

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

**Wednesday, June 3, 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 June 3, 2026.

Chairperson Sterling Higa called the June 3, 2026, HCDA At-Large Authority Regular meeting to order at 10:06 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)
Dane Wicker, DBEDT (Ex Officio)
Tim Streitz, City & County of Honolulu DPP (Ex Officio)
Scott Forsythe, Maui County DP (Ex Officio)
Luke Sarvis, BLNR (Ex Officio)
Michael China, Kakaako
Kevin Sakoda, Kakaako
Ipolani Duvauchelle, Kalaeloa
Trey Gordner, Kalaeloa

Jo-Ann Leong, Heeia
Debbie Cabebe, Pulehunui
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
Aramaine Tomacder, HCDA Board Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of May 6, 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 Enter into a Memorandum of Agreement to Support the Food and Product Innovation Network established under Act 237 (SLH 2025) by and between the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, and other State Agencies that Establishes a Framework Between the Parties for the Purpose of Supporting Facilities that Support Value-Added Agricultural, Product Development, and Agribusiness Development.

Mr. Garet Sasaki, Chief Financial Officer, presented the staff report provided in the board packet. He stated that the Memorandum of Agreement (MOA) outlines the parties' responsibilities, and HCDA's proposed responsibilities are consistent with the agency's expertise in development and project management.

Member Gordner asked if there is an anticipated amount of facilities, and where they may be located. He also asked if this MOA includes any associated development.

Mr. Sasaki answered that it is unknown at this time, but it is envisioned that each island or county may have its own facility. Executive Director Nakamoto added that facilities may be outside of HCDA districts, and noted that there is no known development at this time but it may be considered in the future.

Member Gordner emphasized prioritization of funding and resources, especially with the

anticipation of HCDA's expanding responsibilities from the legislature.

Chair Higa shared in Member Gordner's sentiments. He reiterated that the MOA is for two years, so the board may revisit the arrangement in the future and expects the staff to update the board periodically on Act 237 projects.

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 Enter into a Memorandum of Agreement to Support the Food and Product Innovation Network established under Act 237 (SLH 2025) by and between the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, and other State Agencies that Establishes a Framework Between the Parties for the Purpose of Supporting Facilities that Support Value-Added Agricultural, Product Development, and Agribusiness Development.

Motion was made by Member Yamasaki and seconded by Member Anderson.

Mr. Sasaki conducted the roll call vote. Motion passed with 16 ayes, 0 nays, and 1 vacant position.

Consider Authorizing the Executive Director to Initiate Rulemaking to Amend Hawaii Administrative Rules, Chapter 15-223, Ninety-Nine Year Leasehold Condominium Program, and conduct public hearings to consider adopting the amended rules pursuant to HRS, Chapter 91 and Chapter 206E, subject to the Governor's approval of S.B. 2061, C.D. 1 Relating to Residential Condominiums.

Mr. Deepak Neupane, Program Specialist, presented the staff report provided in the board packet. He explained the need to amend HAR Chapter 15-223 following the statutory changes in S.B. 2061, C.D. 1. He summarized the amendments related to affordability, owner-occupancy, procurement exemptions, and income requirements that aim to increase the viability of the program.

Member Gordner asked to clarify how the program would be feasible with buyback pricing similar to other state agencies' formulas and with exemptions on procurement requirements still being subject to prevailing wage requirements.

Mr. Neupane explained that the buyback formula is unchanged from the formula approved by the board last year, and that it is standard practice to follow prevailing wage requirements despite exemptions.

Chair Higa reiterated that there will be opportunities for the public to provide their input as the rules are proposed and ultimately adopted.

There were no comments or questions from the Board.

