

## FOR ACTION

### I. SUBJECT

Consider Adopting the Recommendations of the Report of the Permitted Interaction Group Established at the March 25, 2026 Special General Authority 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 its June 4, 2025 General Authority Meeting.

### II. BACKGROUND

In March 2026, the Authority established the Permitted Interaction Group (“PIG”) 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.

The PIG met on April 13, 17, and 21, 2026.

The PIG reported its findings to the Authority in the May 6, 2026 At-Large Board meeting.

### III. DISCUSSION

#### Strategic Plan

The PIG met to review the 2025-2026 goals and priorities as set out in the June 2025 Strategic Plan, and identified the goals that were met and goals that were not met and needed to be included as 2026-2027 goals.

The PIG does not have a recommendation on this part.

While the PIG did not finalize a formal recommendation, meeting notes reflects that the group identified specific refinements to be incorporated in the existing Strategic Plan, including the need for clearer goals, measurable outcomes, and improved project-level reporting, and agreed on a path forward to develop defined 1-, 3-, and 5-year goals with associated tracking and reporting mechanisms in coordination with the Executive Director and staff.

Executive Director Annual Performance Review and Proposed Compensation Adjustment  
The PIG has voted to recommend to the board the Annual Performance Review to the general authority board. The PIG agreed that the Executive Director’s performance for the last evaluation period has exceeded the performance expectations.

The PIG also voted to recommend to the board a 15% salary increase.

**IV. RECOMMENDATION**

Adopt the Recommendations of the Report of the Permitted Interaction Group Established at the March 25, 2026 Special General Authority 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 its June 4, 2025 General Authority Meeting.

Attachment:

Exhibit A – HCDA Executive Director Performance Evaluation

Prepared By: Garet Sasaki, Chief Financial Officer *Garet Sasaki*

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

Approved By:

