

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

December 9, 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, December 9, 2021 at 9:01 a.m.

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

With a quorum present, Chair Donn Mende called the meeting to order.

Those present and excused were as follows:

Present: Director Donn Mende, Chair
Director Gary Mackler, Vice Chair
Director Robert Van Tassell, Secretary
Director Melvin Kahele
Director Sean Sasaki
Director Kymberly Sparlin
Designee Chung Chang for Mike McCartney
Designee Gloria Chang for Director Craig Hirai

Executive Director Denise Iseri-Matsubara

Excused: Director Carol Reimann

Staff: Sandra Ching, Deputy Attorney General
Francis Keeno, Executive Assistant
Janice Takahashi, Chief Planner
Darren Ueki, Housing Finance Manager
Dean Minakami, Development Branch Chief
Randy Chu, Development Section Chief
Holly Osumi, Chief Financial Officer
Christopher Woodard, Real Estate Portfolio Manager
Christopher Oakes, Housing Finance Specialist
Sam Aiona, Housing Finance Specialist
Mark Ogata, Housing Finance Specialist
Jay Nakamura, Housing Finance Specialist
Claude Allen Jr., Project Manager
Melissa Loy, HHFDC Corporate Controller
Gayle Nishimoto, Project Resource Specialist
Cheryl Kajitani, Housing Development Specialist
Gordon Pang, Housing Information Officer
Marc Orbito, Information Technology Systems Analyst
Cathy Ho, Human Resources Specialist
Esa Pablo, Secretary to the Board

Guest: Salvatore Ingrao, Retirement Housing Foundation
Anders Plett, Retirement Housing Foundation
David Michael, Pacific Development
Lester Ng, Architects Hawaii Ltd.
Makani Maeva, Ahe Group
Stanford Carr, Stanford Carr Development
Robinson Kaloa, Stanford Carr Development

Director Kahele moved, seconded by Vice Chair Mackler, to approve the regular meeting minutes of November 18, 2021.

**II.A.
APPROVAL
OF MINUTES**

Regular Meeting
11/18/21

Director Sparlin abstained from the vote for all the meeting minutes of the regular and executive sessions due to her absence at the November 18, 2021 Board Meeting.

The motion was carried, with Director Sparlin abstaining from the vote.

1. Director Kahele moved, seconded by Director Sasaki, to approve the executive session meeting minutes of November 18, 2021 relating to the State’s Private Activity Bond Cap and Hula Mae Multi-Family Tax-Exempt Revenue Bond Program.

**II.B.
APPROVAL
OF MINUTES**

Executive Sessions
11/18/21

The motion was carried, with Director Sparlin abstaining from the vote.

2. Director Kahele moved, seconded by Vice Chair Mackler, to approve the executive session meeting minutes of November 18, 2021 relating to a policy for the general terms and conditions of ground lease extensions for affordable multi-family rental housing projects located on land owned by or set aside to the HHFDC.

The motion was carried, with Director Sparlin abstaining from the vote.

3. Director Kahele moved, seconded by Vice Chair Mackler, to approve the executive session meeting minutes of November 18, 2021 relating to the Kulia I Ka Nuu affordable housing project.

The motion was carried, with Directors Sparlin and Van Tassell abstaining from the vote.

Executive Director Iseri-Matsubara presented the For Action, expressing HHFDC’s appreciation to Chief Planner Janice Takahashi for her service, dedication, and accomplishments during her 33 years with the agency.

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

Approve Resolution No. 165, Expressing Appreciation to Janice Takahashi

The Board and Mr. Stanford Carr, of Stanford Carr Development, commended and thanked Takahashi for her assistance, expertise, and leadership.

Executive Director Iseri-Matsubara presented Takahashi with the Governor’s Commendation, which was read out loud by Director Sparlin.

Takahashi thanked the Board for their kind words and the privilege to serve in the many facets of the HHFDC’s mission for the people of Hawaii. She personally thanked her planning staff as well as HHFDC and looked forward to her retirement.

Director Kahele moved, seconded by Director Sparlin, to approve staff’s recommendation.

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

Approve an Extension to Resolution No. 161, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Pauahi Kupuna Hale Project Located in Honolulu, Oahu,

Chair Mende opened for testimony on this item.

There being none, Housing Finance Specialist Mark Ogata proceeded with staff’s presentation requesting a 12-month extension, to December 31, 2022, to issue Hula Mae Multi-Family (HMMF) Bonds for the existing 48-unit affordable rental housing facility targeted for the elderly. Ogata further stated that this is the project’s first extension, with building permits pending approval from the City & County of Honolulu’s Department of Planning and Permitting (DPP).

Ogata opened for questions, along with Mr. Salvatore Ingrao and Mr. Anders Plett, on behalf of the project.

Vice Chair Mackler inquired about the plan for relocating tenants during the

rehabilitation phase. Ingrao stated that tenants would be temporarily placed in on-site vacant units and then transferred to the completed units one floor at a time.

TMK No.: (1) 1-7-003: 038

Director Van Tassell asked when would staff anticipate returning to the Board to present a subsequent resolution. Ogata responded when the building permits are obtained.

