

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

**Wednesday, July 2, 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 July 2, 2025.

Chairperson Sterling Higa called the July 2, 2025, HCDA Kaka‘ako Authority Regular meeting to order at 9:01 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
Sabrina Nasir, B&F (Ex Officio)
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

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
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 June 4, 2025

Chair Higa asked for comments or corrections. He noted that the June 4, 2025 meeting adjournment time should be corrected to 10:03 a.m. The meeting minutes were approved with the corrections as noted.

III. DECISION MAKING

Consider Authorizing the Executive Director to Implement a “Supplemental Financing and Buyback Plan” (“Plan”) for Reserved Housing Units Within the Ulana Ward Village project, Located at 828 Auahi Street, Honolulu, Hawaii 96813, and Further Described by Tax Map Key Number (1) 2-1-053:001, that are Proposed to be Sold by the Reserved Housing Unit Owners During the Regulated Term, Such Plan Containing the: (i) Actions to be taken by HCDA upon a Proposed Sale of Said Reserved Housing Units, and (ii) Supplemental Financing to be Utilized by the HCDA to Buyback Said Reserved Housing Units.

Ms. Lindsey Doi, Asset Manager, presented the staff report included in the board packet. She noted that Ulana is the largest reserved housing project within the Kakaako community development district with almost 700 reserved housing units, therefore it is reasonable to anticipate multiple buyback requests. Ms. Doi summarized the Supplemental Financing and Buyback Plan, which outlines four proposed options pursuant to Hawaii Administrative Rules §15-22-186(c), in the event that an Ulana unit is offered for buyback. These options include: 1) HCDA or another designated entity buys the unit at the designated buyback price and resells it as an affordable unit to another qualified buyer; 2) HCDA requires the original owner to resell the unit to a qualified new buyer approved by the HCDA at the designated buyback price; 3) HCDA buys the unit at the designated buyback price and procures a property manager to rent and manage the unit as an affordable unit to a qualified renter in accordance with HAR §15-22, Subchapter 7; and 4) HCDA waives buyback and collects the shared equity immediately in order for the owner to rent or sell the unit at market price. Supplemental funding may be necessary for options 1 and 3, and HHFDC has offered to loan HCDA up to \$3 million in Dwelling Unit Revolving Funds for the first two years, which requires a separate agreement with HHFDC and is subject to their board’s approval.

Member Evans asked how the regulated terms of Ulana units are determined.

Ms. Doi answered they are dependent on the unit price. She added that there are 52 units with a two-year regulated term, 501 units with a five-year regulated term, and 144 units with a ten-year regulated term.

Member Evans asked if there is an option to extend the regulated term in order to keep the unit affordable.

Ms. Doi answered the regulated term of a unit is reset upon the signing of a new unilateral declaration, and the term length may be changed if the unit price is adjusted accordingly.

Member Sakoda asked if there is a waitlist for the units.

Ms. Doi answered that certain units have waitlists, depending on the size of the unit and the needs of the applicants.

Member Sakoda asked if option 3 gives HCDA the ability to manage the unit indefinitely as a rental unit.

Ms. Doi answered that HCDA would only manage it as a rental unit for the remainder of the original regulated term.

Member Sakoda noted the rising monthly costs in Ward Village and asked if there are plans in place in the event that buyers are no longer able to maintain their obligations.

Ms. Doi answered that the developer took previous issues with maintenance fees into account when setting budgets for Ulana; however, the increase in interest rates since buyers signed their contracts in 2021 will likely cause financial strain. Therefore, these buyback options are being presented for board approval in advance, should Ulana buyers no longer be able to make payments on their units.

Vice Chair Ishii provided insight on property insurance rates, noting that it is stabilizing in comparison to recent years.

Member Streitz asked who would administer the transactions in options 1 and 2.

Ms. Doi answered that HCDA would procure a professional broker to handle the buyback under option 1, and the cost would be an eligible expense from the Reserved Housing sub-account. For option 2, the HCDA would procure a professional broker to solicit and manage a waitlist of qualified buyers and match them with any available units for buyback.

Member Streitz asked to clarify the advantages and disadvantages of options 1 and 2, given that they are ranked most preferable.

Ms. Doi answered that both options are advantageous to HCDA, however option 1 would require less staff time dedication. She clarified that the options are generally listed preferential order, but each unit offered for buyback would be handled on a case-by-case basis and the best suited option for that particular unit would be chosen. Variables such as unit size, marketability, buyback price, and demand for that type of unit will all weigh into the decision on which option to choose.

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 Implement a “Supplemental Financing and Buyback Plan” (“Plan”) for Reserved Housing Units Within the Ulana Ward Village project, Located at 828 Auahi Street, Honolulu, Hawaii 96813, and Further Described by Tax Map Key Number (1) 2-1-053:001, that are Proposed to be Sold by the Reserved Housing Unit Owners During the Regulated Term, Such Plan Containing the: (i) Actions to be taken by HCDA upon a Proposed Sale of Said Reserved Housing Units, and (ii) Supplemental Financing to be Utilized by the HCDA to Buyback Said Reserved Housing Units as described in this staff report and undertake all tasks necessary to effectuate the purpose(s) of this For Action, Except for (i) additional buyback options, (ii) other means of supplemental financing, (iii) using other HCDA special funds, or (iv) a change in the Buyback Expenditure Limit.

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

Mr. Nakamoto conducted the roll call vote. Motion passed with 9 ayes, 0 nays, and 0 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 for grass rehabilitation and entry gate repairs.

There were no 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 9:34 a.m.

Miki‘ala Lidstone, Secretary

Date Approved by the Board