

Via Email

dbedt.hcda.contact@hawaii.gov

September 2, 2025

Mr. Craig Nakamoto, Executive Director and
HCDA Board Authority
Hawai'i Community Development Authority
547 Queen Street
Honolulu, HI 96813

Re: Follow Up to Kaka'ako Community Meeting on August 19, 2025
HCDA Proposed Affordable Housing Developments

Dear Mr. Nakamoto and Board Authority:

Live, Work, and Play is the essence of the community in Kaka'ako as it has developed over the last 20 years. As HCDA has helped shepherd its growth through **managed development**, it had to ensure there was a balance between all its growing stakeholders, **Residents, Business Operators, and Community.**

To effectively do so, and consistent with HCDA's Mission Statement and Core Values, true and transparent collaboration with all stakeholders is fundamental to managed development that builds better communities for the long term.

With great power comes great responsibility for the Board, the Director, and State of Hawaii, **as the implications of decisions today have a forever impact on the Residents, Business Operators, and Community.**

As you saw at the August 19 meeting, many residents heard for the first time that HCDA has been planning development of specific parcels for several months (or years) without community input and without any effort to seek community input. It was also disturbing for residents who also heard for the first time that HCDA is purchasing or condemning property to make way for such development. It was unclear how HCDA formulated its plans to develop these areas, and residents are concerned that HCDA will continue this practice in other areas throughout the State.

HCDA owned or controlled properties like those in which are proposed for development, including affordable housing, whereby the Executive Director has the

authority to Recommend for Approval to the Board Authority Incentives, Development Permits, and Variances, effectively self-governing their actions and projects, are of concern when Stakeholders are not actively heard or served.

We are all thoughtful and understanding of the need for affordable housing in Hawaii, as we continue to develop a long-term path for local residents. This requires a collaborative approach as it is woven into the fabric of communities. **As is the responsibility of HCDA, its Board, and Director, collaboration with stakeholders and affordable housing projects of all types are to be considered.**

The current Kaka'ako Affordable Housing Projects proposed at Block "P", Block "P-2", and rendered at Block "P-3" have not contemplated collaboration with Stakeholders, nor has it considered all project types based on stakeholder feedback. We respectfully request that the aforementioned points be taken into consideration prior to advancing projects and allocating additional taxpayer funds.

Voices of Kaka'ako

1. Stakeholders

- a. **Residents (LIVE):** The Mauka and Makai regulations were established for landowners and developers to balance market units, reserved housing, and workforce housing. These rules manage development by specifying requirements such as setbacks, podium height, and floor area based on the property footprint. This created a balance for livability and walkability within the Mauka community of Kaka'ako, while also providing for parks and open spaces to remain in Makai.
 - i. With growing urbanism, the importance of tower separation, setbacks, podium height, and floor area ratios, allows for managed development to enhance the surrounding community, and create long term continuity with the livability in Kaka'ako.
 - ii. By not following these rules, the result will be over development in areas not prepared with the current infrastructure, overwhelming traffic counts, and safety concerns during emergencies like the recent Tsunami warning on July 29, 2025.
 - iii. At 4PM, traffic in Kaka'ako caused an hour-long delay for employees, residents, and park users trying to travel a few blocks.

Workers in the area stayed on site until just before the tsunami, since commuting from Kaka'ako could take up to three hours to get home.

Although we were lucky with this near miss, additional pressure on traffic count in throughfares like Ward and Kapiolani, and its adjacent roads, we may not be so fortunate with the next emergency. Additional development in these critical crossroads, which are not set up for high density, rule-bending projects, pose an added safety threat to the community and all those who utilize the infrastructure to commute to and from Kaka'ako.

HCDA has not explained its plans to work with the City to improve the existing traffic infrastructure, roadways, sidewalks, drainage, and crosswalks. It is not sufficient for HCDA to point to the City. HCDA has a duty to oversee the overall development of Kaka'ako, including its infrastructure. It seems that HCDA is continuing to build without any consideration of the demand upon existing infrastructure and the effort required to upgrade it.

b. Business Operators and Employees (WORK): The balance of small businesses which are the make up of Kaka'ako, are an integral part of what makes Kaka'ako special. As a driver of local entrepreneurship, Kaka'ako has become a hotbed for small businesses to thrive in urban communities. Often, these businesses have developed their own place of community, from fitness centers, local breweries, community work hubs, and non-profit development centers, Kaka'ako has thrived.