Public Testimony

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

- Ed: Ed played a video of John Keoneawe Artoraldi addressing the Department of Hawaiian Home Lands (DHHL), in which he explained his arrest on Mauna Kea Access Road. Mr. Artoraldi questioned how he could be arrested as a native Hawaiian on Hawaiian homeland. He expressed his desire for DHHL to consult all the people on the Hawaiian home lease, to get the lawyers for DHHL, and to change the DHHL rules on commissions so the commission is elected.
- Tara Rojas: Ms. Rojas claimed that projects on lands referred to as “state-managed lands” are native Hawaiian relocation projects. She stated that she was unable to have a hearing, and that few to no members of the public attend meetings, despite opportunities to provide testimony.
- Eric Clark, JN Group: Mr. Clark stated that such powers and authority should not be vested solely in the executive director’s position, and that opportunities to develop real estate in a district should be an even playing field for all businesses and ventures.

MOTION:

Chair Higa called for a Motion to Authorize the Executive Director to Initiate Rulemaking to Amend Hawaii Administrative Rules, Chapter 15-223, Ninety-Nine Year Leasehold Condominium Program, and conduct public hearings to consider adopting the amended rules pursuant to HRS, Chapter 91 and Chapter 206E, subject to the Governor’s approval of S.B. 2061, C.D. 1 Relating to Residential Condominiums.

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

Mr. Neupane conducted the roll call vote. Motion passed with 16 ayes, 0 nays, and 1 vacant position

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:

- Conducting the Executive Director’s Annual Performance Review, and**
- 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.**

Mr. Sterling Higa, Board Chairperson, presented the staff report provided in the board packet. He explained that the PIG determined that the executive director has exceeded the

performance standards in the last evaluation period, and the PIG recommended a 15% salary increase for the executive director. Chair Higa thanked Member Wicker for providing a standard form with criteria to evaluate the executive director on, and noted that Executive Director Nakamoto's evaluation was included in the board packet.

Member Wicker opposed the 15% salary increase because the recommendation was dependent on the Commission on Salaries (COS) Adjustments, although HCDA positions are not established under that framework. He noted that their Administrative Services Office and Human Resources provided guidance that HCDA exempt employees are tied to Bargaining Unit 13 (BU13), and advised a 2.95% salary increase. He explained that that rate is currently being considered for all of DBEDT's attached agencies.

Member Gordner asked how the PIG recommendation was handled in last year's evaluation of the executive director.

Chair Higa answered that the HCDA board, with the statutory authority to set the executive director's salary and recommend changes, recommended a 15% salary increase. He explained that the Department of Business, Economic Development, and Tourism (DBEDT) did not approve the salary adjustment, and therefore Executive Director Nakamoto has been receiving the same salary for the past year, as the year prior.

Member Gordner asked to clarify if the PIG members used the COS as a reference, but not necessarily as a requirement.

Chair Higa, speaking personally rather than on behalf of the PIG, considered a range of variables, such as: comparable positions inside and outside of government, the executive director's performance, the qualifications needed in such a position, and the increasing responsibility of the agency. He reiterated that the COS was not the sole factor and reference for the recommendation this year and last year.

Member Gordner expressed his support of the PIG's recommendation because he believes that the evaluation is fair and accurate to the executive director's performance. He reiterated that the sizable increase of responsibilities for the agency warrants a salary increase that will retain the executive director and/or recruit a qualified candidate in the future.

Member Cabebe expressed her support of the 15% salary increase, but suggested an amendment to the motion to ensure that the executive director receives at least the rate increase anticipated for BU13.

Chair Higa noted that it is possible to amend the recommendation, but deferred to Member Wicker to explain on behalf of DBEDT.

Member Wicker explained that it is possible, and suggested it in the PIG discussion in order to ensure a base increase of at least 2.95%.

Member Sarvis expressed his support for the 15% salary increase. He explained that if

sizable increase in the workload is expected and is being used to justify the executive director's salary increase, he expects that a similar consideration could be made for the staff as well.

Member Gordner asked if the board determines the executive director's salary, what could DBEDT's legal basis be for a refusal of the salary increase.

