

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
AT-LARGE BOARD MEETING**

**Wednesday, May 6, 2026
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 May 6, 2026.

Chairperson Sterling Higa called the May 6, 2026, HCDA At-Large Authority Regular meeting to order at 10:04 a.m.

Acknowledgment that the Meeting is Being Convened Virtually and In-Person

Mr. Craig Nakamoto, Executive Director, 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)
Mark Anderson, B&F (Ex Officio)
Mary Alice Evans, DBEDT (Ex Officio)
Jacky Takakura, Maui County DP (Ex Officio)
Luke Sarvis, BLNR (Ex Officio)
Kevin Sakoda, Kakaako
Ipolani Duvauchelle, Kalaeloa
Trey Gordner, Kalaeloa
Jo-Ann Leong, Heeia
Debbie Cabebe, Pulehunui

Members Excused: Tim Streitz, City & County of Honolulu DPP (Ex Officio)
Michael China, Kakaako
Kaiwipuni Lipe, Heeia
Glenn Yamasaki, Pulehunui

A quorum was present.

Legal Counsel: Kelly Suzuka, Deputy Attorney General
Kevin Tongg, Deputy Attorney General

Staff Present: Craig Nakamoto, Executive Director
Garet Sasaki, 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
Special Meeting Minutes of March 25, 2026

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

Regular Meeting Minutes of April 1, 2026

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 Assist the Department of Business, Economic Development and Tourism and the Office of Planning and Sustainable Development, under Act 252 (SLH, 2025), in the Project Management for the Planning, Designing, and Constructing a Sand Stabilization Structure or Other Sand Stabilization Projects located in the Kawehewehe Sector of Waikiki Beach, Honolulu, Hawaii, Including the Procurement of Consultants, with the Specific Location of the Sand Stabilization Structure at Waikiki Beach to be Determined during the Planning phase of the Project.

Mr. Craig Nakamoto, Executive Director, presented the staff report provided in the board packet. He explained that the project has shifted from a single large stabilization structure to a series of smaller, faster-to-implement projects such as reef restoration, sand nourishment, and minor structural repairs. He noted that these efforts are supported by Act 252 and were appropriated legislative funding of \$5 million, plus an additional \$7 million pending final budget approval.

Mr. Michael Cain, Administrator at the Department of Land and Natural Resources (DLNR), Office of Conservation and Coastal Lands, summarized various Waikiki Beach projects, all of which are in different stages. He explained that because DLNR is a regulatory agency, they are unable to regulate themselves and therefore are unable to implement the final phases of the projects. Mr. Cain noted that some projects would be appropriate for County implementation, and some projects would be appropriate for State implementation.

Member Gordner asked what specific contribution HCDA is expected to bring to this project.

Mr. Cain answered that DLNR is requesting that HCDA assist with moving the projects into the final design phase and implementing construction.

Member Evans added that HCDA is unique in its ability to contract for design, partner with DLNR, and undertake construction with the necessary permitting approvals.

Executive Director Nakamoto reiterated that DLNR is unable to regulate its own projects, therefore HCDA is being asked to work with DLNR as a partner to manage the projects to completion and DBEDT will advocate for the projects.

Member Gordner asked if DLNR is requesting HCDA's assistance on all eight DLNR projects, or just one project. He also asked for the estimated timeframe of all the projects.

Member Evans explained the legislative funding appropriations for the various Waikiki projects, but noted that the Kawehewehe sector is the project that needs the most immediate attention. She summarized the various funding sources and the timelines for receiving the funding. She explained that the project timelines will be dependent on receiving the funding and the agencies working together to complete the projects.

Member Gordner asked which agency could fulfill this request if HCDA is unable to participate.

Member Evans and Executive Director Nakamoto noted that there is no other agency that could fulfill this request.

Member Gordner asked to confirm that HCDA is expected to add two new community development districts in the near future.

Executive Director Nakamoto affirmed that S.B. 2001 and S.B. 2599 propose to add Banyan Drive and the Stadium, respectively, as community development districts.

Chair Higa commented that he is concerned with staffing capacity for the agency, given that this project is being requested nearly simultaneously with other large projects assigned to HCDA by the legislature.

