

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

MINUTES OF THE REGULAR MEETING  
OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION  
HELD AT THEIR OFFICE AT 677 QUEEN STREET, SUITE 300,  
ON THURSDAY, SEPTEMBER 11, 2014  
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met for their Regular Meeting at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, September 11, 2014, at 9:00 a.m.

Acting Chair Edwin Taira called the meeting to order at 9:00 a.m.

Present: Director Edwin Taira, Vice Chair  
Director Rona Fukumoto, Secretary  
Director Melvin Kahele  
Director Michael Ng  
Designee Mary Alice Evans for Director Richard Lim  
Designee Luis Salaveria for Director Kalbert Young

Executive Director Craig Hirai

Excused: Director Leilani Pulmano, Chair  
Director Richard Lim  
Director Kalbert Young

Staff Present: Sandra Ching, Deputy Attorney General  
Janice Takahashi, Chief Planner  
Darren Ueki, Finance Manager  
Rick Prahler, Development Branch Chief  
Stan Fujimoto, Development Section Chief  
Ann Nakagawa, Fiscal Manager  
Stuart Kritzer, Asset Manager  
Marlene Lemke, Real Estate Services Section Chief  
Lisa Wond, Planner  
Dean Sakata, Housing Finance Specialist  
Glori Ann Inafuku, Housing Finance Specialist  
Beth Malvestiti, Housing Development Specialist  
Ken Takahashi, Housing Development Specialist  
Christopher Woodard, Property Management Coordinator  
Lorna Kometani, Housing Sales Coordinator  
Elaine Goma, Housing Sales Coordinator  
Kent Miyasaki, Housing Information Specialist  
Krystal-Lee Tabangcura, Procurement Specialist  
Esa Pablo, Secretary to the Board

Guests: Ralph Mesick, Former HHFDC Chair  
Rod Maile, Administrative Director of the Courts  
Mark Hashem, State House  
Ann Kobayashi, Honolulu City Council

A quorum was present.

Acting Chair Taira asked for a motion.

Designee Evans moved, seconded by Designee Salaveria,

To approve the meeting minutes of August 14, 2014.

CALL TO  
ORDER/  
ROLL CALL

QUORUM

II. A.  
APPROVAL  
OF MINUTES  
8/14/14  
Regular  
Meeting

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Acting Chair Taira asked that the attendance of the meeting minutes be amended to include Housing Development Specialists Beth Malvestiti and Seiji Ogawa.

The motion was unanimously carried, as amended.

The approval of the meeting minutes of the Executive Session held on August 14, 2014 was deferred to Executive Session.

Acting Chair Taira asked for a motion to approve agenda items III. A., B., and C.

Designee Evans moved, seconded by Designee Salaveria,

That the HHFDC Board of Directors approve Resolution Nos. 062, 063, 064, expressing appreciation to Directors Ralph Mesick, Paul Kyno, and Allan Los Banos, Jr., respectively.

Chief Planner Janice Takahashi presented the For Action and read Resolution No. 062.

Designee Evans stated that she learned a lot from Director Ralph Mesick and appreciated his patience and aloha spirit, focusing on the important issues like using its public resources wisely and stretching its limited resources to create affordable housing.

Designee Salaveria thanked Director Ralph Mesick and stated that it was very refreshing and wonderful to have another financial person on the Board.

With no further discussion, the motion was carried.

Acting Chair Taira asked for a recess at 9:10 a.m.

The Board reconvened the meeting at 9:13 a.m., with Acting Chair Taira requesting that the Board proceed to Item E.

Designee Evans moved, seconded by Designee Salaveria,

That the HHFDC Board of Directors approve the following:

- A. The Memorandum of Agreement between the Hawaii Housing Finance and Development Corporation and the Hawaii State Judiciary.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Ms. Takahashi presented the For Action and facts, stating that the 902 Alder Street property is a State owned and set aside to the Judiciary for the purposes of a "Detention Home," pursuant to Executive Order (EO) No. 1577, dated September 5, 1953.

The Judiciary currently operates the Home Maluhia Program, a non-secured residential facility that provides therapeutic counseling and rehabilitative services for status offenders and minor law violators.

The parcel is 1.45 acres, zoned A-2, for medium-density apartment, and located within the proposed Transit Influence Zone (within ¼ and ½ mile of the planned Ala Moana rail station). Current height limit is 150 feet, with adequate water and

**II. B.**  
**APPROVAL**  
**OF MINUTES**  
8/14/14  
Executive  
Session

**III. A., B., and C.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Approve Resolution  
No. 062, Expressing  
Appreciation to Ralph  
Mesick; Approve  
Resolution No. 063,  
Expressing  
Appreciation to Paul  
Kyno; and Approve  
Resolution No. 064,  
Expressing  
Appreciation to Allan  
Los Banos, Jr.

