

**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING**

April 8, 2021

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met virtually for their regular meeting at their office, located at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, April 8, 2021, at 9:00 a.m.

**I.
CALL TO
ORDER/
ROLL CALL**

With a quorum present, Vice Chair Mackler called the meeting to order.

Those present and excused were as follows:

Present: Director Gary Mackler, Vice Chair
Director Rona Fukumoto, Secretary
Director Carol Reimann
Director Melvin Kahele
Director Mike McCartney (arrived 9:21 a.m.)
Director Kymberly Sparlin

Executive Director Denise Iseri-Matsubara

Excused: Director Donn Mende, Chair
Director George Atta
Director Craig Hirai

Staff Present: Sandra Ching, Deputy Attorney General
Francis Keeno, Executive Assistant
Janice Takahashi, Chief Planner
Darren Ueki, Housing Finance Manager
Dean Minakami, Development Branch Chief
Holly Osumi, Chief Financial Officer
Christopher Woodard, Real Estate Portfolio Manager
Carianne Abara, Development Support Section Chief
Lorna Kometani, Sales & Counseling Section Chief
Jocelyn Iwamasa, Housing Finance Specialist
Nathan Akamu, Housing Finance Specialist
Jamie AQUI, Housing Finance Specialist
Mark Ogata, Housing Finance Specialist
Cheryl Kajitani, Housing Development Specialist
Melissa Loy, HHFDC Corporate Controller
Gayle Nishimoto, Project Resource Specialist
Kent Miyasaki, Housing Information Officer
Esa Pablo, Secretary to the Board

Guest: Douglas Bigley, Ikaika Ohana

Director Reimann moved, seconded by Director Fukumoto

That the regular meeting minutes of March 11, 2021 be approved.

Director Sparlin abstained from the vote due to her absence at the March 11, 2021 Board Meeting.

With no quorum obtained (Voted yes: Vice Chair Mackler, and Directors Kahele, Carol, and Fukumoto; Abstained: Director Sparlin), the motion failed.

**II.A.
APPROVAL
OF MINUTES**
Regular
Meeting
3/11/2021

Approval of the regular meeting minutes of March 11, 2021 was deferred to the next Board Meeting.

Due to Director Sparlin’s abstention from the vote as stated above, approval of the executive session meeting minutes of March 11, 2021 (9:51 a.m. and 10:35 a.m.) was also deferred to the next Board Meeting.

Due to network connection issues, quorum was lost and the meeting was recessed at 9:01 a.m. until Director Kahele’s connection was restored at 9:03 a.m.

Housing Finance Specialist Jocelyn Iwamasa presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 152, attached as Exhibit E, which authorizes a tax-exempt issuance of up to \$19,180,000 from the Hula Mae Multi-Family (HMMF) Bond Program, subject to the provisions and conditions recommended in Exhibit D.
 - 1. Subject to the provisions and conditions in Exhibit D (within the For Action) and;
 - 2. All other terms and conditions of the Federal and State Low Income Housing Tax Credit (LIHTC) reservation approved by the HHFDC Board of Directors on January 12, 2017, May 14, 2020, and March 11, 2021, remain the same.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Director Kahele moved, seconded by Director Reimann

That staff’s recommendation be approved.

Iwamasa stated that the subject For Action requests the adoption of Resolution No. 152, which authorizes the issuance, sale, and delivery of HMMF bonds to support the construction of the Kaiaulu O Waikoloa Project (Project) and will be a private placement with First Hawaiian Bank and American Savings Bank. The HMMF bond issuance amount is anticipated to fund over 50 percent of the Project’s anticipated basis for acquisition, land, and construction cost, qualifying the Project to receive federal and state 4 percent LIHTC.

Two Tax Equity and Fiscal Responsibility Act hearings were conducted (June 14, 2017 and July 30, 2020), in which no oral or written testimony were received.

Iwamasa opened for questions, along with Mr. Douglas Bigley, on behalf of the Project.

There being no questions, the motion was carried unanimously.