Member Gordner noted the importance of the Waikiki Beach projects, but expressed his concerns about the feasibility for HCDA at this time due to the uncertain variables and the other projects that HCDA is, and will be, responsible for. He explained that he will vote in opposition on this matter.

There were no further comments or questions from the Board.

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 called for a Motion to Authorize the Executive Director to Allow the Hawaii Community Development Authority to Assist the Department of Business, Economic Development and Tourism and the Office of Planning and Sustainable Development, under Act 252 (SLH, 2025), in the Project Management for the Planning, Designing, and Constructing the Sand Stabilization Structure or Other Sand Stabilization Projects located in the Kawehewehe Sector of Waikiki Beach, Honolulu, Hawaii, Including the Procurement of Consultants, with the Specific Location of the Sand Stabilization Structure or Other Sand Stabilization Projects at Waikiki Beach to be Determined during the Planning phase of the Project, Subject to the Availability of Funding, and Resources for HCDA, and Undertake all Actions Necessary to Effectuate the For Action.

Motion was made by Member Evans and seconded by Member Miranda-Johnson.

Member Cabebe asked if Executive Director Nakamoto feels confident that HCDA can accept this project and implement it successfully.

Executive Director Nakamoto noted that there are staffing and funding concerns that will affect operations, but that HCDA could still participate in this project if the funding is secured and consultants can be contracted. He noted the importance of the project and HCDA's unique ability to perform this role.

Member Duvauchelle asked if there are any environmental risks to the reef if the seawall is not repaired.

Member Evans explained that seawall repairs are the responsibility of the private owners, and the Kawehewehe sector is on privately owned land.

Mr. Cain explained the various sand stabilization structures, and the projects requested do not include repairing seawalls. He cited the environmental impact statement for the small-scale beach nourishment program and noted that there is minimal risk if the best management practices and strict guidelines are followed.

Member Leong suggested an amendment to the motion to ensure that HCDA is adequately staffed and compensated.

Chair Higa counter-suggested to leave that matter to the discretion of the Agency.

Executive Director Nakamoto stated that his negotiations with DLNR will include defining the scope and establishing an administrative fee.

Member Sakoda commented that he appreciates that HCDA is willing to take on projects. He suggested that it could be a financial strategy because having all the projects would support the claim that the Agency needs legislative funding to accomplish these goals.

Executive Director Nakamoto conducted the roll call vote. Motion passed with 12 ayes, 1 nay by Member Gordner, and 4 excused.

Consider Establishing, Pursuant to Section 92-2.5(b)(1), Hawaii Revised Statutes, a Permitted Interaction Group for the Purpose of Establishing the Executive Director's new 1- 3-, and 5-year goals and accordingly amend the Agency's Strategic Plan adopted by the Authority at the June 4, 2025 General Authority Meeting.

Mr. Craig Nakamoto, Executive Director, referred to staff report provided in the board packet. He reported that the existing Permitted Interaction Group ("PIG") completed the Executive Director performance review, but did not finalize the recommendations regarding the Strategic Plan due to limited time and a need for further discussion. Therefore, Executive Director is proposing the establishment of another PIG to amend the Agency's Strategic Plan, consisting of the same members: Chair Higa, Secretary Lidstone, Member Cabebe, Member Duvauchelle, Member Leong, Member Sakoda, and Member Wicker.

Chair Higa asked if there were any objections by the proposed PIG board members. There were none.

There were no comments or questions from the Board.

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 called for a Motion to Establish, Pursuant to Section 92-2.5(b)(1), Hawaii Revised Statutes, a Permitted Interaction Group for the Purpose of Establishing the Executive Director's new 1- 3-, and 5-year goals and accordingly amend the Agency's Strategic Plan adopted by the Authority at the June 4, 2025 General Authority Meeting.

Motion was made by Member Evans and seconded by Member Gordner.

Executive Director Nakamoto conducted the roll call vote. Motion passed with 13 ayes, 0 nays, and 4 excused.

IV. FOR INFORMATION & DISCUSSION

Findings and Recommendations of the Permitted Interaction Group Established at the March 25, 2026, Special At-Large Board Meeting, Pursuant to Section 92-2.5(b), Hawaii Revised Statutes, for the Purpose of: (i) Conducting the Executive Director’s Annual Performance Review, and (ii) Establishing the Executive Director’s new 1- 3-, and 5-year goals and accordingly amend the Agency’s Strategic Plan adopted by the Authority at the June 4, 2025 General Authority Meeting.