Chair Sterling Higa *Sterling Higa*

Secretary Mikiala Lidstone *Mikiala M. Lidstone*

Member Debbie Cabebe *Debbie Cabebe*

Member Ipolani Duvauchelle *Ipolani Duvauchelle*

Member Jo-Ann Leong *Jo-Ann Leong*

Member Kevin Sakoda *Kevin Sakoda*

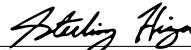
Member Dane Wicker \_\_\_\_\_

**HCDA EXECUTIVE DIRECTOR  
PERFORMANCE EVALUATION**

Employee Name Craig Nakamoto

Review Date: April 17, 2026

PERFORMANCE TASKS	EXPECTATION RATING					COMMENTS	COMMENTS	COMMENTS
	Doesn't Meet	Meets	Exceeds	1	2			
<p><b>1 Job Knowledge</b> Demonstrates understanding of the role, relevant statutes (e.g., HRS 206e), and HCDA policies.</p>	4.4					<p>Demonstrates understanding of HCDA's statutory authority, including HRS Chapter 206E, and the agency's role in infrastructure and community development. Effectively aligns work with strategic priorities; however, application of this knowledge would benefit from clearer translation into measurable outcomes and completed deliverables.</p>	<p>The ED has demonstrated a clear understanding of HCDA governing statutes and policies. He consults with legal staff when required.</p>	<p>Director has demonstrated a strong knowledge of the role, relevant statutes, and HCDA policies. Also, if there is a doubt on a subject, the Director is comfortable deferring an answer to consider the relevant issues.</p>
<p><b>2 Strategic Planning &amp; Policy Implementation</b> Aligns HCDA with Authority's strategic plan, statewide planning frameworks and statutory mandates. Sets realistic goals. Follows through in a timely manner on assignments. Makes efficient use of resources and adjusts them to meet changing requirements. Responds to requests for information in a complete and timely manner, and makes effective use of time.</p>	4.4					<p>Maintains alignment with the strategic plan and legislative priorities, including infrastructure, housing, and TOD initiatives. Progress is evident across multiple goals; however, many items are carried over and lack defined completion benchmarks, limiting the ability to assess full implementation.</p>	<p>The ED has worked effectively with the state legislature's leaders to ensure that HCDA is regarded as the agency needed for Hawaii's plans for housing, community development, and, in the case of Heeia, agricultural land management with ecological, cultural, and economic considerations.</p>	<p>To the extent possible considering the political cycle, Director sets and executes appropriate strategy and policy.</p>
<p><b>3 Public Communication &amp; Transparency</b> Ensures HCDA processes are transparent, timely, and accessible to the public. Effective in oral and written communications. Effectively, fairly and responsibly assigns duties. Maintains an open door policy for communication purposes. Conveys information, staff concerns and problems appropriately.</p>	4.3					<p>Provides general updates on project activities; however, reporting lacks clarity in defining "achieved," "ongoing," and "partially achieved." This limits transparency and the Board's ability to fully understand project status, timelines, and outcomes. Greater structure in reporting would improve accountability.</p>		<p>Again to the extent possible of events within the Director's control, Director has demonstrated proper communication and transparency.</p>
<p><b>4 Team Leadership &amp; Development</b> Fosters a supportive environment, encourages professional development, and maintains staff morale. Effectively motivates and leads board and staff toward common objectives. Encourages and accepts ideas of others, and is adaptable and open to change.</p>	4.4					<p>Maintains a collaborative working environment and supports staff in advancing a wide range of projects. Demonstrates ability to manage multiple initiatives; however, increasing workload and expanding responsibilities may impact capacity, highlighting the need for stronger alignment between staffing and project demands.</p>	<p>The staff and the Board have benefited from the ED's leadership. He provides clear and forward-looking direction aligned with government priorities. The staff's morale is noticeably more enthusiastic.</p>	<p>Very positive results in building a good team with growing skills.</p>
<p><b>5 Decision-Making Leadership</b> Aligns HCDA operations with Authority's strategic plan, statewide planning frameworks and statutory mandates. Is able to form questions, collect information and make decisions in a timely manner. Exercises good judgment in job responsibilities. Knows and uses appropriate lines of authority and refers sensitive situations to board. Provides clear, sound guidance to board members in quasi-judicial and administrative matters.</p>	4.4					<p>Has experience in navigating complex policy, funding, and legal considerations. Decisions are generally aligned with strategic priorities; however, prioritization could be strengthened to focus on projects with the highest readiness and likelihood of near-term completion.</p>	<p>Operations under the ED's leadership have been efficient and results-oriented. Projects are delivered on time and within scope as required by the state's mandates.</p>	<p>Director demonstrates rational decision making leadership.</p>
<p><b>6 Professionalism</b> Operates at the highest level of integrity, and maintains composure in difficult situations. Presents a positive and courteous attitude.</p>	4.9					<p>Demonstrates professionalism, maintains composure in complex situations, and represents the agency appropriately in interactions with stakeholders, board members, and partners.</p>	<p>I have seen Director Nakamoto work with the Board, the public during testimony, and the legislative leadership. He has always been composed, courteous, and helpful.</p>	<p>Strong professional skills as a result a solid career history.</p>
<p><b>7 Commitment to the Authority</b> Demonstrates full understanding of the responsibility of HCDA. Effectively implements all laws, policies and procedures. Supports the work of the agency, including legislative representation.</p>	4.6					<p>Shows commitment to advancing HCDA's mission and supporting legislative and policy initiatives. Actively engaged in agency responsibilities; however, performance would be strengthened by increased focus on delivering completed outcomes within established timelines.</p>	<p>Director Nakamoto has been tireless in his commitment to keep his staff funded and working for the State of Hawaii's economic and social well-being. He works 24/7. I have had emails at 11 pm and conversations with him at 7 am.</p>	<p>Salary considerations and discussions have demonstrated that Director is committed to the Authority despite rejections of salary increase requests from the State.</p>
<p><b>8 Interagency Coordination</b> Effectively collaborates with other state, county, and private sector stakeholders.</p>	4.6					<p>Effectively collaborates with state, county, and private sector stakeholders across multiple projects. Demonstrates strong coordination in advancing infrastructure and development initiatives involving multiple partners.</p>	<p>Director Nakamoto is exceptional in ensuring that HCDA works well and in coordination with all state, county, and private sector stakeholders. I have worked with him on a project involving HCDA and DLNR. I saw that he was always working with them to find collegial ways to move the project forward.</p>	<p>Director has made it a point to work alongside other agencies to get the job done; consider the numerous requests for HCDA involvement in various projects.</p>

