

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

**Wednesday, April 3, 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 April 3, 2024.

Chairperson Chason Ishii called the April 3, 2024, HCDA At-Large Authority Regular meeting to order at 9:02 a.m.

Acknowledgment 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)
Kate Blystone, Maui County DPP (Ex-Officio)
Mary Alice Evans, DBEDT (Ex-Officio)
Kevin Sakoda
Jo-Ann Leong
David Rae

Members Excused: Russell Tsuji, DLNR (Ex-Officio)
Kaiwipunihei Lipe
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
Francine Murray, HCDA Community Outreach Officer
Tommilyn Soares, HCDA Executive Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of March 6, 2024

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

III. DECISION MAKING

Shall the Authority Establish, Pursuant to Section 92-2.5(b)(1), Hawaii Revised Statutes, a Permitted Interaction Group for the Purpose of:

- i. Conducting the Executive Director’s Annual Performance Review, and**
- ii. Establishing the Executive Director’s new 1- 3-, and 5-year goals and accordingly amend the Agency’s Strategic Plan adopted by the Authority at the September 6, 2023 General Authority Meeting.**

Executive Director Craig Nakamoto summarized the staff report included in the board packet. The proposed Permitted Interaction Group will be tasked with conducting the annual performance review of the Executive Director, review the goals of the HCDA Strategic Plan, and adjust accordingly. Due to this scope of work, Mr. Nakamoto suggested that the Permitted Interaction Group include five members for ease of scheduling, consisting of at least one representative from each community district and two representatives from the At-Large delegation. The general timeline is expected to be as follows:

- April 2024: Performance Review via virtual or in-person interviews
- May 2024: Second Report
- June 2024: Final Report, Action, Dissolution of the Permitted Interaction Group, Adoption of amended Strategic Plan

Mr. Nakamoto anticipated that there will be a clearer understanding of the annual state budget by June 2024, which would be beneficial in forming the one-year goals.

Chair Ishii clarified that the Permitted Interaction Group is not limited to five members, but it is suggested to simplify the process of scheduling meetings.

Member Blystone joined the meeting at 9:07 a.m.

Member Leong asked for the members of last year's Permitted Interaction Group.

Mr. Nakamoto recalled that last year's Permitted Interaction Group consisted of Chair Ishii, Vice Chair Higa, Member Sakoda, Member Rae, and either Member Leong or Member Lipe.

Mr. Nakamoto and Chair Ishii asked if any members would like to volunteer to participate in this year's Permitted Interaction Group.

Member Sakoda, Vice Chair Higa, Member Leong, and Chair Ishii volunteered to participate, and a suggestion was made for Member Rae to also be included.

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.

MOTION:

Chair Ishii asked for a motion for the Authority to Establish, Pursuant to Section 92-2.5(b)(1), Hawaii Revised Statutes, a Permitted Interaction Group for the Purpose of:

- i. Conducting the Executive Director's Annual Performance Review, and**
- ii. Establishing the Executive Director's new 1- 3-, and 5-year goals and accordingly amend the Agency's Strategic Plan adopted by the Authority at the September 6, 2023 General Authority Meeting.**

Motion was made by Member Leong. Vice Chair Higa seconded the motion.

Mr. Nakamoto conducted the roll call vote. Motion passed with 10 ayes, 3 excused, and 4 vacant positions.

IV. INFORMATION & DISCUSSION

Legislative Update on the following measures:

- i. S.B. 3381, S.D. 2, Relating to Lahaina**
- ii. H.B. 1781, H.D. 2, Relating to the Hawaii Community Development District (Panaewa, Hilo, Hawaii)**
- iii. H.B. 2361, H.D. 1/S.B. 3050, S.D.2, Relating to the Hawaii Community Development Authority (Interagency Assistance)**
- iv. H.B. 1800, H.D. 1, Relating to the State Budget (operations and capital improvement projects for Iwilei-Kapalama, UH West Oahu, Kalaeloa, Saratoga Road, and Heeia)**

v. H.B. 2776, Relating to Capital Improvement Projects for the Benefit of the First Representative District (Waiakea Peninsula)

Chair Ishii recognized that this Legislative Session was especially robust for HCDA, thanking the HCDA staff and Executive Director Nakamoto for their performance and excellent representation of the agency.

