association on behalf of all the individual condominium owners.

Ms. Sodaro provided an update on the future parks and community amenities. She indicated that the development creates an annual average of 4,000 jobs, \$470 million in State tax revenues over the past decade, over \$160 million in shared equity through the Ward Village reserved housing program.

To address a question asked by Member Anderson at a previous authority meeting, Ms. Sodaro highlighted that one acre of land in the Ward neighborhood typically provides 97 dwelling units, whereas one acre of land in a “typical development” project area may provide 7 single-family dwelling units.

Member Apo joined the meeting at 9:38am.

Member Apo asked why Howard Hughes obtained the harbor lease and how it relates to the rest of the Ward Village development. Mr. Johnstone answered that some piers were no longer functional and needed a series of repairs and capital investments. This presented a public-private partnership that Howard Hughes could expand with a much-needed fueling station and an opportunity to integrate their operating portfolio. With various businesses in the area and a pending overhead walkway to connect the Victoria Ward Park to the Kewalo Basin Harbor and Ala Moana Beach Park, this presented itself as an opportunity to connect the coastal community with the Ward Village.

Member Apo asked if Howard Hughes’ privatization of this area would cause an implementation of rules; namely, how the Kewalo Basin Harbor is used and who may use it. Mr. Johnstone responded that he believes those rules implied – such as rules of priority and leasing within the harbor, for example – are compliant with the State rules that have been in place. Executive Director Nakamoto added that the harbors were once owned by the Department of Transportation (DOT) before being transferred to HCDA, then HCDA handled the operations until Alomar began managing it for HCDA. There was a considerable amount of money spent on the floating docks, and while there’s more to be done, it was an example of public-private partnership in action.

Chair Ishii asked if Howard Hughes plans to establish a separate board to administer the Master Community Association. Ms. Sodaro noted the Ward Village Owners Association Board was established for that purpose. The Board conducted its annual meeting last month and invited all the annual boards to send a representative to attend. She explained that, like most master associations, additional seats will be created over time to match the equivalent dwelling units and commercial unit members.

Chair Ishii asked if that board will have the authority to make decisions regarding the increase of services, or how the common areas will be utilized? Ms. Sodaro confirmed that is correct, and like all master associations, will be in perpetuity.

Executive Director Nakamoto asked if the fees assessed to the AOA, then billed by those AOAs to each unit owner a proportional amount of the assessed fee? Ms.

Sodaro answered that it is a collection mechanism done in the service of the AOA managing agent, to the AOA, and later to the Master Association.

Executive Director Nakamoto asked if it is the responsibility of the AOA to reach out to the unit owner if they default on a payment. Ms. Sodaro answered that she does not know from that perspective, and will have to look into it because she is unsure that the mechanism is within the owner group.

Chair Ishii asked if lessees or renters in an AOA building can enjoy the same services that are offered to an owner. For example, tenant agreements in Mililani must be provided in order for a tenant to utilize various amenities. Ms. Sodaro noted that in Ward Village, the common elements are all in the public realm, so there is a nuanced difference. She responded that this is not a concern, but that it seems like a renter's rights question.

Member Sakoda answered Executive Nakamoto's question regarding the fees, stating that he believes the Ward Village Owners Association fees come through each owner's maintenance fees every month and then gets aggregated and paid to the Ward Village Owners Association.

Member Sakoda wanted to know how expenses are collected and provided to the Ward Village Owners Association, as well as how the changes to the structure of owner representation will affect the Master Board's execution of these planned public spaces. Ms. Sodaro indicated that this information can be obtained through the AOUO managing agent, and that information is also in the Master Association document.

Member Sakoda questioned if in the future, the Ward Village Owners Association will have to take over the subsidies for common area events that may be currently covered by Howard Hughes. Mr. Johnstone answered that the concerts and Christmas events are more in the retail and community marketing activities and are paid for by Howard Hughes. These are separate from the Master Association fees being discussed. Mr. Johnstone added that these community events are often in partnerships with other nonprofits or community groups, and Howard Hughes typically only provides the venue and facilities.

Member Sakoda asked if rising insurance costs are a concern for Howard Hughes, and if they could shed any light on the status of the market and their ability to limit the insurance liabilities for the buildings, if any. Mr. Johnstone stated that they are making sure Howard Hughes delivers the appropriate coverage, particularly during the construction process, and that this concern is a macro- and regional matter.