<p>9 <b>Organizational Efficiency</b> Improves workflow, processes, and the use of technology to enhance HCDA effectiveness. Prioritizes assignments to minimize crisis situations. Shows foresight to prevent potential problems and works in contingencies when making short and/or long-term plans. Proposes and reviews benchmarks to monitor work progress and makes work plan adjustments as needed.</p>	4.1	While multiple projects are being advanced, there is limited evidence of a structured project management framework, including defined timelines, milestones, or performance benchmarks. The absence of clear planning tools and phase tracking reduces overall organizational efficiency and visibility into project delivery.	Director Nakamoto is exceptional in ensuring that HCDA works well and in coordination with all state, county, and private sector stakeholders. I have worked with him on a project involving HCDA and DLNR. I saw that he was always working with them to find collegial ways to move the project forward.	Director's results demonstrate "getting the most from given resources"; a function of organizational efficiency.
<p>10 <b>Financial/Budget</b> Prepares budget/financial plans according to rules/policies/deadlines. Tracks and adheres to budget. Makes sound decisions that consider cost/benefit. Shows innovation in reducing expenses. Maximizes resources and minimizes costs in achieving objectives.</p>	4.2	Manages funding across multiple projects and aligns budget requests with strategic priorities. Demonstrates awareness of funding constraints; however, several projects remain dependent on funding release or external approvals, and stronger linkage between financial planning and project delivery timelines is needed.	The ED and HCDA staff have demonstrated sound management of public funds. The Board has received financial reports that are clear, accurate, and aligned with government accountability requirements.	To the extent possible, the financial state of the HCDA demonstrates sound financial management.
<b>Average Score</b>	4.4	<b>Scoring Matrix:</b> 5.0 = Exceeds 3.0 = Meets 1.0 = Doesn't Meet		
<p>10 <b>Other Comments</b></p>				
<p>11 <b>Evaluator Summary</b> Final Assessment: <b>Exceeds performance standards</b> Recommended Goals for Next Evaluation Period:</p> <ol style="list-style-type: none"> <li>1. Establish tracking mechanisms to show measurable progress toward goals in different districts and for Act 252 projects.</li> <li>2. Align staffing and organization with HCDA areas of responsibility.</li> <li>3. Establish clear plans and timelines for newer districts like Stadium, TOD.</li> <li>4. Develop and implement a plan to engage Native Hawaiian practitioners and lineal descendants for the Kalaeloa and Waiākea Districts.</li> </ol>				
<p>Signature</p> <p>On Behalf of PIG Members:</p>	<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;">   Sterling Higa </div> <div style="text-align: center;"> Date: <u>April 21, 2026</u> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 30%;"> Chair Sterling Higa  Secretary Mikiala Lidstone  Member Dane Wicker  Member Jo-Ann Leong  Member Ipolani Duvauchelle  Member Debbie Cabebe  Member Kevin Sakoda </div> <div style="width: 30%;"> At-Large Member  At-Large Cultural Specialist  Ex Officio Member (DBEDT Designee)  He'eia Community Member  Kalaeloa Community Member  Pulehunui Community Member  Kaka'ako Community Member </div> </div>			