**RECESS**  
9:10 a.m.

**RECONVENED**  
9:13 a.m.

**III. E.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Approve a  
Memorandum of  
Agreement with the  
Judiciary for the  
Development of a  
Mixed-Use Affordable  
Rental Housing and  
Juvenile Services/  
Shelter Facility  
Located at 902 Alder  
Street, Honolulu,  
Hawaii TMK No.:  
(1) 2-3-012:019

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sewer to accommodate the proposed mixed-use project site.

A draft Memorandum of Agreement (MOA) between HHFDC and the Hawaii State Judiciary would define respective roles and responsibilities of both parties.

In its plans to redevelop its juvenile shelter, the Judiciary was approached by HHFDC, who proposed a mixed-use project that would include affordable housing (180 units) and services, a center for juvenile services, and parking. Redevelopment costs are estimated to be approximately \$70 million.

The draft MOA outlines the following:

- HHFDC and the Judiciary would coordinate in developing a Request for Proposals (RFP).
- A For Information would be presented to the Board prior to the issuance of the RFP.
- Funding for the rental component is anticipated to be funded by Hula Mae Multi-Family Bonds, Low Income Housing Tax Credits, and Rental Housing Trust Fund.
- HHFDC would also be requesting Capital Improvement Project funds from the State Legislature. A budget request has been prepared for the upcoming session.
- If the HHFDC is unsuccessful in getting the funds needed within a 2-year period, the MOA will automatically terminate.
- HHFDC will coordinate with the Judiciary in requesting a Right of Entry permit from the Board of Land and Natural Resources (BLNR).
- Together with the Judiciary, the Governor's Office, and Department of Land and Natural Resources (DLNR), HHFDC will seek approval from BLNR to cancel the existing EO and issue a new one to both the Judiciary and HHFDC.
- A For Action would be brought to the Board to approve the Development and execute the Development Agreement (DA). The Judiciary would review and approved the detailed scope of services for the DA.
- The Judiciary would provide the pertinent background, environmental assessment, and planning information on the site.
- HHFDC will take lead on the public outreach with appropriate support from the Judiciary.
- In regard to the operation and maintenance of the Juvenile center, if a standalone facility with its own parking is developed, the Judiciary will be solely responsible for all of the operations and maintenance of that building and parking. However, if the Juvenile center and parking is integrated within the residential component, maintenance and parking fees of common areas will be negotiated.

Mr. Rod Maile, Administrative Director of the Courts, was acknowledged and introduced to the Board.

Mr. Maile thanked the Board for the opportunity to be a part of a development that benefits both the community and the Judiciary.

Designee Evans asked if it was the Judiciary's intent to have a residential facility on Alder Street as part of the mixed-use development. Mr. Maile stated yes,

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reiterating its Home Maluhia residential facility for status offenders.

In response to Director Kahele, Ms. Takahashi reiterated that the height of the zoned area is currently 150 feet.

Director Fukumoto asked if the residential component would be limited to units for working families and seniors. Executive Director Hirai stated that although open to other groups, the HHFDC is looking more towards providing workforce housing, similar to the Halekauwila Place project.

Mr. Maile stated that the intent of the Judiciary is to be full working partners and committed to the needs of the residence as well.

Designee Evans asked on the targeted income levels for the development. Staff stated that the HHFDC is looking to similar income levels of the Halekauwila Place project, which is 60% AMI and below.

In response to Designee Salaveria, Ms. Takahashi concurred and reiterated that the existing EO would be canceled, and a new EO would be established to allow for this mixed-use development.

With no further discussion, the motion was unanimously carried.

Designee Evans moved, seconded by Director Ng,

That the HHFDC Board of Directors approve an increase in the DURF budget for the Emergency/Maintenance Fund by \$250,000.00 for the routine and emergency security and maintenance expenses at the various remnant properties owned by HHFDC throughout the State, substantially as discussed in this For Action, and authorize the Executive Director to take all actions necessary to effectuate the purpose of this For Action, subject to the following:

- A. Availability of DURF Funds;
- B. Approval and release of funds by the Governor; and
- C. Compliance with all HHFDC rules and regulations and such other terms and conditions as may be required by the Executive Director.

