

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

**Wednesday, February 5, 2025
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 Boardroom and provided an option to attend virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on February 5, 2025.

Chairperson Sterling Higa called the February 5, 2025, HCDA At-Large Authority Regular meeting to order at 10:00 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 (“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 also at the meeting site, located at The American Brewery Building, 547 Queen Street, 2nd Floor Boardroom, 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 Higa conducted the roll call. Those present were as follows:

Members Present:

Sterling Higa, Chairperson
Chason Ishii, Vice Chairperson
Miki‘ala Lidstone, Secretary
Mark Anderson, B&F (Ex Officio)
Tim Streitz, City & County of Honolulu DPP (Ex Officio)
Russell Tsuji, BLNR (Ex Officio)
Kevin Sakoda, Kakaako
Trey Gordner, Kalaelo
JoAnn Leong, Heeia
Punihei Lipe, Heeia
Debbie Cabebe, Pulehunui

Members Excused: Melissa Miranda-Johnson, DOT (Ex Officio)
Mary Alice Evans, DBEDT (Ex Officio)
David Yamashita, Maui County DP (Ex Officio)
Michael China, Kakaako
Glenn Yamasaki, Pulehunui
Kalaeloa Member, VACANT

A quorum was present.

Legal Counsel: Kevin Tongg, Deputy Attorney General

Staff Present: Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Chief Financial Officer
Lindsey Doi, HCDA Asset Manager
Francine Murray, HCDA Community Outreach Officer
Deepak Neupane, HCDA Program Specialist V
Ryan Tam, HCDA Director of Planning & Development
Armaine Tomacder, HCDA Board Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of January 8, 2025

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

III. DECISION MAKING
Consider Adopting the HCDA Plan for the Development of Currently-Owned and Future-Acquired Real Property, Which is Included as a Goal in the Strategic Plan, revised June 5, 2024.

Mr. Garet Sasaki, Chief Financial Officer, presented the staff report provided in the board packet. He stated that while the Real Estate Portfolio Development Plan includes all HCDA-owned properties – most of which are encumbered and have reached efficacy – the plan identifies six “priority item” properties that have potential for future development.

Secretary Lidstone asked where HCDA plans to acquire property for a community center.

Mr. Nakamoto answered that HCDA is looking for a site within the Kaka‘ako community development district, as the funding is allocated to the Kaka‘ako community development district.

Secretary Lidstone asked why the 19-acre parcel in Kalaeloa is not a potential site for housing development.

Mr. Nakamoto explained that the parcel is next to the airport runway, so it is an inappropriate site for housing because it would encounter noise issues.

Member Gordner asked if either the NOAA Lot or Charter Building parcels are suitable for aquaculture development, and if other higher revenue-generating purposes are being considered for these parcels.

Mr. Nakamoto answered that the Charter Building is a small parcel and may not be suitable for aquaculture. The NOAA Lot is currently leased to Kupu who plans to develop the space for their program, but it may be able to accommodate for small-scale aquaculture.

Member Gordner noted two new City ordinances regarding adaptive re-use housing development and residential development in B-1 and B-2 areas. He asked if these ordinances have affected the assessments given to the properties identified in this development plan, as he would like to see these ordinances considered in the uses of currently-owned and future-acquired properties.

Mr. Nakamoto answered that HCDA will look into further options for adaptive re-use.

Member Gordner commented that housing development is a main goal of this plan, although only two of the six priority properties is planned for housing. He asked if it would be possible to expand the development plan to include properties owned by other government agencies.

Mr. Sasaki answered that it is possible, as the Real Estate Development Plan will be revised annually to incorporate Board comments and suggestions.

Mr. Nakamoto added that the HCDA rules supersede City ordinances, although adaptive re-use is a strategy that HCDA utilizes occasionally and therefore, is not against incorporating it in the future.

Member Sakoda asked for an update on the Kewalo Basin bulkhead repair.

Mr. Nakamoto answered that the bulkhead repair has been an ongoing issue. Legislative funding has been requested in previous years including for this year's legislative session. The funding for repairs was not included in the State budget. He affirmed that it is a priority project and because of the safety risks, it has since been closed to the public until it can be repaired.

