The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met virtually for their Regular Meeting at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, August 12, 2021.

With a quorum present, Chair Mende called the meeting to order at 9:00 a.m.

Those present and excused were as follows:

Directors:  
Director Donn Mende, Chair  
Director Gary Mackler, Vice Chair  
Director Rona Fukumoto, Secretary  
Director Carol Reimann (in-person)  
Director Sean Sasaki  
Director Kymberly Sparlin  
Designee Gloria Chang for Director Craig Hirai  
Executive Director Denise Iseri-Matsubara

Excused:  
Director Mel Kahele  
Director Mike McCartney

Staff:  
Sandra Ching, Deputy Attorney General  
Francis Keeno, Executive Assistant  
Janice Takahashi, Chief Planner  
Holly Osumi, Chief Financial Officer  
Dean Minakami, Development Branch Chief  
Randy Chu, Development Section Chief  
Stan Fujimoto, Housing Development Specialist  
Cheryl Kajitani, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Christopher Oakes, Housing Finance Specialist  
Jocelyn Iwamasa, Housing Finance Specialist  
Melissa Loy, HHFDC Corporate Controller  
Mavis Masaki, Planner  
Chris Woodard, Real Estate Portfolio Manager  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Tech Systems Analyst  
Esa Pablo, Secretary to the Board

Guests:  
Christopher Flaherty, 'Ikenakea Development LLC  
Keegan Flaherty, 'Ikenakea Development LLC  
Kali Watson, Hawaiian Community Development Board  
Patti Barbee, Hawaiian Community Development Board  
Tyler Gomes, Department of Hawaiian Home Lands  
Stewart Matsunaga, Department of Hawaiian Home Lands  
Andrew Choy, Department of Hawaiian Home Lands  
Mohammad Mohanna, Highridge Costa  
Harrison Herzberg, Highridge Costa  
Monte Heaton, Highridge Costa  
Thomas Erickson, Highridge Costa  
Thomas Fischer, Ikaika Oahana

Chair Mende announced that under the Governor's August 5, 2021 Emergency Proclamation Related to COVID-19 Response, HHFDC has elected to continue its
Chair Mende then asked the Board to state any interested parties in attendance at their remote locations. There being none, he proceeded to the approval of the meeting minutes.

A motion was made by Director Sparlin, seconded by Designee Chang, to approve the Annual Meeting Minutes of July 8, 2021.

The motion was carried unanimously.

A motion was made by Director Sparlin, seconded by Director Sasaki, to approve the Regular Meeting Minutes of July 8, 2021.

The motion was carried unanimously.

Director Sparlin moved, seconded by Designee Chang, to approve staff's recommendation.

Housing Finance Specialist Christopher Oakes presented the For Action, requesting the adoption of Resolution No. 159, which authorizes the issuance, sale, and delivery of up to $22,000,000 in Hula Mae Multi-Family (HMMF) tax-exempt bonds to support the construction of Hale Makana O Moiliili project (Project).

Construction of the project is anticipated to commence in September 2021, with a private placement of the HMMF bond being with Bank of Hawaii.

Oakes noted a correction to Exhibit D within the For Action, number 11., the total fees paid to the Developer shall not exceed $2,298,465.

In reference to the correction made to Exhibit D, Watson clarified that the Developer's Overhead of $480,000 was left out in the original calculation (i.e., $1,818,465 Developer's Fee + $480,000 = $2,298,465).

Oakes opened for questions along with Mr. Kali Watson, on behalf of the development team.

Vice Chair Mackler asked whether the Project was on schedule with its estimated construction timeline within the For Action. Oakes responded in the affirmative.

Watson added that tenants have been relocated and the Project is ready to proceed with its demolition phase upon closing, anticipated on August 31, 2021.

There be no further discussion, the motion was carried unanimously as noted.

Director Sparlin moved, seconded by Director Fukumoto, to approve staff's recommendation.

Housing Finance Specialist Jocelyn Iwamasa presented the For Action, requesting the adoption of Resolution No. 160, which authorizes the issuance, sale, and delivery of up to $53,378,465 in HMMF tax-exempt bonds to support the construction of Kokua project (Project).

Construction of the project is anticipated to commence in September 2021, with a private placement of the HMMF bond being with Citicorp USA.
Iwamasa opened for questions along with members of the Project’s development team.

Vice Chair Mackler asked whether the Project was on schedule with its estimated construction timeline stated within the For Action. Iwamasa responded in the affirmative.

Hig h r id g e C o s el el op m en t C om p a n y’s President Mohannad Mohanna recognized and thanked HHFDC’s Executive Director Iseri-Matsubara, Iwamasa, and staff of the Department of Planning and Permitting for their collaborative efforts in this process.

With no further discussion, the motion was carried unanimously.