- i. Independently, small businesses have always had to battle the challenges and risks to open on their own, develop unique products and services for local communities, all while creating employment and tax revenue for the State of Hawaii and City and County of Honolulu. Although Kaka'ako businesses are small individually, together they form thousands of diverse local enterprises that contribute unique perspectives and value to vibrant urban communities.
- ii. Managed and collaborative urban development will allow for thoughtful and well-planned community hubs, often driven by products or services provided by small businesses. Being

conscious of who we move out of communities, or hinder future survival, may result in unintended consequences to a larger population who rely on those services.

In many respects, Kakaako businesses build community more than high-rise condominiums. We have seen a proliferation of small businesses building networks and engaging customers and residents in a way that condominiums cannot and do not. These businesses bring people together for events, performances, and causes. They are, in fact, the ones who are “building community” in Kakaako.

- c. **Community (PLAY):** The importance of community organizations which provide a voice to the individuals and bring power to the people who have an intimate understanding of the underlying impact of unmanaged development. As evidenced by the effort around “Save Kaka’ako Makai” and its open spaces, the broad community has benefited from the wellness of those who actively use the parks, beaches, and walkways throughout Kaka’ako Makai daily.
 - i. Understanding the differences in Kaka’ako Mauka, managed development which focused on the walkability to residential, commercial, and community centers are essential to the long-term livability in an urban corridor.
 - ii. While there are opportunities to utilize the density provided in the Mauka rules, not adhering to them, or disregarding them in its entirety will set a precedent for all other landowners, developers, and State agencies to chart a path, which was not originally intended for the benefit of the Community as a whole.
 - iii. Alternatively, if HCDA complies with the Mauka rules in constructing affordable or workforce housing, it may serve as an example for others seeking to achieve the objectives set by the State of Hawaii.
 - iv. Actions which occur in Mauka, which are not consistent with the comprehensive intent of the Mission and Values of HCDA, while potentially not following their own drafted rules, places risks on development decisions contemplated in other areas of oversight in Kaka’ako Makai, Kalaeloa, Heeia, and Transit-Oriented

Development Improvement Districts throughout Oahu. This is a wide breath of exposure to the communities impacted by precedent and decisions of HCDA, and the State of Hawaii.

2. Authority and Decision Making

a. **As stated in the Mission:** “HCDA **will collaborate** with private enterprise, public agencies, and **community stakeholders to build better communities through planning, collaboration,** regulation, and infrastructure development.” This is core to the fundamental due process when considering community-based development.

i. The challenge with HCDA owned or controlled properties in which they are advancing development projects is that they are effectively self-governed. The Executive Director can Recommend Action or make a Decision to and for the Authority (Board). Figure 1.1 Approval Requirements Matrix

1. Rule 15-217-28 Incentive Zone
2. Rule 15-217-80 Development Permit
3. Rule 15-217-82 Minor Variance
4. Rule 15-217-83 Major Variance

ii. How is community input incorporated into decision-making when the Executive Director interprets rules in line with their Strategic Plan?

1. It was mentioned at the August 19 meeting that the Executive Director bases decisions upon phone calls from individuals who request assistance. For example, a phone call may have led to HCDA's decision to purchase a property and then demolish and rebuild it to accommodate a particular user. Was there any consultation with the community and affected (business) stakeholders?

b. Of particular interest when funded by Taxpayer/State appropriated funds; \$15MM 99-year Leasehold Program, acquisition of land by HCDA by purchase, trade, or transfer of benefits, tax credits, or waiver of State or City and County fees.

- i. According to the July 2025 financial report, \$1,202,537 has been expended on the 99-Year LH Program since its approval in June 2025.
- ii. HCDA acquired the parcels from other Landowners. What did Landowners receive in return? When did the negotiations begin? Who negotiated the transaction? What was the agreement?
- iii. Are site and pre-development planning following the Mauka Rules?
- iv. Has feedback from August 19, 2025, stakeholder meeting been shared with Board Members and pre-development planners? Will feedback be shared with the Kakaako community? Will feedback be shared with the general public?
- v. Please describe what is meant by “adopting administrative rules” as it applies to the 99-year leasehold condominium program. Will this be subject to Stakeholder feedback? What is the timeframe?
- vi. Was the concept’s long-term viability established before designing the Leasehold Condominium at Block P-3 on Ward Ave and Kapiolani Blvd?
 - a. Honolulu market leasehold examples like Admiral Thomas, located at 1221 Victoria St., should be analyzed to clarify how these variables are related. Historic data for all the below is available.
 - i. Due to the lack of equity build up, as the lease term shortens, bank financing becomes unattainable.
 - ii. Values start to decline imminently before 30 years remain on the lease, and exponentially thereafter. There is a direct correlation between declining values and a shortened lease term which makes bank financing unavailable for any incoming buyer.