In response to the request made by the Board at its March 11, 2021 Board of Directors Meeting, asking staff to follow up on the Waimanalo Village noise complaint letter dated March 8, 2021, Real Estate Portfolio Manager Chris Woodard stated that HHFDC was informed by the Waimanalo Village Residence Corporation’s (WVRC’s) management staff that the matter is being addressed.

Woodard presented the For Information, stating that due to zoning exemptions under Chapter 359G, Hawaii Revised Statutes (HRS), requested by the Hawaii Housing

II.B.
APPROVAL OF MINUTES
Executive Sessions
2/11/2021

RECESSED
9:01 a.m.
RECONVENED
9:03 a.m.

III.A.
DISCUSSION AND/OR DECISION MAKING
Approve Resolution No. 152, Authorizing the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Kaiaulu O Waikoloa Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-003: 028

III.B.
DISCUSSION AND/OR DECISION MAKING
Information on Noise Complaints Concerning the Waimanalo Village

Authority (predecessor agency to HHFDC) and adopted by the City Council, the Project is permitted to have various animals without limitation in an attempt to allow continuation of the residents' rural lifestyle.

Woodard stated that the Waimanalo community could support a possible amendment to remove such exemptions from the Chapter 359G resolution by having any Honolulu City Councilmember introduce a new resolution to the City Council for consideration and adoption.

In reference to a written testimony dated April 6, 2021 (see Attachment A), Director Reimann inquired about the size of the large scaled rooster farming. Woodard stated that it was a substantial amount for the land area.

Vice Chair Mackler asked when can a follow up response from the WVRC's management staff be anticipated. Woodard stated that a written response was received last week indicating that the matter was referred to outside counsel and that WVRC will keep HHFDC apprised.

There being no further discussion, Vice Chair Mackler proceeded to the Overview of the Executive Director.

(Director McCartney arrived at this time – 9:21 a.m.)

Executive Director Denise Iseri-Matsubara called upon Development Branch Chief Dean Minakami and Housing Development Section Chief Carianne Abara, who updated the Board on the Waiahole Valley water system.

Abara addressed the storm damage and provided before and after photos of the well site and water system to the Board.

Although the water system is functional, long term vulnerability is of concern. Under the Governor's Proclamation Related to Rains and Flooding, Minakami stated that certain permitting and procurement requirements were suspended and would allow HHFDC to expedite repairs on the wells and water system site. Eventual relocation of the wells is being explored and the Board's input on a new water system will be sought hereafter.

Executive Director Iseri-Matsubara thanked Minakami, Abara, and Housing Development Specialist Leo Domingo, for their work on the matter and pictures taken.

Executive Director Iseri-Matsubara inquired about an estimated figure for the water system and site repairs. Minakami stated that estimated repair costs are approximately \$4 million.

Executive Director Iseri-Matsubara stated that staff anticipates returning in May 2021, for the Board's consideration of an increased budget for the Waiahole Valley water system and site.

Director Sparlin asked for confirmation as to whether there would be investigation if such emergency funds could be used under the Governor's Proclamation. Minakami responded in the affirmative.

Director McCartney asked whether the emergency funds could also be used to address another property within the Waiahole Valley. Executive Director Iseri-Matsubara stated that a letter has been issued to the property owner to explore and verify the matter further.

Director McCartney asked for a copy of the letter for his review and to discuss with HHFDC to ensure unison. Executive Director Iseri-Matsubara responded in the affirmative.

Affordable Rental
Housing Project
Located in
Waimanalo,
Koolau-poko, Oahu,
TMK Nos.:
(1) 4-1-012: various
and (4) 4-1-034:
various

**IV.
OVERVIEW
OF THE
EXECUTIVE
DIRECTOR**

Executive Director Iseri-Matsubara highlighted the following legislative matters:

- HB200/SB1299 – relating to the state budget. Appropriates funds for the operating and capital improvement budget of the executive branch for fiscal years 2021-2022 and 2022-2023.
- HB58 – relating to state funds. Temporarily reallocates conveyance tax revenues for purposes of paying the principal and interest of general obligation bonds.
- HB902/SB2– relating to public lands. Exempts land set aside by the governor to the HHFDC and lands leased to HHFDC from other state departments or agencies from classification as public lands subject to DLNR management, shortening the approval process by 6 to 9 months.
- HB77 – relating to lands controlled by the state. Exempts the sale of the leased fee interest in certain affordable leasehold developments by the HHFDC from legislative approval.
- HB907 – relating to housing. Repeals the HHFDC’s downpayment loan assistance program and homebuyer’s club program.
- HB311 – relating to affordable housing. Removes the construction completion deadline for the Leialii affordable housing project. Specifies that the developer of the Keawe Street apartments affordable housing project will be responsible only for paying the cost of the AIS for their footprint of the project and not for the entire master planned community.