Mr. Sterling Higa, Board Chairperson, presented the staff report provided in the board packet. He noted that the PIG held three meetings in April 2026, and while they discussed the 2025-2026 goals and priorities in the Strategic Plan, their discussions focused primarily on the evaluation of the Executive Director. The members of the PIG recommended that the Executive Director’s performance for the last evaluation has exceeded the performance expectations. He noted that each PIG member completed an evaluation form, and all members graded the Executive Director as meeting or exceeding performance expectations in all 10 areas of criteria. Chair Higa stated that the PIG recommends a 15% salary increase on his current salary.

Member Sakoda stated that he is concerned about the methodology of the Executive Director’s evaluation. He explained that the Executive Director’s performance as an employee is important, this evaluation be more focused on how the Executive Director executes the board’s strategic direction.

There were no further comments or questions from the Board.

Public Testimony

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

Legislative Update by the HCDA Staff on the Status of the Legislative Measures Affecting the Agency for the Following Measures:

Measure No.	Description
GM 611	Submitting for Consideration and Confirmation to the Hawaii Community Development Authority (Kalaeloa district), Gubernatorial Nominee, Adena Duvauchelle, for a Term to Expire on June 30, 2029.
GM 727	Submitting for consideration and confirmation to the Hawai'i Community Development Authority (He'eia District), Gubernatorial Nominee, Jo-Ann Leong, for a term to expire 06-30-2030.
H.B. 1800, S.D. 1	Adjusts and requests appropriations for fiscal biennium 2025-2027 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.
S.B. 2001, H.D. 2	Establishes the Waiākea-Makaoku Community Development District and a special fund, outlines the authority of the HCDA to manage and adopt rules for the district, creates one full-time position, and appropriates funds.
S.B. 2599,	PART I: Redesignates the Stadium Development District as the Halawa Community

H.D. 2	Development District (HCDD). Amends the composition of the Hawai'i Community Development Authority (HCDA) for purposes of the HCDD. Amends the duties and powers of the HCDA and Stadium Authority as they relate to activities within the HCDD. Clarifies the HCDA's permitting and consultation powers regarding public projects within community development districts. Establishes the HCDD Special Fund. Appropriates funds. PART II: Appropriates funds from the Stadium Development Special Fund for the planning, design, and development of the HCDD, contingent upon on certain requirements. PART III: Requires the HCDA, when planning and developing housing, to endeavor to plan for complete communities that include various aspects supporting quality of life.
S.B. 2061, H.D. 2	Clarifies the Ninety-Nine Year Leasehold Program.
S.B. 2598, H.D. 1	Authorizes the use of moneys in certain special and revolving funds for operation and administration costs of the programs.
S.B. 2921, H.D. 1	Transfers to the general fund the excess balances of various non-general funds and programs.
S.B. 2811, H.D. 1	Establishes, and appropriates funds for, the State Building Permit Process Task Force to evaluate the challenges, opportunities, and legislative actions necessary to establish a State Building Permit Review Office for state projects located on state-owned lands.
S.B. 3029, H.D. 2	Requires a county with a population of no greater than three hundred thousand, in collaboration with the Hawai'i Community Development Authority, to establish a Summer Streets Pilot Program that closes vehicular traffic and repurposes roads for pedestrian and cyclist use, outdoor events, and other community-driven activities.
S.B. 3218, H.D. 2	Resilient Infrastructure for Shelter and Equity Bonds; Counties; County Debt Limit Statements.
S.B. 3219, H.D. 3	Proposes constitutional amendments to expressly provide that the Legislature may authorize political subdivisions, such as the counties, to issue resilient infrastructure for shelter and equity bonds for specified public works, public improvements.
H.B. 2275, S.D. 2	Appropriates general funds to various programs due to anticipated operating shortfalls because of the lack of authority to transfer funds between programs. Appropriates moneys to certain programs for operations in FY26-27. Lapses moneys from the State Risk Management Revolving Fund to the general fund.
H.C.R. 85, H.D. 1 / H.R. 77, H.D. 1	Urging the department of land and natural resources to transfer parcels that make up the East Kapolei transit-oriented development project to the Hawaii housing finance and development corporation and urging the Hawaii housing finance and development corporation to partner with the department of Hawaiian home lands and Hawaii community development authority to facilitate the development of non-housing community development portions of the project.
S.R. 63, S.D. 1	Urging the department of land and natural resources to transfer parcels that make up the East Kapolei transit-oriented development project to the Hawaii housing finance and development corporation and urging the Hawaii housing finance and development corporation to partner with the department of Hawaiian home lands and Hawaii community development authority to facilitate the development of non-housing community development portions of the project.