- iii. Inverse relationship of building capital reserves and increasing costs to maintain large older buildings, all while values of leasehold condominiums decline. The combination of the above in turn drives up Maintenance Expenses exponentially over time, no longer making these condominiums affordable to those on fixed budgets.
- iv. Subsequently these Leasehold condominiums become less marketable for those invested, who want to exit and transition to another home because of declining values and increased costs of maintenance which may no longer be affordable.
- v. This places more financial pressure on affordable housing buyers who are more likely to be on a fixed budget when managing the increases in maintenance expenses. These increases are often at a higher rate than the CPI or annual increase in household incomes.
- vi. If affordable housing residents are not capable of paying up for the increases in Maintenance Expenses, will Taxpayers/State of Hawaii subsidize this?
- vii. What may work in another country like Singapore, may not work in Hawaii. This may start to become viable if all the economic variables imputed on residents, along with all the same predictable macro-economic variables to both Singapore and Hawaii apply over a 99-year period. If this is not the case, then we may not provide the same benefit to residents as seen in Singapore.

c. **The renderings provided (dated 8/19/25) appear inconsistent with HCDA Mauka Rules, though no numeric metrics are included.**

i. Podium Height: Figure NZ.2 Kapiolani Zone

- a. HCDA Proposed:** 14 floors or 140 feet
- b. Mauka Rules:** 65 feet

ii. Setback: Figure NZ.2 Kapiolani Zone

- a. HCDA Proposed:** At property line
- b. Mauka Rules:** 15 feet (Ward Ave)
- c. HCDA Proposed:** No greening/tree requirements as with other developments on Ward Ave.

iii. View Plane Corridor: Figure 1.6A View Corridors

- a.** Even if the proposed HCDA plans followed the setback, which does not, the proposed tower would be in the Ward Ave Mauka to Makai view corridor. The Symphony Honolulu tower demonstrates this rule, as it was constructed set back from Kapiolani Blvd and HCDA's tower.

b. Tower Separation

- i.** Visually the renderings proposed are within the 80' tower separation between 909 Kapiolani and Symphony Honolulu.

c. Floor Area Ratio: NZ.2 Kapiolani Zone

- i.** Maximum Density (FAR) 3.5

ii. HCDA Mauka Rules Allowable:

- 1.** 873 Kapiolani Blvd- 11,637 sf
- 2.** 610 Ward Ave- 14,989 sf

3. Total- $26,266 \text{ sf} \times 3.5 = 91,931 \text{ sf}$

4. Subject to Mauka Rules which may limit use of total FAR i.e. setbacks, etc.

iii. HCDA Proposed (Renderings)

1. No setbacks

2. Estimated Podium: $26,000 \text{ sf} \times 14 \text{ floors} = 364,000$

3. Proposed Tower Height: 35 floors

4. Assumed Tower Footprint: 16,000 sf

5. Tower sf: $35 \times 16,000 \text{ sf} = 560,000 \text{ sf}$

6. Combined Podium and Tower sf = 924,000 sf

iv. Difference between HCDA Mauka Rules and Proposed HCDA Tower (based on Renderings)

1. $924,000 - 91,931 = 831,068 \text{ sf}$

v. Please identify the Variances from the Mauka Rules proposed for HCDA's tower which allows for ten times (10x) the stated rule.

1. Podium Height

2. Setbacks

3. View Corridor

4. Tower Separation

5. Floor Area Ratio (FAR)

- vi. If HCDA takes a similar approach at Block "P": 956/958 Queen Street and 955/957 Kawaiahao Street, please identify the Variances proposed.
- vii. If HCDA takes a similar approach at Block "P-2": 952 Kawaiahao Street and 955 Waimanu Street, please identify the Variances proposed.
- viii. What were the cash and non-cash purchase terms for these properties? What specifically did HCDA receive? What specifically did Landowners receive?

d. Decision Making Authority: Live, Work, and Play Issues

- i. Based on HCDA's commitment to collaborate with Stakeholders on Live (Resident), Work (Business), and Play (Community) issues with proposed developments, identify the decision-making process and value chain which encompasses the views of all parties.
- ii. Identify the checks and balances available to Community Stakeholders for HCDA developments where the Executive Director and Board hold recommendation and decision-making authority.
- iii. Will the proposed projects require an environmental assessment (EA) and/or environmental impact statement (EIS)? If yes, what is the timeframe for the EA and/or EIS? When will the Kakaako community be consulted and provided an opportunity to give input?