Executive Director Iseri-Matsubara announced that this would have technically been Director George Atta’s last meeting had he been able to attend. Mr. Sean Sasaki has been appointed by the Governor. Both Chair Mende and Sasaki have confirmation hearings at 1:00 pm today.

With Director McCartney arriving at 9:21 a.m., as noted above, the Board returned to the approval of minutes.

Director McCartney moved, seconded by Director Kahele

That the regular meeting minutes of March 11, 2021 be approved.

The motion was carried, with Director Sparlin abstaining due to her absence at the March 11, 2021 Board Meeting.

Director McCartney moved, seconded by Director Kahele

That the meeting minutes of the March 11, 2021 executive sessions held at 9:51 a.m. and 10:35 a.m. be approved.

The motion was carried, with Director Sparlin abstaining due to her absence at the March 11, 2021 Board Meeting.

There being no further business on the agenda, Director Sparlin moved, seconded by Director Kahele, to adjourn the meeting at 9:40 a.m.

Rona Fukumoto

RONA FUKUMOTO
Secretary

II.A.
APPROVAL
OF MINUTES
Regular
Meeting
3/11/2021

II.B.
APPROVAL
OF MINUTES
Executive
Sessions
2/11/2021

V.
ADJOURNMENT
9:40 a.m.

April 6, 2021

Testimony Regarding Rooster Noise Problem from Waimanalo Village

We would like to start by thanking the Hawaii Housing Finance and Development Corporation, and particularly Chris Woodard, for their attention to this on-going noise problem. There are just a few points we would like to make, in addition to our letter to the HHFDC Board of Directors dated March 8th.

1. As long term residents of Waimanalo Banyan Tree, both having lived here for more than 20 years, we can attest to the fact that large-scale rooster farming was not practiced historically by residents of Waimanalo Village, or at least not in a manner that disturbed the surrounding community. This problem began in 2012 with apparent changes in residents and possibly management practices by Waimanalo Village Residents Corporation.
2. While the "buffer zone" for the overall development is large, it is only about 20-25ft in the area directly behind our homes, where dozens of roosters are kept in cages. It does nothing to reduce the impact of this rooster noise upon our neighborhood.
3. We are pleased that the WVRC appears to be taking action regarding the resident at 41-1432 Haunaukoi, however, the problem is caused by the leadership and management of WVRC allowing residents to keep large numbers of fighting chickens, many in close proximity to our homes, despite the fact that they know it has a severe negative impact upon us. Recent past residents of this address similarly kept large numbers of roosters, and there is every reason to expect WVRC to continue to place residents with roosters in this, and other nearby homes, and in cages lining the sides of Haunaukoi St.
4. Not only did the zoning exemption, supported by WVRC and the HHFDC, allow residents of the Village to keep livestock and poultry without any limits on numbers, it also took away our rights provided under the Honolulu City and County Animal Nuisance Ordinance, without the knowledge of residents of Waimanalo Banyan Tree. While the problem may not have been anticipated, this action was grossly unfair to us. How does the right of Waimanalo Village residents to keep fighting chickens take precedence over our right to sleep peaceably in our own homes?
5. Finally, we are aware that other residents of Waimanalo Banyan Tree are bothered by the noise. However, we are also aware that there is likely a strong financial interest of Village residents to keep these roosters, for fighting or breeding and selling them. For this reason, we do have very real concerns about possible retaliatory actions against us. We hope the HHFDC leadership understands that this concern makes us hesitant to take the lead in organizing community support in opposition to this noise problem.

Once again, we very much appreciate the assistance of the HHFDC in resolving this persistent problem.

[REDACTED]
[REDACTED]