Member Streitz asked if HCDA could purchase property using the floor area ratio balance, in order to achieve any of the development plan goals.

Mr. Nakamoto answered that the floor area ratio balance comes from remnant parcels and therefore cannot be used for any of the properties listed in the development plan.

Chair Higa expressed his appreciation to the HCDA staff for prioritizing this goal and creating a Real Estate Portfolio Development Plan to strategize the use of agency assets.

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

Public Testimony

Chair Higa called for public testimony. There was 1 inquiry to provide oral testimony, and no written testimonies were received.

Tara Rojas testified that all housing development endeavors should take into consideration the reparations that are due to Kanaka Maoli, and housing should be truly affordable so the native Hawaiians can continue to live in their lands.

MOTION:

Chair Higa asked for a motion to Adopt the HCDA Plan for the Development of Currently-Owned and Future-Acquired Real Property, dated February 5, 2025, Which is Included as a Goal in the Strategic Plan, revised June 5, 2024.

A motion was made by Member Streitz and seconded by Member Sakoda.

Mr. Sasaki conducted the roll call vote. Motion passed with 11 ayes, 0 nays, and 5 excused, and 1 vacant.

IV. FOR INFORMATION & DISCUSSION

Update by the HCDA Staff on Proposed Bills that Affect the Hawaii Community Development Authority. The following are the Significant Bills that HCDA is Monitoring and will be Presenting for Information:

Bill Nos.	Bill Title/(Notes)
Bills with Direct Impact to HCDA	
H.B. 300/ S.B. 473	Relating to the State Budget
H.B. 1007/ S.B. 1326	Relating to the Hawaii Community Development Authority (Housekeeping Revisions to Findings and Purposes and Chapter 206E, Part X, <i>Hawaii Revised Statutes</i>)
S.B. 534	Relating to the Hawaii Community Development Authority (Residential Use and Height Limit in the Makai Area)
H.B. 605	Relating to the Hawaii Community Development Authority (Residential Use and Height Limit in the Makai Area)
S.B. 211	Relating to the Hawaii Community Development Authority (Residential Use and Height Limit in the Makai Area)
H.B. 818/ S.B. 1078	Relating to the Waiakea Community Development District (Creates a New District and Transfers Lands in the District to HCDA)
S.B. 489/ H.B. 742	Relating to Transit-Oriented Development (Requires the Hawai'i Community Development Authority to prepare environmental impact statements for the

Bill Nos.	Bill Title/(Notes)
	Iwilei/Kapalama and University of Hawai‘i West Oahu transit-oriented development infrastructure improvement districts on the island of Oahu)
S.B. 1103	Relating to Community Districts (Establishes a process by which the Legislature may establish community districts by concurrent resolution. Requires the board members of the community districts to be elected by residents of the community district)
S.B. 1112	Relating to the Hawaii Community Development Authority (adds the Chairperson of the Hawaiian Homes Commission on the HCDA’s <u>Kalaeloa and Kakaako boards</u>)
H.B. 920	Relating to the Hawaii Community Development Authority (adds the Chairperson of the Hawaiian Homes Commission or the Chairperson’s designee to the Hawai‘i Community Development Authority. Considers the Chairperson in determining quorum and majority and makes the Chairperson eligible to vote on matters affecting the Kalaeloa Community Development District.
S.B. 26/ H.B. 1451	Relating to Affordable Housing (establishes the Affordable Housing Land Inventory Task Force within the Hawai‘i Community Development Authority to update the Affordable Rental Housing Report and Ten-Year Plan maps, tier tables, and inventories of state lands suitable and available for affordable housing development. Requires a report to the Legislature. <u>Appropriates moneys</u>)
H.B. 50	Relating to State Government (authorizes boards and commissions to make employment decisions related to officers and employees without the approval of the head of the department)
S.B. 1669/ H.B. 1484	Relating to Transit Oriented Development (Establishes the Transit Oriented Community Improvement Partnership within the Department of Transportation. Establishes the Community Improvement Revolving Fund. Authorizes the Hawai‘i Community Development Authority to assist the mission of the Partnership. Designates exemptions. Requires annual reports to the Legislature. Appropriates funds)
H.B. 1207	Relating to Capital Improvement Projects for the Benefit of the Twenty-Fifth Representative District (Appropriates funds for capital improvement projects in the twenty-fifth representative district)
G.M. 559	Governor’s Message Appointing Mikiala Lidstone as the Cultural Specialist
G.M. 640 (revised)	Governor’s Message Appointing Trey Gordner to the Kalaeloa board as the Resident Community Representative
Historic Preservation Division/Permitting	
S.B. 575/ H.B. 830	Relating to Historic Preservation Reviews (Requires the Department of Land and Natural Resources to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the Department is unable to complete its review within sixty days)
H.B. 738/ S.B. 1263	Relating to Historic Preservation (creates a process for expediting the review of residential transit-oriented development on certain parcels within county-designated transit-oriented development zones that have a low risk of affecting historically significant resources)
S.B. 1002	Relating to Affordable Housing (Beginning July 1, 2027, requires the State Historic Preservation Division of the Department of Land and Natural Resources (SHPD) to contract its review of proposed state projects, and