Development Section Chief Stan Fujimoto presented the For Action, stating that a \$100,000 increase to the DURF budget for the Emergency Maintenance Fund, used to accommodate emergency security and maintenance work, was done in 2010, based on a 10-year projection of expenses.

However, various ground and tree trimming maintenance were not considered, and therefore, the For Action seeks approval of an increase by \$250,000 for the next 10 years, based on average expenses over the past 3-year period, for routine emergency security and maintenance expenses.

Acting Chair Taira asked if there were albizia trees on the various lots. Mr. Fujimoto said yes, being the main reason for the complaints of homeowners at Hokulele.

Acting Chair Taira suggested that the trees be cut sooner rather than later, costing more to cut down when the trees are bigger.

Designee Evans suggested that proactive action be taken to cut down the albizia trees with the change of perception from a shady canopy to dangerous and destructive after Hurricane Iselle.

Mr. Fujimoto stated that staff would look into the suggestions of the Board.

**III. D.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**

Approve an Increase in the Dwelling Unit Revolving Fund Budget for the Emergency/ Maintenance Fund for Maintenance of the Hawaii Housing Finance and Development Corporation's Remnant Properties, Including Hokulele Subdivision, Kaneohe, Oahu, TMK Nos.: (1) 4-5-023:011 and 012; TMK Nos.: (1) 4-6-037:126; Lot 417 at Kahikolu Ohana Hale O Waianae Located in Waianae, Oahu, TMK Nos.: (1) 8-5-027:072 and Poalima Street Lots, Waimanalo, Oahu, TMK Nos.: (1) 4-1-008:086, 087, 088, 089; TMK No.: (1) 4-1-009:048

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Director Kahele asked on how the DURF funds are allocated to each unit or location. Mr. Fujimoto clarified that the Emergency/Maintenance Fund is a reserve and applies to everyone as needed.

With no further discussion, the motion was unanimously carried.

Planner Lisa Wond presented the For Information, stating that the Consolidated Annual Performance and Evaluation Report (CAPER) is required by HUD and assesses the State's performance in administering the HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs, and also includes activities for the Neighborhood Stabilization Program (NSP 1 and 3).

Accomplishments for the programs were noted and cited.

PY 2013 was the second year of HHFDC's rotating annual allocation of HOME funds, going to the County of Kauai.

The full CAPER was noted to be available for the Board's review.

Acting Chair Taira asked whether the rotation of the HOME funds is working to help the Counties meet their goals. Ms. Wond looked to Finance Manager Darren Ueki, and stated that the rotation of funds seem to be going well, noting that in PY 2014, being the third year, staff will have a better idea on the effectiveness of the rotation change. Mr. Ueki further explained that the rotation system allows the Counties to better plan in hopes of utilizing the funds in a timely manner. However, funding has been retracted in situations where the Counties have failed to deliver and staff continues to work with them to ensure no funding is lost.

Acting Chair Taira asked if funding levels remain consistent. Mr. Ueki stated that so far HHFDC has not been negatively impacted.

With no further discussion, Acting Chair Taira proceeded to the Report of the Executive Director.

Executive Director Hirai opened for questions, noting that some of the major items that are being worked on are the MOA with the Judiciary and the Hale Aupuni Planned Development matter that will be discussed in Executive Session.

With no questions on the Executive Director reports, Acting Chair Taira asked for a motion to go into Executive Session.

Designee Evans moved, seconded by Designee Salaveria,

To convene in Executive Session at 9:37 a.m., pursuant to Section 92-5(a)(3), Hawaii Revised Statutes, to negotiate the acquisition of public property and pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

The motion was unanimously carried.

The Board reconvened in Regular Session at 10:08 a.m.

The Executive Session meeting minutes of August 14, 2014 were approved in Executive Session.

**III. F. DISCUSSION AND/OR DECISION MAKING**

Information on the Consolidated Annual Performance and Evaluation Report for Program Year 2013 (July 1, 2013 – June 30, 2014)

**IV. REPORT OF THE EXECUTIVE DIRECTOR**

**V. EXECUTIVE SESSION**

9:37 a.m.

**RECONVENED**  
10:08 a.m.

**II. B. APPROVAL OF MINUTES**

8/14/14  
Executive Session

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With no further discussion, Acting Chair Taira asked for a motion to adjourn.

Designee Evans moved, seconded by Designee Salaveria,

That the meeting be adjourned at 10:09 a.m.

The motion was unanimously carried.

VI.  
ADJOURNMENT

  
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RONA FUKUMOTO  
Secretary