Member Wicker stated that he does not have the citation, but believes that it is in HRS Chapter 25. He added that salary adjustments are subject to the governor's approval and legislative approval in the budget process.

Member Yamasaki expressed his full support of the 15% salary increase due to Executive Director Nakamoto's transparency with the board, communication with the legislature, and ability to balance the priorities with the legislative requests.

Member Sakoda asked where the percentage of the salary increase was derived from.

Chair Higa explained that the PIG recommended the amount last year in order to align the executive director's compensation to comparable positions. He noted recommendations to suggest a smaller increase to increase the likelihood of being approved, but settled on 15% with the understanding that the increase will compound yearly. He reiterated that the PIG did consider the COS work, but also considered the goal to compensate the director fairly for his performance, qualifications, and responsibilities.

Vice Chair Ishii expressed his support of the increase and his satisfaction of Executive Director Nakamoto's performance.

Member Leong thanked Member Cabebe for her suggestion, but expressed her preference to leave the recommendation to a 15% salary increase.

Member Wicker explained that DBEDT goes before the governor and the legislature to justify budget requests. He asked how the HCDA would pay for the salary adjustment if funding is not provided.

Chair Higa agreed with Member Wicker that DBEDT is responsible for justifying the budget of the attached agency, as the HCDA board is responsible for setting the strategic direction of the agency, holding the agency accountable to the strategic plan in a transparent manner, ensuring that public resources are stewarded properly, and recruiting and compensating fairly an executive director to lead the agency. He noted that the HCDA board members have fulfilled their responsibilities and urged the representatives of DBEDT to do the same. He noted his willingness to testify on Executive Director Nakamoto's performance before the appropriate legislator(s).

Member Wicker reiterated his question regarding how the HCDA would pay for the salary adjustment with its current budget.

Executive Director Nakamoto explained that on July 1, 2026, all HCDA staff will be special funded. If a ceiling increase is needed, it will be requested.

Chair Higa answered that the logistics can be handled by the HCDA staff. He announced that this is his last meeting on the HCDA board, serving all four years with Executive Director Nakamoto. He explained Executive Director Nakamoto's qualifications for this position and personal characteristics, and the difficulty in finding a qualified candidate to agree to the terms of public service. The Chair noted that after last year's annual evaluation, when a 15% salary increase was approved by the board, but not approved by DBEDT, Executive Director Nakamoto agreed to not pursue further attempts to obtain the salary increase citing concerns. The Chair stated that he is in support of the 15% salary increase recommendation.

There were no further comments or questions from the Board.

Public Testimony

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

- Tara Rojas, in opposition: Testifier noted that the City Council is facing criticism for providing large salary increases against public wishes. She explained that despite the positive performance evaluation, she opposes the salary increase because the community faces financial hardship.
- Eric Clark: Testifier commented that input from the community members, individuals and businesses, should also be considered in evaluating the performance of the executive director.

MOTION:

Chair Higa called for a Motion to 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.**

Motion was made by Member Leong and seconded by Member Sakoda.

Executive Director Nakamoto conducted the roll call vote. Motion passed with 14 aye votes, 1 nay vote by Member Wicker, 1 excused, and 1 vacant position.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

a. Monthly Financial Highlights for April 2026

Mr. Craig Nakamoto, Executive Director, referred to the report provided in the board

packet, and stated that Mr. Garet Sasaki, Chief Financial Officer, is available for questions.

Member Gordner asked if the appropriations for the Kaka‘ako Roof Repairs and the Saratoga Avenue Electrical Upgrades projects are on track to be encumbered before their lapse dates.

Mr. Sasaki affirmed that the funding for both projects are on track to be encumbered by the end of June 2026.

There were no further 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.

V. ADJOURNMENT

Chair Higa thanked those who joined the meeting in person and on Zoom, and adjourned the meeting at 11:08 a.m.

Miki‘ala Lidstone, Secretary

Date Approved by the Board