3. Managed Development

- a. An elderly woman at the public meeting held at Velocity on Tuesday, August 19, in her wisdom, said, "Just because you can, doesn't mean you should."

i. The end does not justify the means of getting there. Although we all want more affordable housing in Hawaii, have we taken into consideration:

1. Capacity constraints: Traffic and Infrastructure
2. Emergency concerns: Have we learned from the past, and how does it apply to our decisions impacting our future?

b. Explore all Affordable Housing Options

i. Repurpose and Renovate Existing Buildings for Affordable Rentals

1. Lowest cost and quicker to market affordable housing.
2. Utilizing less productive space and converting to a stabilized income stream for landlords.
3. Less financial burden on Taxpayers/State subsidies.

ii. Lower density affordable housing Rental/Fee developments on smaller lots.

1. Which follow the Mauka rules and are examples for other landlords and developers to follow.
2. Lower cost and quicker to market affordable housing.
3. Lower long term capital reserves and maintenance costs over time relative to larger vertical developments of condominiums.
4. Higher probability of long-term affordability for tenants.

iii. Affordable housing developments adjacent to Transit Stations where there may be larger areas of land for higher density projects.

1. HCDA's broader oversight of Transit-Oriented Development Infrastructure Improvement Districts may

lead to greater efficiency and cost savings near Oahu stations.

2. Enhanced alignment with HART and optimized utilization of Rail according to its original design and intended purpose.
3. There is also a question of what 'affordable' means, and if housing in other areas adjacent to HART stations may include fee ownership at a lower all in cost.

4. Availability of Meeting Times and Place to Promote Transparency

- a. Propose moving the meeting place from the current HCDA offices which do not have adequate parking or easy to access public transportation.
- b. Propose moving the date and time from the first Wednesday of each month at 9am to the first Wednesday of each month after work hours, e.g., 6:00 p.m. Working people are unable to attend meetings held on weekdays during work hours, even when they are held virtually.
- c. We are offering the Velocity Lobby which is centrally located, walkable, and with parking. We have the capacity to host up to 400 guests. Based on the last public meeting, where there were over 125 people in attendance, and the growing interest in HCDA's proposed developments, we anticipate this capacity need. Velocity has the technology capacity to stream and record meetings and can work with HCDA IT to include their equipment as needed.
- d. If HCDA opts not to change the proposed time and location in the interest of transparency, by making public meetings more accessible to those in the affected areas, along with changing it to times outside of everyone's work schedule, then **Velocity Honolulu will host monthly meetings for Community Stakeholders every month on the second Wednesday at 6pm to recap for the public HCDA's monthly meeting, and proposed agenda for their next meeting. HCDA's Director and Board Members will be requested to attend.**

In closing, the voices of Kaka'ako's residents, businesses, employees and community organizations are united in a single request: that HCDA remain faithful to its mission of building better communities through transparency, collaboration, and respect for established rules. The Mauka Rules were created to ensure balanced, managed development that preserves livability, safety, and long-term sustainability. Any deviation from these rules to serve narrow or self-directed agendas undermines public trust, weakens the integrity of HCDA's authority, and sets dangerous precedent for future development across all districts under HCDA's jurisdiction.

HCDA must abandon its practice of engaging in private negotiations to alter rules, standards and requirements because private negotiations do not serve the law and the public interest.

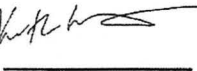
We therefore urge HCDA to uphold both the letter and spirit of the Mauka Rules, and to fully integrate stakeholder voices into every stage of decision-making. This is not only a matter of legal compliance but also of ethical governance. True progress for Kaka'ako — and for Hawai'i — depends on decisions that are rooted in fairness, accountability, and the collective good.

Respectfully,

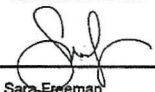

BRAD NICOLAI
JN GROUP



Eric Clark
Board Director,
Vanguard Lofts and
Symphony Honolulu


Joshua Kopp
Hana Koa Brewing Co.


Keith Winnacott
F45 Ala Moana
Kaka'ako Resident


Jason Taira, Community
Resident & Small Business Owner


Sara Freeman
Kaka'ako Resident &
Small Business Owner


Michael Robinson
Kakaako resident

Enclosures: HCDA Mission, Core Values, and Vision
HCDA presentation August 19, 2025, Pg. 8, 9, 10, 12, 13
HCDA Mauka Rules, Figure NZ.2 Kapiolani Zone, NZ.5 Central Kakaako

HCDA's Mission, Core Values, and Vision

| **Mission** | For each community development district and transit-oriented development infrastructure improvement district, HCDA will collaborate with private enterprise, public agencies, and community stakeholders to build better communities through planning, collaboration, regulation, and infrastructure development.

| **Core Values** | HCDA's core values are focused on the following acronym:

B·U·I·L·D

Build better communities.

