Craig K. Nakamoto
Reviewed and Approved by Executive Director: ______________
December 3, 2025

DEVELOPMENT PERMIT REQUEST
Presentation Hearing Staff Report

KAL 25-010: Gentry Kalaeloa, LLC / Kaʻulu
Ref No.: KAL 21-005

December 3, 2025

I. REQUEST

Gentry Kalaeloa, LLC ("Applicant") is requesting to amend its existing Development Permit, KAL 21-005, for the Kaʻulu Residential Community ("Project") in the Kalaeloa Community Development District ("Kalaeloa CDD"). The Applicant intends to use 57,243 square feet of pre-existing reserved housing credits to partially meet its reserved housing requirement for the Project. The Applicant also intends to utilize the Hawaiʻi Housing Finance Development Corporation ("HHFDC") Dwelling Unit Revolving Fund Equity Pilot ("DEP") program to finance designated reserved housing units within the project.

The Project is bounded by Kamokila Boulevard Extension (to the west), Boxer Road (to the south), Copahee Avenue (to the east) and Roosevelt Avenue (to the north). The Project includes TMK Nos.: (1) 9-1-193:001, :002, :009, :010, :011, :013, :014, :015, :016, :017, :018, :019, :020, :021, :022, :023, :024, :025, :026, :027, :028, :029, :030, :031, :032, :033 and (1) 9-1-013:198. Gentry Kalaeloa, LLC is the landowner.

This amendment to Planned Development Permit No. KAL 21-005 is being requested in accordance with Chapter 15-215, Hawaiʻi Administrative Rules ("HAR"), Kalaeloa CDD Rules ("Kalaeloa Rules") and Chapter 15-216, Kalaeloa Reserved Housing Rules ("Kalaeloa RHR"). The Applicant provided a permit application to the Hawaiʻi Community Development Authority ("HCDA" or "Authority") on October 29, 2025 via electronic link.

II. COMPLETENESS REVIEW, AUTOMATIC APPROVAL AND FILING FEES

Pursuant to §15-215-83, HAR, *Completeness Review*, the permit application was deemed complete on October 30, 2025. The Certificate of Completeness is attached as Exhibit A. Pursuant to §15-215-84, HAR, *Automatic Approvals*, the permit application will be automatically approved if no decision is made by the HCDA granting or denying approval within 120 days from the date the Permit Application was deemed complete. The automatic approval date for the Permit Application is February 27, 2026.

Permit Application fees were paid in accordance with the provisions of §15-215-91, HAR, *Fee Schedule*, and the Applicant has committed to pay its required portion of the public hearing fees upon invoice.

III. PUBLIC HEARING NOTICE AND FILING FOR INTERVENTION

In accordance with the provisions of §206E-5.6, Hawaiʻi Revised Statutes ("HRS"), a notice of public hearings ("Notice") for the Project amendment was published in the Honolulu Star-Advertiser, The Garden Isle, Hawaiʻi Tribune-Herald, and Maui News on October 30, 2025. In accordance with the provisions of §206E-5.6, HRS, the President of the Senate and the Speaker of the House of Representatives were notified upon posting of the Notice. Various elected officials, State and County agencies, utility companies, and other stakeholders were also notified of the public hearings. A copy of the Notice and the Permit Application were posted on the HCDA's website, and the public was encouraged to provide comments on the Project.

In accordance with the provisions of §206E-5.5, HRS, the Applicant confirmed that it also notified both owners and lessees of record of real property within a three-hundred-foot radius of the Project.

The deadline for filing for intervention was November 19, 2025, and the HCDA did not receive any request for intervention by the filing deadline.

IV. PROJECT DESCRIPTION

The Project is a 390-unit residential development consisting of 262 multi-family attached units and 128 single-family detached units. The Project currently includes 302 market-rate units for sale and 88 reserved housing units with fixtures, materials, and other features comparable to those of the market-rate units.

The Authority approved the Findings of Fact, Conclusions of Law, and Decision & Order ("D&O") for Planned Development Permit No. KAL 21-005 on February 2, 2022. The Project has been developed in accordance with the D&O conditions and in a manner consistent with the Kalaeloa Master Plan, Kalaeloa CDD Rules, Kalaeloa Reserved Housing Rules, and Section 206E-5.6(j), HRS, which sets forth criteria for the development of land within community development districts under the jurisdiction of the HCDA.