Chair Ishii added that the government is starting to get involved with the insurance issue, and discussed the changes to the insurance market with regards to the risk for catastrophes. He noted that many AOAs today are not insured to full property limits,

and this may prevent owners from getting mortgages or refinancing due to federal regulations.

Member Sakoda thanked Chair Ishii, and noted that this may make it difficult for first-time homebuyers to acquire a mortgage and move into reserved housing.

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.

Discussion and Presentation by HCDA Staff Regarding the Planning, Design, and Construction of Community Facilities at the Mother Waldron Neighborhood Park, 525 Coral Street, Honolulu, Hawaii, 96813, and Further Described by Oahu Tax Map Key No. 2-1-051:005 that would include a space to be used by Honolulu Men's Shed, a Hawaii non-profit corporation and Section 501(c)(3) Tax-Exempt Organization and use by the community for other community activities.

Executive Director Nakamoto presented the staff report included in the Kaka'ako Board Meeting packet. He stated that one of HCDA's one-year goals for the Kaka'ako District was to present public facility improvements within the area, and relocating the Honolulu Men's Kupuna Shed to the Mother Waldron Park was one idea that arose. The Men's Shed is renting space from the Department of Transportation at Honolulu Harbor until December 31, 2023. With the assistance of Director Sniffen and Member Miranda-Johnson, they have temporarily relocated into space at Lana Lane.

HCDA and DLNR have shared ownership of Mother Waldron Park, and is managed by the City of Honolulu Department of Parks and Recreation. It is a space that is well-used for various activities; however, it has been beset with homeless and reports of illegal activities. Executive Director Nakamoto explained that the idea is to activate the park further with a senior community center to steward the park and also occupy space, so he hopes to use funding for the planning process, and identifying environmental issues and cultural resource issues that may arise in building a facility in this location.

Designing and constructing such a facility will require legislative funding and support. Executive Director Nakamoto plans to meet with Senator Moriwaki, Speaker Saiki, Councilmember Dos Santos-Tam as well as Mayor Blangiardi and his staff to get their concurrence prior to taking action. He thanked Mr. Ryan Tam, Ms. Charlene Oka-Wong, and Ms. Nancy Nishikawa for their help in brainstorming this idea, as this park is on the national historic registry. He thanked the Board for the opportunity to present this idea, as he believes that the Kupuna Shed is a great asset to the community by building benches, repairing bicycles, and other activities for men and women of all ages.

Secretary Apo commented that this is a great idea, as a sense of community has been lost in the transition to urban living. He states that projects like this will help to create a sense of community where everyone belongs and is offered opportunities to socialize with others. Member Sakoda agreed with Secretary Apo that this is a step in the right direction to building a sense of community.

Executive Director Nakamoto received the comments and agreed that it is about building a community in this area. Although there are logistics still to be worked out, this is the first step and is hopeful that the process will be favorable.

Chair Ishii commented that this is a good way to further activate this park in the area, providing more meaningful use of the space.

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 1 written testimony was received. The received written testimony consisted of questions only, and will be addressed at a later time.

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. Construction at the Kolowalu Dog Park began on November 20, 2023, and construction for the permanent crosswalk improvements at Kolowalu Park are expected to begin on December 11, 2023. However, Although it is a critical time especially as the anticipated start date for the Crosswalk project is approaching, the permits sent to DPP are still pending approval. It is difficult to estimate a specific completion date at this time due to the permitting delays and longer lead times for various materials that needed to be ordered.

Member Sakoda commented that he is excited to see the Kolowalu Dog Park preparations commencing, but suggests that HCDA should also ask Howard Hughes to consider having a dog park in the Ward Village area in the future.

Executive Director Nakamoto thanked Member Sakoda for his comments, and adds that he hopes that Kolowalu Dog Park will alleviate some of the need for dog parks in the Ward Village area. He will be in touch with Ms. Sodaro to discuss the possibility of a dog run, as he's unsure if that was something previously considered.

Chair Ishii added that, with the activation of Mother Waldron Park and the synergy with that area, it will help to further alleviate that need for a dog run in the Ward Village area.

Executive Director Nakamoto agreed that he thinks all these factors will contribute to attracting more users to the Mother Waldron Park, and that may motivate the City to improve that off-leash dog park more.

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 10:32 a.m.

Peter Apo

Peter Apo, Secretary

March 6, 2024

Date Approved by the Board