Utilize our infrastructure development expertise and assessment powers.

Innovate the planning and regulatory process to improve development.

Leverage experience to foster collaboration with other agencies and stakeholders.

Develop a "yes, we can" attitude within HCDA and its partners.

| **Vision** | HCDA's vision is for the community development districts and infrastructure improvement projects to be thriving self-sufficient developments that enhance the communities and benefit the State of Hawaii.

HCDA envisions utilizing its experience and expertise in infrastructure and mixed-use development to collaborate on and/or undertake: (i) infrastructure development that supports the creation of affordable housing projects of all types, and (ii) infrastructure and/or mixed-use development that supports other State goals and initiatives.

Kaka'ako Community Development District Informational Update

Velocity at Symphony

August 19, 2025

5:30 – 7:30 pm



Hawai'i Community Development Authority

Current Kaka'ako Affordable Housing Projects

Affordable Rental Housing Project-Block "P"

Board Action: In September 2022, the HCDA Board authorized the Executive Director to acquire the property to develop an affordable housing, mixed-use development.

Acquisition: March 2023, subject to three leases.

Solicitation: In February 2025 HCDA Board authorized soliciting a Request for Qualification from Developers for Development of a Mixed-Use, Mixed Income Affordable Rental Housing Project (Project) on the property. A solicitation for Request for Qualifications was published on February 17, 2025. In June 2025, a non-profit affordable housing developer, EAH Housing was selected as the developer for the project. HCDA staff is working with EAH Housing in developing a program for the Project.



Location:
956/958 Queen Street and
955/957 Kawaiahao Street

Current Kaka'ako Affordable Housing Projects

Affordable Rental Housing Project-Block "P-2"

Board Action: In April 2025, the HCDA Board authorized the Executive Director to acquire the property to locate a community facility in the short term and, in the future, develop an affordable housing, mixed-use development.

Acquisition: The acquisition is scheduled to close on August 25, 2025. The intended use of this land will be the development of an affordable rental housing project.



Location:

952 Kawaiahao Street and
955 Waimanu Street

Current Kaka'ako Affordable Housing Projects

99 Year Leasehold Condominium Program-Block "P-3"

Legislative Action

Act 97 Session Laws of Hawaii 2023 established a 99 Year Leasehold Condominium Program within HCDA.

Program is limited to one project on non-ceded land within an urban development site selected by the HCDA

Act 97 provided funding for

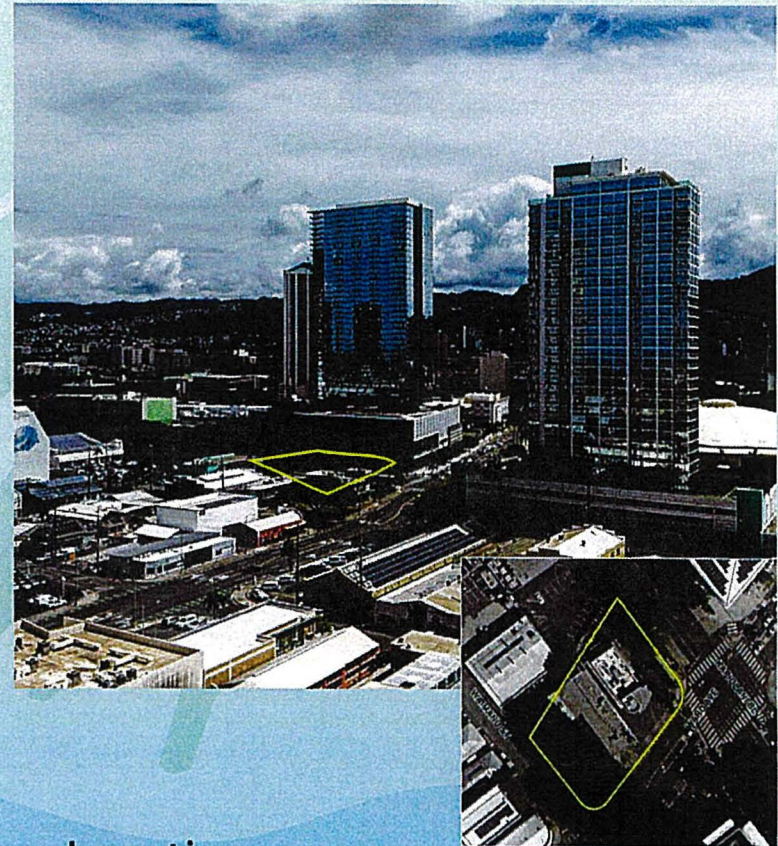
- conducting site and pre-development planning
- engaging the community
- adopting administrative rules