KAL 21-005 D&O Condition No. 13 required Gentry to provide a development plan and program for the sale of reserved housing units in the Project for review and approval by the Authority. The reserved housing program shall include an analysis detailing assumptions for a determining any common area maintenance fees in the form of a reserve study and a schedule of common area maintenance fees for reserved housing units. The Authority approved the Applicant's Reserved Housing Program on Wednesday, August 3, 2022, with the condition that the unit sales prices are presented to the Authority for approval 90-days prior to the published notice of reserved housing unit sales for each increment. The Applicant was also required to submit the reserve study and a schedule of common area maintenance fees for reserved housing units, which was approved along with the sales of Increment No. 1 on October 4, 2023.

Mass grading of the site began shortly after the issuance of the planned development permit, and utility and infrastructure work began in 2023. Four administrative amendments were also issued to address minor design revisions, as pursuant to §15-215-88, HAR, *Minor changes*. One administrative amendment increased the total residential floor area from 519,584 square feet to 530,789 square feet, and the associated reserved housing requirement increased by one unit.

Development of the first homes began in the mauka section of the Project site near Roosevelt Avenue. The first residents moved into the Project in April 2024. As of October 15, 2025, Gentry has sold 130 homes the Project, including 19 reserved housing units. Another 29 homes have not been sold, including 15 reserved housing units.

The Applicant indicates that the residential housing market has softened, and that the sale of reserved housing units has been slower than expected due to high mortgage rates, increased competition, and increased carrying costs. As such, the Applicant wishes to utilize pre-existing reserved housing credits, to be acquired from an affiliate of Hunt, as described below, to convert 46 of the 88 reserved housing units to market-rate units.

V. PROPOSED AMENDMENTS

The Applicant proposes to use pre-existing reserved housing credits to partially meet its reserved housing requirement instead of allocating new units built as part of the Project. Pursuant to §15-216-17(d)(1), HAR, the Applicant is allowed by the Kalaeloa RHR to meet the reserved housing requirements by providing reserved housing units elsewhere in the Kalaeloa CDD.

The Applicant originally planned to meet its reserved housing requirement by designating 88 of the 390 units in the Project for sale under its reserved housing program. The Applicant is now proposing to reallocate 46 units from reserved housing to its market-rate sales program. A total of 42 reserved housing units would remain on-site within the Project, while the balance of the reserved housing requirements would be met by pre-existing units within the Wakea Garden Apartments complex.

<u>Use of Reserved Housing Credits</u>

The Applicant is proposing to enter into an agreement with Wakea Garden Apartments, LLC, a Hunt Hawaiʻi Affiliate ("Wakea LLC"), for the purchase of 57,234 square feet of pre-existing reserved housing credits. Essentially, Wakea LLC is overbuilt on its reserved housing, and this excess can be used as a credit towards the reserved housing requirements for other projects in Kalaeloa CDD. In this case, the Applicant proposes to use these credits to convert an equivalent amount of square footage in the Project from reserved housing to market-rate units, as shown in Table 2. [1] A summary of the proposed changes in unit types is shown in Table 3.

[1] With the proposed purchase and use of reserved housing credits, the Applicant would have a small remainder of reserved housing credits (610 square feet) relative to the 20% reserved housing requirement.

The 57,234 square feet in reserved housing credits was accrued to Wakea LLC when the former Building 77 Bachelor Officers' Quarters was renovated and refurbished as a reserved housing rental project. Wakea Garden Apartments opened in July 2015 and has a total of 100 one-bedroom reserved housing rental units. The Authority permitted the Wakea Garden Apartments project under Planned Development Permit No. KAL 14-001; and D&O Condition No. 4 allows Wakea LLC to transfer the credit from any reserved housing rental units that exceed its fifteen percent (15%) reserved housing rental unit requirements to other future projects within the District, or even elsewhere on the island of Oʻahu. Therefore, the Applicant intends to purchase credits derived from 85 reserved housing units (100 total reserved units minus 15 required reserved units).

The use of reserved housing credits would affect the Project D&O Condition No. 12, which specifies the minimum amount of reserved housing floor area that is required to be located within multi-family buildings in the Project.

Table 2: Proposed changes in Project residential unit floor area

	Floor Area (in square feet)		
	Project[1]	Proposed Amendment (KAL 25-010)	Difference
Market Units	423,715	481,264	+57,549
Reserved Units	107,074	49,525	-57,549
Total	**530,789**	**530,789**	**--**

[1]As of Administrative Amendment No. 1, which increased total residential floor area from 519,584 square feet to 530,789 square feet.