Bill Nos.	Bill Title/(Notes)
	projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, and establishes deadlines for SHPD review)
H.B. 761/ S.B. 161	Relating to County Permitting and Permitting (exempts state projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions. Requires counties to accept the dedication of state projects exempt from the county permitting process)
Housing Related	
H.B. 431	Relating to Housing (appropriates funds for the Kauhale Initiative. Establishes and appropriates funds into and out of the Supportive Housing Special Fund. Establishes the Kauhale Initiative Special Fund)
H.B. 489/ S.B. 1214	Relating to Vacant Homes (Establishes a general excise tax surcharge on an owner that allows a residential real property to remain vacant for 180 days or more a year; funds collected to be used for rental assistance programs)
S.B. 68	Relating to the Department of Housing (Establishes the Department of Housing. Places the Hawai'i Community Development Authority, Hawai'i Housing Finance and Development Corporation, Office of Planning and Sustainable Development, and Hawai'i Public Housing Authority within the Department of Housing for administrative purposes. Replaces the Director of Business, Economic Development, and Tourism with the Director of Housing on the Hawai'i Community Development Authority)
H.B. 800	Relating to Government (among other things, provides for the transfer of certain parcels in the <u>Liliha civic center area and Iwilei fire station area</u> from various state agencies to the city and county of Honolulu. provides for the transfer of the parcel of land on which alii place is sited from the city and county of Honolulu to the state)

Mr. Nakamoto presented the list of relevant bills for the 2025 Legislative Session with progress updates on each, if any. Mr. Sasaki provided a summary of the proposed budget submitted to the legislature.

Member Gordner asked if the HCDA would like to have its board members testify on any of the bills to elevate its voice.

Mr. Nakamoto thanked Member Gordner for being willing to get involved, but answered that the HCDA's voice should come from one source to keep it consistent. He noted that if there are any bills that would be in HCDA's benefit to have board members testify on, he will inform the board.

Member Anderson noted the Attorney General's testimony regarding zoning on a single parcel, and requested that this be further explained in a future board meeting. He also asked how the lots are identified in the legislative discussions.

Mr. Nakamoto answered that they will review the Attorney General's testimony and will present it to the board for clarification at a later date. Mr. Nakamoto and Chair Higa answered that the designations used for these lots are informal titles as identified by OHA, rather than referring to the lots by their TMK or address.

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

Public Testimony

Chair Higa 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. Monthly Financial Highlights for December 2024

Mr. Craig Nakamoto, Executive Director, referred to the report provided in the board packet, and stated that Mr. Garet Sasaki, Chief Financial Officer, is available for questions.

Mr. Sasaki clarified the repair and maintenance variances, which was presented during the January 8, 2025 meeting.

There were no questions or comments by the Board.

Public Testimony

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

VI. ADJOURNMENT

Chair Higa thanked those who joined the meeting in person and on Zoom, and adjourned the meeting at 11:02 a.m.

Miki‘ala Lidstone, Secretary

Date Board Approved