Current Kaka'ako Affordable Housing Projects

99 Year Leasehold Condominium Program-Block "P-3"

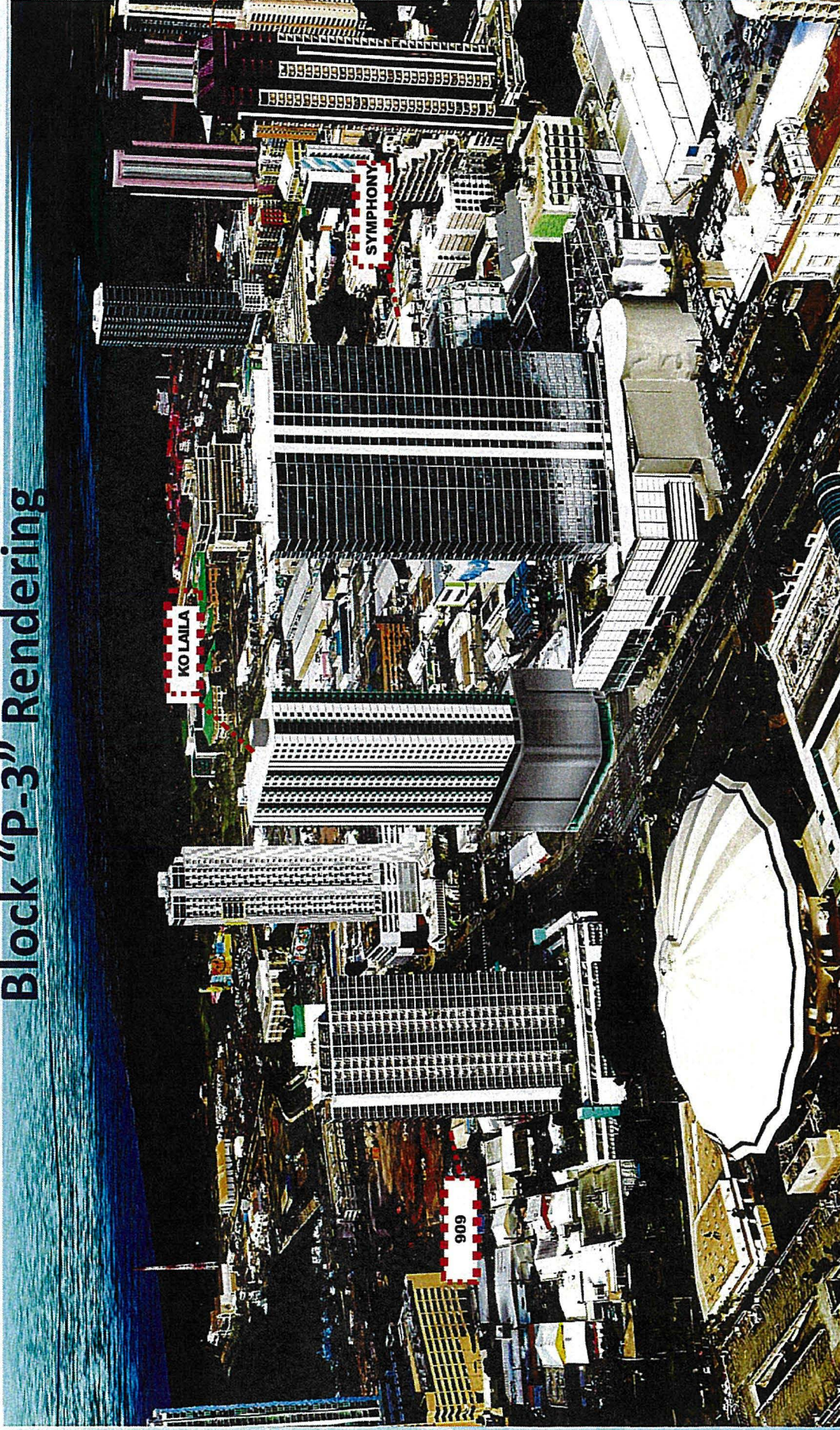
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- On June 4, 2025, HCDA board selected the land parcels owned by the HCDA and located at 873 Kapiolani Boulevard and 610 Ward Avenue as the development site for the 99 Year leasehold Condominium Project.
- HCDA has retained a development consultant and is conducting pre-development due diligence on the Project to determine the Project's feasibility.
- See rendering (next slide)