Table 3: Proposed changes in Unit Type

	Project[1]		Proposed Amendment (KAL 25-010)	
Unit Type (bedroom/bathrooms)	Market Units	Reserved Housing Units	Market Units	Reserved Housing Units
Flex-Loft (2 bed/2 bath)	80	14	75	19
Flex-Loft (2 bed/2.5 bath)	20	0	20	0
Flex-Loft (3 bed/2 bath)	74	74	125	23
Front Yard House (3 bed/2.5 bath)	128	0	128	0
Total	**302**	**88**	**348**	**42**

[1]As of Administrative Amendment #1

Use of Dwelling Unit Revolving Fund Equity Pilot Program

The Applicant also intends to use the HHFDC DEP program towards four of the unsold reserved housing units within the Project. The DEP program provides a zero-percent 30-year second mortgage loan to reduce the overall purchase price for eligible buyers. The DEP program criteria are generally similar to the HCDA reserved housing program, although owners are also restricted to occupations which are facing shortages, such as healthcare workers, law enforcement officers, and designated City and County of Honolulu positions. At a meeting on September 9, 2025, the HHFDC Board of Directors of the unanimously approved the allocation of $247,000 in DEP funds to four designated units in Kaʻulu by Gentry. HHFDC would purchase 10 percent in equity for each unit, which would bring the sales price down to 110 percent of the area median income ("AMI").

Public Facilities Dedication

Section 15-215-64, HAR, *Dedication of Public Facilities*, provides standards for the dedication of land for public facilities. The minimum dedication requirement is four percent of the total residential floor area, exclusive of floor area devoted to reserved housing units and their associated proportional common areas.

Based on the new proposed market-rate residential floor area of 481,264 square feet, excluding reserved housing, the total required public facilities dedication is approximately 19,251 square feet (481,264 square feet x 4 percent).

The Applicant had previously committed to meeting the public facilities dedication requirement by setting aside 18,958 square feet in land for the future widening of Saratoga Avenue and Roosevelt Avenue. This land amount previously exceeded the public facilities dedication requirement.

VI. DEVELOPMENT PERMIT PROCEDURES

Pursuant to §15-215-78, HAR, *Improvement and Development Permits*, and Figure 1.1, *Approval Requirements Matrix*, developments within the Kalaeloa CDD are required to obtain a Development Permit that is subject to Authority review and approval. Section 206E-5.6, HRS, requires that when rendering a decision regarding the acceptance of a developer's proposal to develop lands under the Authority's control, the Authority shall render its decision at a public hearing separate from the hearing at which the proposal was presented. This essentially requires that the Authority conduct two separate public hearings in rendering a decision regarding a Development Permit.

Section 15-215-78(e), HAR, *Improvement and Development Permits,* requires the following findings of fact in approval of a Development Permit:

(1) **Consistency with the Kalaeloa Master Plan:** That the Project complies with and advances the goals, policies, and objectives of the Kalaeloa Master Plan;

(2) **Consistency with the Kalaeloa Rules:** That the Project complies with the Kalaeloa Rules; and

(3) **Compatibility of the Kalaeloa CDD:** That the Project proposal will not have a substantial adverse effect on the surrounding land uses and will be compatible with the existing and planned land use character of the surrounding area.

The Applicant does not propose any changes to the physical design of the project and indicates that the findings in Sections 3.1.1 (Table 8), and 3.2 (Table 9) of the original development plan application regarding compliance with 15-215-78(e), HAR, and Section 206E-5.6(j), HRS, respectively, are still valid. The Applicant's additional revised findings, in response to the requirements listed above, are attached as Exhibit B.

VII. CONDITIONS

Section 15-215-78(f), HAR, states that the decision-maker may impose any reasonable conditions to ensure that the project complies with the findings required above.

VIII. PUBLIC TESTIMONIES

All Project-related public testimony that was submitted by noon on the day prior to the presentation public hearing was provided to the Authority and posted on HCDA's website.

IX. EXHIBITS:

Exhibit A – Certificate of Completeness

Exhibit B – Compliance Table, including revisions to the project

Prepared By: Ryan Tam, Director of Planning and Development ___________

Reviewed By: Craig Nakamoto, Executive Director Craig K. Nakamoto ___________