Executive Director Nakamoto echoed the recognition of the HCDA staff for their team effort in both large and small ways. He summarized the legislative updates on the following measures:

- **S.B. 3381, S.D. 2:** Passed the Senate, but will not be heard in the House. Executive Director Nakamoto reflected that this was a great opportunity for the HCDA to learn about community outreach and engagement, even despite the opposition. He thanked Member Blystone and the Maui County administration for providing their input, as well as the Hawaii State Legislature for their confidence in HCDA to be the lead on this bill.
- **H.B. 1781, H.D. 2:** This bill would have established the Panaewa Community Development District to allow for planning, development, and maintenance of public lands in Panaewa, Hawaii. This bill was deferred by Senator Inouye but may be floated to next Legislative Session, as there were suggestions to relocate the Hawaii Community Correctional Center to the Panaewa district.
- **H.B. 2361, H.D. 1/S.B. 3050, S.D.2:** These bills provide housekeeping and clarifying language regarding HCDA's assistance to other state and county agencies. H.B. 2361 is awaiting a hearing with the Senate Ways and Means committee and Judiciary committee, although the House decided not to hear S.B. 3050.
- **H.B. 1800, H.D. 1:** In the State Budget bill, SD1, HCDA's operating budget includes two Program Specialist V positions. HCDA's CIP budget includes the following projects: 1) He'eia Stream access road, \$1 million; 2) Kewalo Basin Harbor repairs, \$20 million; 3) Historic Kaka'ako Pumping Station roof and building repairs and maintenance, \$2 million; 4) Act 221 climate change adaptation and rulemaking for Kaka'ako and Kalaeloa, \$1 million; 5) Community facility, \$6 million; 6) supportive housing project in Kaka'ako, \$50 million; 7) UH West Oahu onsite infrastructure, \$25 million; 8) Saratoga electrical upgrades, \$12.125 million; and 9) Lihue transit-oriented development infrastructure master plan, \$500,000.
- **H.B. 2776:** This bill appropriated \$1M for HCDA to provide master planning and infrastructure master planning for the Waiakea peninsula. This bill did not pass the House.

Member Rae joined the meeting at 9:20 a.m.

Regarding H.B. 1800, Member Apo asked to clarify the location of the proposed Regent Sea Glider terminal.

Executive Director Nakamoto confirmed that it is proposed to be in the Fishermans' Wharf area of Kewalo Basin Harbor. Though it was not formally brought to the board, Executive Director Nakamoto explained that the discussions are still in the preliminary brainstorming phase and a way to acquire funding for the improvement of this area.

Regarding H.B. 1800, Chair Ishii asked if there are potential locations for the proposed supportive housing project in Kaka'ako.

Executive Director Nakamoto answered that there is no confirmed location at this time, but the HCDA Asset Management department is scoping a nearby parcel that is within reasonable proximity to a planned rail station.

Member Sakoda commented that it seems there is a large amount of infrastructure issues, and asked if the State Legislature has a sense of urgency to address these issues.

Executive Director Nakamoto explained that the Governor and the State's goal is to provide more affordable housing, and it is most practical to develop housing near transit stations. OPSD has identified approximately 4,000 acres of land available for development along the TOD line, so the issues being faced is not due to a lack of land but a lack of sufficient infrastructure to support that growth. Executive Director Nakamoto outlined the rough framework that OPSD provides the planning of projects, HHFDC provides the financing of projects, the TOD Interagency Council determines the prioritization the projects, and HCDA implements the projects.

Member Evans agreed, stating that OPSD has also recognized the issue of infrastructure capacity along transit lines, so the current bills suggest the Legislature's recognition and response to this shortage. Member Evans added that HCDA also brings the community perspective to the development districts, which is essential to move forward in these projects.

Chair Ishii asked for clarification on how HCDA and OPSD work together to develop the community master plans.

Member Evans answered that the planning process for each of the two agencies is different, yet are complementary to each other. OPSD identifies the needs and gaps of the area, while HCDA updates the district with environmental impact statements, adopts rules for the district, and starts the planning process for individual parcels with proposals from landowners.

Executive Director Nakamoto provided the example of TOD areas, where collaborative work can be done between OPSD and HCDA. HCDA could develop a master plan for the areas around the TOD stations, while OPSD would plan and finalize infrastructure financing, which is an essential component as legislative funding is not always guaranteed or consistent.

Member Sakoda recalled previous discussions to advocate for infrastructure development because it is HCDA's expertise. He clarified that he does not envision HCDA replacing other government agencies, but that legislative funding should be allocated to HCDA in order to facilitate and complete these projects.

Member Streitz provided positive feedback on the use of CIP funding and resources, as well as HCDA's management of various projects and potential projects that were discussed in this Legislative Session.

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.

V. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

- a. Congressionally Directed Spending Requests**
- b. Monthly Financial Highlights for February 2024**

Executive Director Nakamoto referred to the Congressionally Directed Spending Request provided in the board packet. Because legislative funding is not always guaranteed, he explained HCDA's efforts to secure alternative sources of funding through federal grants and matching grants.

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.

VI. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom and adjourned the meeting at 10:00 a.m.

Peter Apo, Secretary

Date Approved by the Board