Location:
873 Kapiolani Blvd. and
610 Ward Avenue

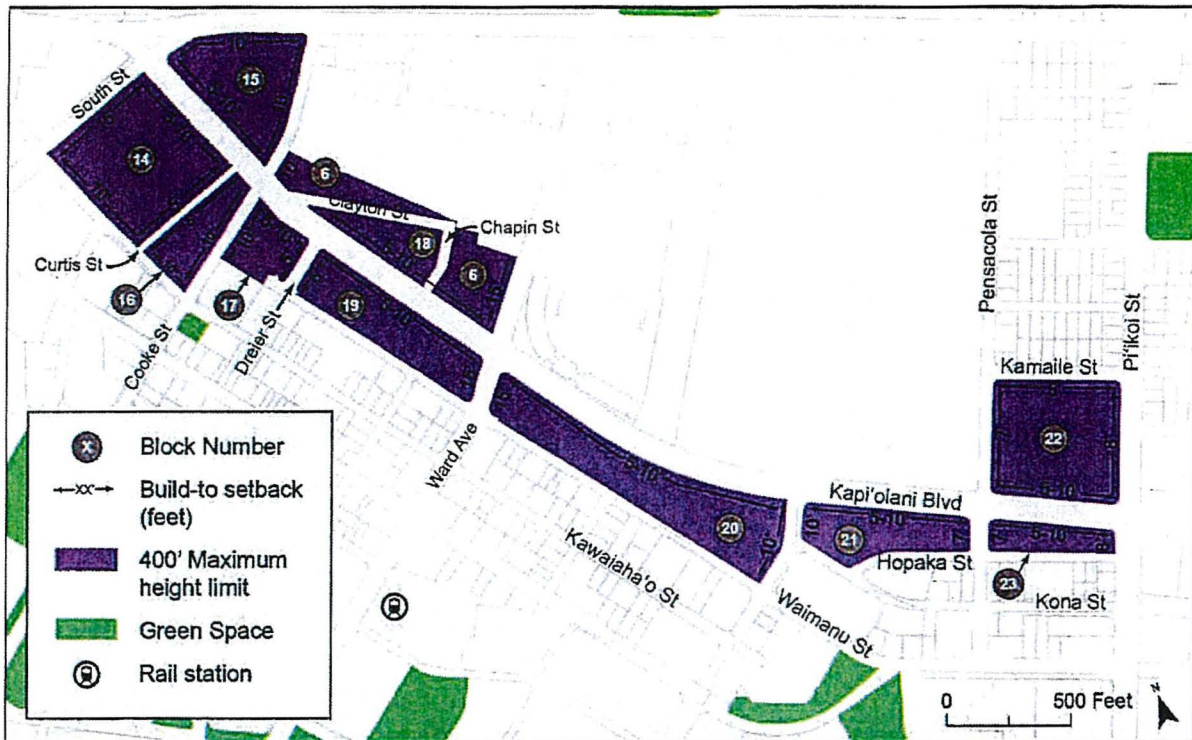
99 Year Leasehold Condominium Program Block "P-3" Rendering



KO LAILA - CONDOMINIUMS
873 KAPIOLANI BLVD . HONOLULU . HI .
96814

LOCATION RENDER

FIGURE NZ.2 KAPIOLANI ZONE (KA)



A. Building Types - Max Height	
Podium High Rise	400'
Urban Block	100'
Lei Building	100'
Courtyard Building	55'
Duplex / Triplex / Quadplex	45'
Townhouse	45'
Flex / Loft	-
Industrial Barn	-
Side Yard House	-
Front Yard House	-

B. Frontage Types	
Lanai and Front Yard	-
Stoop	✓
Dooryard	✓
Forecourt	✓
Shopfront	✓
Chinatown Shopfront	✓*
Raised Shopfront	✓*
Raised Terrace Front	✓*
Terrace Front	✓
Gallery and Arcade	✓*
Kaka'ako Frontage	✓*