There being no further questions, the motion was carried unanimously.

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

Chair Mende opened for testimony on this item.

There being none, Housing Finance Specialist Christopher Oakes proceeded with staff's presentation requesting a 12-month extension, to January 31, 2023, to issue Hula Mae Multi-Family (HMMF) Bonds for the 156-unit affordable rental housing facility targeted for families.

Oakes opened for questions, along with Mr. Dave Michaels and Mr. Lester Ng, on behalf of the project.

This being the project's second extension, Vice Chair Mackler inquired about the projected construction timeline being met. Michaels stated that they are confident that construction will commence within the next 12 months.

Director Sparlin expressed concern on additional delays that would hold up needed bond cap and asked that the Board be kept apprised on how they can help to move the project forward to avoid another extension.

There being no further discussion, the motion was carried unanimously.

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

Oakes stated that this For Action requests a 12-month extension to the project's Rental Housing Revolving Fund (RHRF) Letter of Intent (LOI) from January 31, 2022 to January 31, 2023.

There being no questions, the motion was carried unanimously.

Director Kahele moved, seconded by Vice Chair Mackler, to approve staff's recommendation.

Oakes stated that the For Action requests a 12-month extension, to January 31, 2023, to issue Hula Mae Multi-Family (HMMF) Bonds for the 146-unit affordable rental housing facility targeted for families. Halawa View III will be combined with Halawa View II under one management.

There being no questions, the motion was carried unanimously.

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

Approve an Extension to Resolution No. 129, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Halawa View II Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

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

Approve an Extension to the Rental Housing Revolving Fund Project Letter of Intent for the Halawa View II Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

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

Approve an Extension to Resolution No. 130, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue

Bonds for the Halawa View III Project
Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

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

Oakes stated that this For Action requests a 12-month extension, to January 31, 2023, to the RHRF LOI for the Halawa View III.

There being no questions, the motion was carried unanimously.

Director Sparlin moved, seconded by Director Kahele, that staff's recommendation to approved.

Chair Mende opened for testimony on this item.

Developer Makani Maeva provided testimony to accept 4% Low Income Housing Tax Credit (LIHTC) applications year round and asked that the Board reconsider approving this policy that would require projects to first apply with the counties and consider the negative impacts it will have on housing, inadvertently adding more time and more money. She suggested that the Board rescind its policy to apply once a year for 4% LIHTC and that a more permanent solution be sought to dedicate a tranche of bond cap for housing.

Developer Stanford Carr concurred with Maeva's suggestions and provided testimony to accept 4% LIHTC applications year round and for the Board to reconsider this policy. In regard to the HHMF Bonds, he suggested that HHFDC oversubscribe the bond allocation and hold developers accountable to satisfy the conditions to close and proceed with construction, being on a first come, first served basis. He further stated that allowing bond extensions deny other shovel-ready projects from proceeding and that the bond program should be optimized to its full potential to produce more housing.

There being no further testimony, Oakes noted a correction within the For Action, under section III.D., last sentence, to read:

The Application [~~will~~] may be considered in accordance with HHFDC's approved funding round(s).

Maeva asked if changes could be made to the language of the 2022/2023 Qualified Allocation Plan and reconfirmed that the 4% LIHTC applications would not be scored.

In response to Maeva's question, Chair Mende stated that questions regarding the QAP do not apply to this agenda and therefore, would not be discussed at this time.

Director Sparlin moved, seconded by Director Kahele, to convene in executive session pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to consult with the board attorney on questions or issues regarding the board's powers, duties,

**III.F.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an Extension to the Rental Housing Revolving Fund Project Letter of Intent for the Halawa View III Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

**III.G.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve a Policy to Require Projects Seeking Private Activity Bond Cap to Apply First to the County in which the Project is Located if that County has a Private Activity Bond (PAB) Issuance Program

**EXECUTIVE
SESSION**
9:58 a.m.

privileges, immunities, and liabilities as it relates to this matter.

The motion was carried unanimously.

The board convened in executive session at 9:58 a.m.

The Board reconvened in regular session at 10:38 a.m.

RECONVENED
10:38 a.m.

Director Sparlin moved, seconded by Vice Mackler, that the main motion be amended to defer action on this matter as the impacts of the proposed policy need to be further reviewed before such is considered.

The motion was carried unanimously, as amended.

(Directors Van Tassell and Kahele were excused during executive session.)

Chair Mende reiterated that because the QAP is not agendized, questions on the matter will not be addressed at this time.

Executive Director Iseri-Matsubara reported on the State’s Homeowner Assistance Fund Program. She stated that the City and County of Honolulu had declined their allocation and will therefore, be administered by HHFDC during the 1st Quarter of 2022.

IV.
OVERVIEW
OF THE
EXECUTIVE
DIRECTOR

There being no further business on the agenda, Director Sparlin moved, seconded by Director Sasaki, to adjourn the meeting at 10:41 a.m.

VI.
ADJOURNMENT
10:41 a.m.

The motion was carried unanimously.



SEAN SASAKI

Secretary