

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA BOARD MEETING**

**Wednesday, March 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 March 5, 2025.

Chairperson Sterling Higa called the March 5, 2025, HCDA Kalaeloa Authority Regular meeting to order at 11:30 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
Melissa Miranda-Johnson, DOT (Ex Officio)
Mary Alice Evans, DBEDT (Ex Officio)
Tim Streitz, City & County of Honolulu DPP (Ex Officio)
Trey Gordner

Members Excused:

Mark Anderson, B&F (Ex Officio)
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
Ryan Tam, HCDA Director of Planning & Development
Aramaine Tomacder, HCDA Board Secretary

II. APPROVAL OF MINUTES

Regular Meeting Minutes of December 4, 2024

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

III. DECISION MAKING

Consider Approving, Pursuant to the Findings of Fact, Conclusions of Law, and Decision and Order dated February 2, 2022 for Application No. KAL 21-005, Gentry Homes' ("Gentry") Reserved Housing Unit Pricing and Supporting Analyses for Increment 3 of Ka'ulu by Gentry, Located on Parcel TMKs (1) 9-1-013:197, :198, and :199 in the HCDA's Kalaeloa community development district [no postal address].

Mr. Ryan Tam, Director of Planning & Development, presented the staff report provided in the board packet. He introduced Andrew Kamikawa, Gentry Homes, Ltd., to present the analyses and requested approval for Increment 3 of the Ka'ulu by Gentry reserve housing unit pricing.

Member Evans asked what may be the reasons why the Ka'ulu reserved housing units are not as attractive to potential buyers, compared to other units nearby that are selling more rapidly. She also asked why Gentry did not lower the price for the reserved housing units to further incentivize potential buyers.

Mr. Kamikawa theorized that the payment of shared equity may be the main deterrent. He answered Gentry is unable to lower the reserved housing unit prices due to the rising costs of labor and materials, but that the market unit prices were raised to increase the cost differential.

Vice Chair Ishii asked how Gentry plans to improve their reserved housing incentives package, since it has been a concern since inception. He also asked why there are more 3-bedroom units than 2-bedroom units, and if that may be a factor in buyers' decisions.

Mr. Kamikawa answered that Gentry has offered window coverings and 3-4% credit incentives that may be used to lower the buyer's loan rates and closing costs. He stated that the sales team has not come to a clear conclusion regarding bedroom offerings, but stated that it would be difficult to redesign the product at this point.

Member Streitz asked for percentages of sold markets units in Increments 1 and 2.

Mr. Kamikawa answered that he can provide the numbers as he did not have it on hand. He noted that it is below 100%, but higher than that of reserved housing.

Member Streitz asked why Gentry could not further decrease the reserved housing unit prices, as the loss in potential revenue would be captured in the increase of market unit prices. He asked what features were included in the stated square footage of each unit.

Mr. Kamikawa answered that the prices are set to cover cost increases. The stated square footages only account for interior floor area, not the floor area of the lanai and garage. He clarified the price differential between market and reserved housing pricing.

Member Streitz asked for further details about the access points to the project, to which Mr. Kamikawa pointed out on the provided phasing map.

Member Gordner wondered how subsequent increments would be priced, as the possibility of continuing interest rate increases could imply a considerable factor. He also asked how the federal tariffs are affecting their plans for future increments.

Mr. Kamikawa answered that they have not received word of any direct impacts, but are remaining cautious by communicating with their suppliers and subcontractors.

Secretary Lidstone asked when the access point on Saratoga Avenue will be completed.

Mr. Kamikawa answered that it is dependent on Hunt, the developers of the surrounding public roadways. Mr. Quentin Machida, Gentry President, stated that there is no definite date yet at this time.

Member Evans commended Gentry on developing three-bedroom units to accommodate growing families. She also asked if the HCDA board and staff would consider revising the restrictions in the future, in the event that the program cannot achieve its goals?

Mr. Nakamoto encouraged Gentry to lower the price of the reserved housing units as a strategy to increase sales, before requesting approval for alternative solutions.

Chair Higa concurred with Member Evans' suggestion to consider revising the reserved housing requirements. He advised that Gentry should provide detailed sales data so that the HCDA staff may make informed decisions when considering such revisions.

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.

MOTION:

Chair Higa asked for a motion to Approve, Pursuant to the Findings of Fact, Conclusions of Law, and Decision and Order dated February 2, 2022 for Application No. KAL 21-005, Gentry Homes' Reserved Housing Unit Pricing and Supporting Analyses for Increment 3 of Ka'ulu by Gentry, Located on Parcel TMKs (1) 9-1-013:197, :198, and :199 in the HCDA's Kalaeloa community development district [no postal address] and Take All Actions Necessary to Effectuate this For Action.

A motion was made by Member Evans and seconded by Member Gordner.

Mr. Tam conducted the roll call vote. Motion passed with 7 ayes, 0 nays, 1 excused, and 1 vacant.

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.**

Mr. Craig Nakamoto, Executive Director, referred to the report provided in the board packet. He highlighted that the Kanoa Winds vertical wind turbine has been installed in Kalaeloa.

Member Streitz asked if KHLF is doing eradication efforts for feral chickens, noting that the population remains the same.

Member Gordner asked the extent of KHLF's reliance on federal funding, and how they may be impacted by federal funding freezes.

Mr. Nakamoto answered that he will seek answers from KHLF and will report back to the Members.

There were no further 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.

V. ADJOURNMENT

Chair Higa thanked those who joined the meeting in person and on Zoom, and adjourned the meeting at 12:09 p.m.

Miki'ala Lidstone, Secretary

Date Approved by the Board