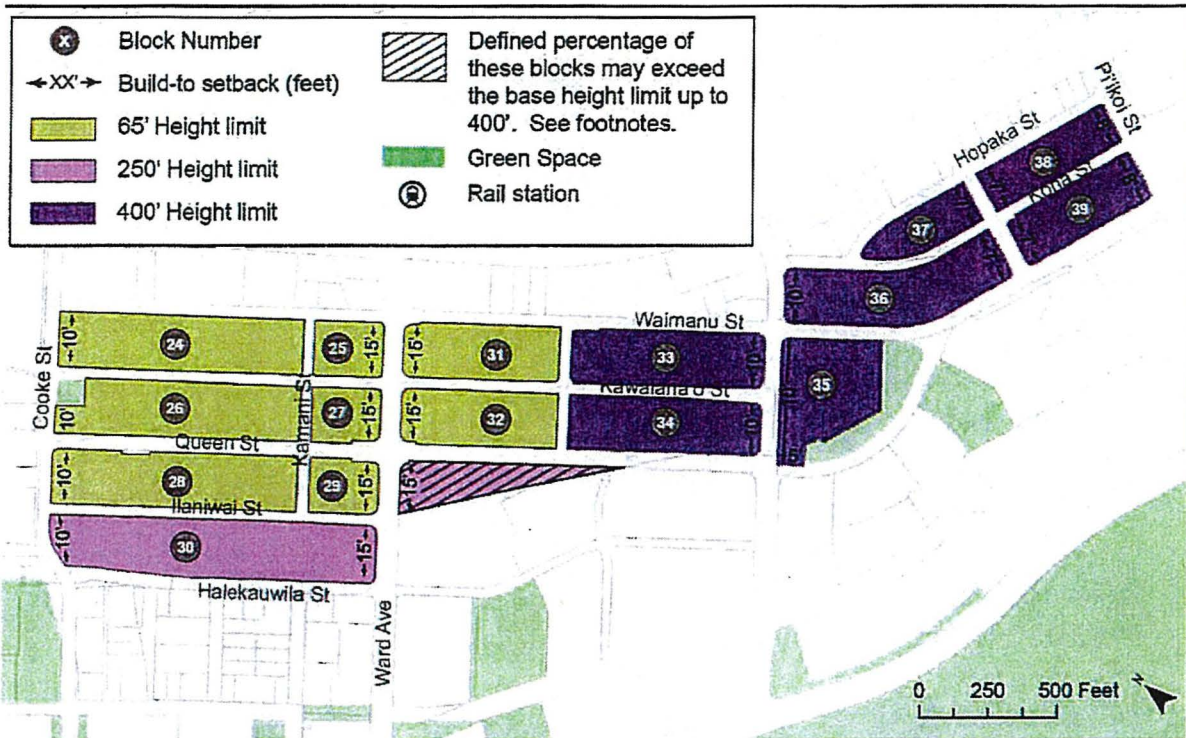
C. Building Placement	
Front Build-to line	n/s to 15'
Frontage Occupancy at Build-to line	75% min.
Setback Side	0'
Setback Rear	0'

D. Building Form	
Maximum Height	400'
Street Front Element Height Range	30' to 65'
Maximum Density (FAR)	3.5

Footnotes:

- The Duplex/Triplex/Quadplex building type is permitted on Block 22 only.
- The Townhouse building type is permitted on Block 22 only.
- Raised Frontages are only allowed in Flood Zones to accommodate necessary flood elevation and shall not be used in other locations.
- Chinatown Shopfronts are allowed only on the thoroughfares indicated in Figure FT.6.
- Gallery and Arcades are permitted on Kapiolani Boulevard only.
- Gallery and Arcades shall contain retail use.
- The Kaka'ako Frontage is permitted along Waimanu Street only.
- All buildings over 100 feet shall be subject to the Podum High Rise building standards.

FIGURE NZ.5 CENTRAL KAKA'AKO ZONE (CK)



A. Building Types - Max Height

Podium High Rise	400'
Urban Block	100'
Lei Building	100'
Courtyard Building	55'
Duplex / Triplex / Quadplex	35'
Townhouse	35'
Flex / Loft	45'
Industrial Barn	35'
Side Yard House	-
Front Yard House	-

B. Frontage Types

Lanai and Front Yard	-
Stoop	✓
Dooryard	✓
Forecourt	✓
Shopfront	✓
Chinatown Shopfront	✓*
Raised Shopfront	✓*
Raised Terrace Front	✓*
Terrace Front	✓
Gallery and Arcade	-
Kaka'ako Frontage	✓

C. Building Placement

Front Build-to line	n/s to 15'
Frontage Occupancy at Build-to line	75% min.
Setback Side	0'
Setback Rear	0'

D. Building Form

Maximum Height	400'
Street Front Element Height Range	20' to 65'
Maximum Density (FAR)	3.5

Footnotes:

- Raised Frontages are only allowed in Flood Zones to accommodate necessary flood elevation and shall not be used in other locations.
- Chinatown Shopfronts are only allowed on the thoroughfares indicated in Figure FT.6.
- Civic uses shall be limited to neighborhood-scaled functions such as fire stations, meeting rooms, and churches.
- Civic uses shall be on lots no greater than 20,000 square feet.
- All buildings over 100 feet shall be subject to the Podium High Rise building standards.