Housing Development Specialist Stan Fujimoto delivered a PowerPoint presentation (Attachment A), providing background information on the the Villages of Leiali’i (Project) and development challenges in the remainder of the project in terms of water availability, private wastewater treatment plant requirement, an assessment of a Maui Electric Company substation site, possible update of the master plan with the Land Use Commission, collaboration with the Department of Education on school facilities, and mitigation of previously-identified historic properties at the Project.

Development Branch Chief Dean Minakami added that the development model that was first conceived in the 1980’s would offer the project to developers to construct the necessary infrastructures and recoup their cost through a fee-simple home sale. However, given that legislative approval is now required to sell lands in fee simple and the Project is comprised of ceded lands, such approval will be difficult to obtain. Therefore, staff would like to discuss possible options with the Board in executive session.

Executive Director Iseri-Matsubara introduced Department of Hawaiian Home Lands (DHHL) Deputy Director Tyler Gomes, who opened for questions, along with DHHL’s Planning Program Administrator Andrew Choy and Land Development Administrator Stewart Matsunaga.

There being no questions, Chair Mende called for a motion to go into executive session.

Designee Chang moved, seconded by Director Sparlin, to convened in executive session pursuant to Section 92-5(a)(3), Hawaii Revised Statutes (HRS), to deliberate concerning the authority of persons designated by the board to negotiate the acquisition of public property, or during the conduct of such negotiations; and/or Section 92-5-(a)(4), HRS, to consult with the board attorney on questions or issues regarding the board’s powers, duties, privileges, immunities, and liabilities as it relates to this matter.

The motion was carried unanimously.

The Board convened in Executive Session at 9:38 a.m.

The Board returned in Regular Session at 9:59 a.m.

(Designee Chang was excused at this time – 9:59 a.m.)

Chair Mende called for a motion to go into executive session.

Director Sparlin moved, seconded by Vice Chair Mackler, to convened in executive session pursuant to Section 92-5-(a)(4), HRS, to consult with the board attorney on questions or issues regarding the board’s powers, duties, privileges, immunities, and liabilities as it relates to this matter.

HHFDC Regular Meeting – August 12, 2021
The motion was carried unanimously.

The Board convened in Executive Session at 10:00 a.m.

The Board reconvened in Regular Session at 10:53 a.m.

Chair Mende proceeded to the report of the Executive Director.

Executive Director Iseri-Matsubara stated that, this legislative session, HHFDC received an infusion of $20 million (second-half of the biennium) in DURF, $25 million in RHGF (second-half of the biennium), and a RHGF set-aside of $40 million (first-half of the biennium) for phase 1 of Hawaii Public Housing Authority’s School Street elderly rental project.

Executive Director Iseri-Matsubara stated that HHFDC and the counties are actively engaged in the planning and programing for the Homeowner Assistance Fund (HAF) program under the American Rescue Plan Act of 2021. Hawaii will receive $50 million in HAF funds for assistance to homeowners who are behind on their mortgages or already in foreclosure as a result of the pandemic and for administrative fees.

Takahashi updated the Board on the status of the HAF program, stating that the HAF draft plan has greatly evolved since last presented at its June 10, 2021 board meeting. The Department of Treasury has opened an electronic portal for HAF participants to submit their completed HAF plans. Hawaii’s plan is anticipated to be submitted by the August 20, 2021 deadline.

Executive Director Iseri-Matsubara stated that the University of Hawaii Economic Research Organization identified that there are approximately 17,000 households in need of assistance, while available funds allocated may only assist 1,400 to 8,000 households.

There being no further business on the agenda, Director Sparlin moved, seconded by Director Fukumoto, to adjourn the meeting at 10:57 a.m.

The motion was carried unanimously.
Villages of Leiali’i
Villages of Leiali’i – Background

• HHFDC is the master developer of the 1,100-acre Villages of Leiali’i master planned community in Lahaina, Maui.

• The land was reclassified Urban by the Land Use Commission in 1990.

• HHFDC acquired approximately 544 acres below the proposed Bypass Highway from DLNR in 1994.

• In 2005, HHFDC conveyed approximately 72 acres of Villages 1A and 1B to DHHL.

• HHFDC completed a new Final EIS in 2012.

• In 2018, HHFDC issued a 65-year ground lease to the County at $1/year for approximately 20 acres next to the Lahaina Civic Center for additional parking and a base yard.

• In 2020, HHFDC dedicated approximately 21 acres to DOT for the Keawe Street Extension and a portion of Phase 1A of the Bypass Highway.
To Lahaina Wastewater Reclamation Facility

Project Location

Figure 2a
SITE MAP WITH TAX MAP KEYS

Villages of Lahaina
September 2009
Villages of Leialīʻi

FIGURE 2
LAND USE PLAN CONCEPT TWO
Villages of Leialīʻi
200 Unit Multi-Family Infill Project
January 2017

Note: lot lines shown are approximate and for illustrative purposes. Imagery is from Google Earth Pro and is approximately matched to lot lines.
Kaiaulu O Kūku‘ia Project at the Villages of Leiali‘i

- January 2019, after an RFP process, the HHFDC Board approved the proposal submitted by Ikaika Ohana for the proposed 200-unit Kaiaulu O Kūku‘ia family rental project on 28.5 acres of land north of the Keawe Street Extension at the Villages of Leiali‘i.