Mr. Craig Nakamoto, Executive Director, presented the staff report provided in the board packet. He summarized the following legislative measures:

- GM 611: The recommendation of Member Duvauchelle as business community member on the Kalaeloa board was confirmed.

- GM 727: The recommendation of Member Leong as business community member on the Heeia board was confirmed.
- H.B. 1800, S.D.1: This is the state budget bill. The CIP projects for Kupuna Supportive Housing and Heeia Master Planning were granted funding. Seven HCDA positions are being administratively transferred to DBEDT, and HCDA general funds are being eliminated. Mr. Nakamoto noted that the HCDA plans to mitigate the effects of these changes by charging developers for project fees and increasing leasing activity on HCDA-owned properties.
 - Member Sarvis asked how long will HCDA's lease revenues be able to adequately fund the positions.
 - Mr. Sasaki stated that it could sustain the Agency for a few years, but no more than 10 years.
- S.B. 2001, H.D. 2: This bill adds Waiakea-Makaoku (Banyan Drive) as a new community development district to HCDA. It designates \$2 million in funding and 1 full-time employee, but the requested additional funding was not granted due to conference-committee confusion.
- S.B. 2599, H.D. 2: This bill adds the Stadium (Halawa) as a new community development district to HCDA. HCDA will serve as the zoning and regulator authority, and the Stadium Authority will execute the stadium construction. This bill will increase the Stadium Authority's special fund ceiling.
- S.B. 2061, H.D. 2: This bill amends certain restrictions that hindered sales. These amendments may allow more qualified and interested buyers to emerge.
- S.B. 2598, H.D. 1: This bill authorizes special funds and revolving funds to be used for operations. HCDA had no objections because this is already in practice.
- S.B. 2921, H.D. 1: This bill seeks to transfer excess balances of special funds to the general fund, but no funds were taken from HCDA.
- S.B. 3029, H.D. 2: This bill seeks to establish a Summer Streets program in all four counties and appropriates \$200,000 in funding per county.
- S.B. 3218, H.D. 2 and S.B. 3219, H.D. 3: These bills establish Resilient Infrastructure and Shelter Equity bonds as a county-issued value-capture financing tool. S.B. 3219 was amended in conference to require that CFDs must be fully exhausted before RISE bonds may be used.
- H.B. 2275, S.D. 2: This bill appropriates general funds to assist with operations.
- H.C.R. 85, H.D. 1/H.R. 77, H.D. 1 and S.R. 63, S.D. 1: These concurrent resolutions urge the DLNR to transfer land in East Kapolei to HHFDC and to work with HCDA on infrastructure improvements. HCDA supported these bills and is willing to help as needed.

Member Sakoda expressed concerns that the amount of legislative requests are increasing but the amount of funding does not appropriately correlate.

Executive Director Nakamoto answered that he made his concerns known when bills progressed without funding appropriations. He agreed that funding is necessary to

accomplish these new projects, but ultimately the legislature makes the policy decisions. He noted that he will request for a correction or restoration of appropriation language in the next legislative session, if needed.

Chair Higa encouraged members to pay attention to the budget bills and the key bills that will affect the Agency's operational capacity.

There were no further comments or questions from 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. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

a. Monthly Financial Highlights for March 2026

Mr. Craig Nakamoto, Executive Director, referred to the report provided in the board packet, and stated that Mr. Gareth Sasaki, Chief Financial Officer, is available for questions. Executive Director Nakamoto highlighted the reimbursement by DHS for the Honuakaha improvements and the reimbursement of the public facilities dedication special fund from CIP funds for the Kakaako Makai planning.

There were no 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.

VI. ADJOURNMENT

Chair Higa thanked those who joined the meeting in person and on Zoom, and adjourned the meeting at 11:21 a.m.

Miki'ala Lidstone, Secretary

Date Approved by the Board