

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

**Wednesday, May 1, 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 May 1, 2024.

Chairperson Chason Ishii called the May 1, 2024, the HCDA Kaka‘ako Authority Regular meeting to order at 9:00 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. The 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)
Kevin Sakoda

Members Excused: Kaka‘ako 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, HCDA Asset Manager
Ryan Tam, HCDA Director of Planning and Development
Francine Murray, HCDA Community Outreach Officer
Tommilyn Soares, HCDA Executive Secretary
Armaine Tomacder, HCDA Secretary

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

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

III. INFORMATION AND DISCUSSION

Presentation by the HCDA Staff of a Contemplated Acquisition of the Following Parcels: Tax Map Key (1) 2-4-031-039 Postal Address: 576 Halekauwila Street, Honolulu, Hawaii 96813), (1) 2-4-031-002 (Postal Address: 598 Halekauwila Street, Honolulu, Hawaii 96813), and/or (1) 2-1-031-020 (Postal Address: 571 Quinn Lane, Honolulu, Hawaii 96813), From the Hawaii State Federal Credit Union, for the Purpose of HCDA's Development of an Affordable Housing Project, at the Total Purchase Price Which Shall Not Exceed \$10,000,000.

Ms. Lindsey Doi, HCDA Asset Manager summarized the staff report provided in the board packet. The properties for sale are within close proximity to the HCDA office, and if acquired, would support HCDA's strategic plan of implementing innovative methods to develop more affordable housing. Ms. Doi explained that there is potential for adaptive reuse and mixed-use purposes, and Executive Director Nakamoto added that it is near a future rail station, contributing further to the property's appeal.

Chair Ishii agreed that this property is very attractive in terms of location and proximity to other amenities, and asked if HCDA has possible development strategy in mind.

Executive Director Nakamoto explained from a cost perspective, HCDA will first look into adaptive reuse opportunities for housing, and possibly mixed use commercial if feasible. Ms. Doi added that there are options to unbundle parking requirements that could allow greater opportunities for more affordable housing development.

Member Evans and Vice Chair Higa provided their support of this project.

Vice Chair Higa asked if it is possible to assume the ground lease that encumbers one of the properties before its expiration date in 2033.

Ms. Doi answered that the existing lessee has indicated that may be a possibility, but HCDA would have to negotiate further.

Member Sakoda asked how the HCDA would fund the property acquisition.

Executive Director Nakamoto answered that with Board approval, acquisition would be a cash purchase through HCDA's funds for reserved housing and improvement. Legislative funding may also assist in funding the purchase.

Member Streitz asked how the \$10,000,000 purchasing budget was determined, what the possible area median income levels could be for potential affordable housing residents, and if the newly adopted rules would affect the development potential of this property.

Executive Director Nakamoto answered that the purchasing budget was determined based on the sum of the properties' asking prices, but added that the HCDA will have to do a fair market value appraisal and due diligence on the conditions of the properties. Regarding area median income levels, Ms. Doi answered that it would depend on what type of housing is developed and what programs are utilized, but it could target the 60% AMI range. It would definitely be under 140% AMI. Executive Director Nakamoto answered that the newly-adopted rules would not affect the development potential of this property.

Chair Ishii reiterated that this is an informational presentation only, but it is beneficial for the board to be aware of these possibilities before any action is taken.

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.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

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

Executive Director Nakamoto referred to the financial highlights provided in the board packet, and highlighted the Legislative matters pertaining to the budget.

There were no further 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.

V. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom and adjourned the meeting at 9:20 a.m.

peter apo

Peter Apo, Secretary

June 5, 2024

Date Approved by the Board