- The Project will be affordable to families between 30% to 60% or below the HUD Area Median Income.

- HHFDC will issue a 75-Year Ground Lease to the Developer at $1/year; the Project will remain affordable for the term of the Ground Lease.

- The Project will include a public access road from Keawe Street Extension called, Kuku‘ia Street.
CONNECTION TO FUTURE DEVELOPMENT

PRIVATE/CULTURAL PLAQUE AT ALL ENTRANCES, CONFIRM WITH OWNER.

PROPOSED PROPERTY LINE (APPROXIMATE LOCATION)

GATE FOR PROPOSED ACCESS TO SURFACE ROAD

PROPOSED SECONDARY ACCESS

EXISTING PROPERTY LINE

EXISTING PROPERTY LINE

EXISTING PROPERTY LINE

EXISTING PROPERTY LINE

PROPOSED PATHWAY

MULTI-MODAL PATHWAY ACCESS POINT

EXISTING SIDEWALK AND BIKE LANE

PROPOSED PEDESTRIAN CONNECTION TO KAPUNAKA ST.

UTILITY EASEMENT THROUGH PRIVATELY OWNED PROPERTY

UTILITY EASEMENT THROUGH COUNTY-OWNED PROPERTY

EXISTING DETENTION BASM

EXISTING DETENTION BASM

POTENTIAL FUTURE ACCESS WITH GATE

POTENTIAL FUTURE ACCESS WITH GATE
Kaiaulu O Kūku’ia - Status

The developer is working on the following:

- HHFDC Board approval of the tax credits and RHRF financing for the Project.
- Building permits.
Villages of Leialiʻi – Status

- In December 2012, the County of Maui approved 245 acres below the Bypass Highway for development of 1,200 units in the Urban Growth Boundary of the Maui Island Plan.
- The Maui County Council is currently reviewing the West Maui Community Plan, which designates the area proposed for the Kaiaulu O Kukuʻia Project, and a little north to Wahikuli Road as Residential and the balance of the area in the Urban Growth Boundary as Agriculture.
Villages of Leialii'i

Legend:
- Detached Single-Family Residential
- Multi-Family Residential - 16 du/acre
- Multi-Family Residential - 20 du/acre
- Green Space
- Phase A: 7.7 ac
- Phase B: 19.3 ac
- Park
- Phase A: 34.79 ac
- Phase B: 19.56 ac
- Elementary School
- Phase A: 1.03 ac
- Phase B: 1.03 ac
- Commercial
- Phase A: 78.11 ac
- Phase B: 78.11 ac
- Mixed Use
- Phase A: 203.9 ac
- Phase B: 203.9 ac
- Commercial
- Office: 101,110 sq ft
- Multi-Family Residential: 164 du
- Light Industrial
- Phase A: 17.20 ac
- Phase B: 7.47 ac
- Infrastructure
- Phase A: 7.77 ac
- Phase B: 7.47 ac
- Detention Ponds

Notes: All distances shown are approximate and for illustration purposes. Imagery from Google Earth Pro unless otherwise noted.

FIGURE 2
LAND USE PLAN CONCEPT TWO
Villages of Leialii'i
200-Unit Multi-Family INLI Project
January 2017
Section 3

IGrowth Framework

Mau Community Plan

CPAC Draft

Subarea 3

This 10,376-acre subarea has a population of 12,906 and serves as the region's commercial, service, and residential center. The area is rich in history and culture and has two County Historic Districts - KUIL and one National Historic Landmark District. Lahaina has a unique character and charm that draws residents and visitors alike. Urban development in this subarea runs primarily along the coastline and extends mauka along Lahainaluna Road.

Figure 3.5: Subarea 3 (Lahaina) (at right)
Villages of Leiali’i – Challenges for Next Projects

- Water Availability
  - If DWS has water, payment of a DWS Water Reservation Deposit for a 100% affordable project;
  - HHFDC-DHHL MOU for joint development of Honokowai Well and ancillary water facilities; new reservoir above Village 1B will increase DWS service area at the Villages of Leiali’i;
- Development and maintenance of a new private wastewater treatment plant at the Villages of Leiali’i;
- Mitigation of previously identified historic properties and consultation with SHPD on AIS requirements for future projects on a project-by-project basis;
- Potential trigger for a new MECO substation;
- Potential trigger for an update of the master plan with the LUC; and
- Potential trigger for usable land for elementary school facilities and an Educational Contribution Agreement with DOE (LUC Condition #8).
Mahalo