

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

**Wednesday, June 4, 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 June 4, 2025.

Chairperson Sterling Higa called the June 4, 2025, HCDA Kaka‘ako Authority Regular meeting to order at 9:37 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 the 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)
Michael China
Kevin Sakoda

Members Excused:

Mark Anderson, B&F (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
Garet Sasaki, HCDA Chief Financial Officer
Craig McGinnis, HCDA Director of Capital Improvements
Francine Murray, HCDA Community Outreach Officer
Ryan Tam, HCDA Director of Planning & Development
Armaine Tomacder, HCDA Board Secretary

II. APPROVAL OF MINUTES

Regular Meeting Minutes of May 7, 2025

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

III. DECISION MAKING

Consider Authorizing the Executive Director to: (i) Expend Funds from the Agency's Reserved Housing Sub-account for the Purpose of the Agency Using Such Funds to Buyback Reserved Housing Units in the Ulana Ward Village, Located at 828 Auahi Street, Honolulu, Hawaii 96813, and Further Described by Oahu Tax Map Key No. (1) 2-1-053:001 ("Ulana") When the Agency's Buyback Right Arises During the Regulated Term of the Reserved Housing Units, (ii) Explore Only Other Means of Financing, for the Purpose of the Agency Using Such Funds to Buyback Reserved Housing Units in Ulana When the Agency's Buyback Right Arises During the Regulated Term of the Reserved Housing Units, and (iii) Explore Only Various Pre- and Post-Buyback Options for the Ulana Units that Arise for Buyback, including but not limited to, Accepting Equity Sharing, Buying Back and Selling, Buying Back and Renting, and/or Rent-to-Own Programs.

Mr. Craig Nakamoto, Executive Director, presented the staff report included in the board packet. He explained that the sale of reserve housing units in the Ulana development project are expected to close in December 2025, and a significant number of buyers are expecting to utilize the buyback process due to financial market uncertainty. In order to avoid waiving HCDA's right to buy back units and allowing units to be sold at market, Mr. Nakamoto proposed that the HCDA be permitted to use funds limited to the amount in the Reserved Housing Sub-Account and funds from other means of financing, such as DURF, to purchase the units back, as well as explore other means of financing. He explained that there is substantial shared equity in Ulana to replenish the Reserved Housing Sub-Account, in the event that it is depleted. He noted that the HCDA will be selective on which units will be bought back, but reiterated that HCDA's goal is to create and preserve affordable housing for the state. HCDA will seek subsequent board approval for a plan proposal and alternative means of financing.

Member Evans asked how the length of each unit's regulated term is determined.

Mr. Nakamoto answered that it is dependent on the price and affordability of the unit.

Member Streitz asked if there is a reason why this proposed strategy is limited to Ulana, rather than being a general strategy for all reserved housing units under HCDA.

Mr. Nakamoto answered that it is partially due to the large amount of reserved housing units in Ulana, as well as the concerning amount of buyers intending to sell their units immediately after closing. He explained that he preferred to have board approval that is tailored to Ulana, and if a similar approval needs to be sought for another development, he will tailor it to that development and what is available in the reserved-housing sub-account at that time.

Member Streitz asked if the regulated terms can be reset or restated for those units that are bought back.

Mr. Nakamoto answered that consultation with the deputy attorneys general will be needed, but any application of terms would have to be in accordance with the 2005 Vested Rules for reserved housing.

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 testimony were received.

MOTION:

Chair Higa asked for a motion for the Board to Authorize the Executive Director to:
(i) Expend Funds from the Agency's Reserved Housing Sub-account Funds for the Purpose of the Agency Using Such Funds to Buyback Reserved Housing Units in the Ulana Ward Village, Located at 828 Auahi Street, Honolulu, Hawaii 96813, and Further Described by Oahu Tax Map Key No. (1) 2-1-053:001 ("Ulana") When the Agency's Buyback Right Arises During the Regulated Term of the Reserved Housing Units, Provided, However, the limit the Agency may expend on buying back Ulana units is the amount in the Agency's reserved housing sub-account plus funds derived from other means of financing, such as DURF, (ii) Explore Only Other Means of Financing, for the Purpose of the Agency Using Such Funds to Buyback Reserved Housing Units in Ulana When the Agency's Buyback Right Arises During the Regulated Term of the Reserved Housing Units, and (iii) Explore Only Various Pre- and Post-Buyback Options for the Ulana Units that Arise for Buyback, including but not limited to, Accepting Equity Sharing, Buying Back and Selling, Buying Back and Renting, and/or Rent-to-Own Programs.

A motion was made by Member Evans and seconded by Vice Chair Ishii.

Mr. Nakamoto conducted the roll call vote. Motion passed with 8 ayes, 0 nays, and 1 excused.

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. Nakamoto referred to the Executive Director report provided in the board packet. He highlighted that the Kolowalu Large Dog Park remains closed to allow the rehabilitation of the grass, and will be followed by a maintenance closure of the small dog park. He noted that the stakeholder's meeting on June 5th to provide a progress update on the Ilaniwai Street improvements.

Member Evans asked if there were considerations to allowing Ulana reserved housing unit buyers to obtain a second mortgage, as it is allowed for the subordination of equity for reserved housing unit owners in other developments.

Mr. Nakamoto answered that they can look into that possibility, as permitted in the previously approved motion.

There were no further questions or comments by the Board.

Public Testimony

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

V. ADJOURNMENT

Chair Higa thanked those who joined the meeting on Zoom and then adjourned the meeting at 9:46 a.m.

Miki'ala Lidstone, Secretary

Date Approved by the Board