

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

**February 10, 2022**

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, February 10, 2022.

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

A roll call was taken, declaring a quorum. Chair Donn Mende called the meeting to order at 9:00 a.m.

Those present and excused were as follows:

**Present:** Director Donn Mende, Chair  
Director Gary Mackler, Vice Chair  
Director Sean Sasaki, Secretary  
Director Melvin Kahele  
Director Mike McCartney  
Director Sabrina Nasir  
Designee Gloria Chang for Director Craig Hirai

Executive Director Denise Iseri-Matsubara

**Excused:** Director Carol Reimann

**Staff:** Sandra Ching, Deputy Attorney General  
Ciara Kahahane, Deputy Attorney General  
Francis Keeno, Executive Assistant  
Christopher Woodard, Acting Chief Planner  
Dean Minakami, Development Branch Chief  
Holly Osumi, Chief Financial Officer  
Randy Chu, Development Section Chief  
Carianne Abara, Development Support Section Chief  
Melissa Loy, HHFDC Corporate Controller  
Gayle Nishimoto, Project Resource Specialist  
Christopher Oakes, Housing Finance Specialist  
Evahn Beresiwsky, Housing Development Specialist  
Cheryl Kajitani, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Jason Takata, Property Management Coordinator  
Lorna Kometani, Sales & Counseling Section Chief  
Loreen Kawewehi, Housing Sales Coordinator  
Cynthia Nyross, Planner  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Technology Systems Analyst  
Esa Pablo, Secretary to the Board

**Guest:** David R. Major, Bays Lung Rose Voss  
Grant F. Allison, Bays Lung Rose Voss  
Karen Seddon, EAH Housing  
Kane Ohana (screen Name) – Leilehualani Kane Tapado, Waiahole Valley/Kane Ohana Property Management LLC  
Elijah Kane, Waiahole Valley/Kane Ohana Property Management LLC  
Josephine Kane (screen name)  
Dianne Kekahu (screen name)  
Lucy Salas (screen name)

Maile Miner (screen name)  
Kanani (screen name)

Chair Mende asked the Board to state who, if anyone, was present at their various locations. There was none.

It was moved by Designee Chang and seconded by Director Kahele to approve the meeting minutes of January 13, 2022.

The motion was carried unanimously.

Executive Director Iseri-Matsubara introduced and welcomed its new HHFDC Board Director Sabrina Nasir, from the Office of the Governor. She also stated Director Nasir's work experience and educational background.

Executive Assistant Keeno stated the public testimony guidelines, stating that testifiers will be limited to 3 minutes at the discretion of the Chair and testimony provided should be on matters related to the agenda.

Due to scheduled Legislative hearings required for Acting Chief Planner Chris Woodard to attend, Chair Mende stated that the agenda will be taken out of order, with items IV.D. and E. being taken first. Therefore, public testimony will be taken at the time the agenda item is discussed, subsequent to staff's presentation.

Woodard stated that, pursuant to the new board policy that was approved in November 2021, the executive director has the authority to grant project ground lease extension requests. In accordance with this policy, the HHFDC plans to execute a new 75-year ground lease for the Hale O Hauoli project (Project) in connection with a proposed transaction contemplated to be financed through the sale of 4% Low Income Housing Tax Credits by PF Hale O 'Hauoli LLC, to acquire and rehabilitate the existing 100-unit elderly project.

Woodard noted that he was bringing the matter to the Board's attention because a prior lease extension request for the Project, which is located outside of the half-mile radius from the Pearl Highlands rail station, was declined in 2016. At that time, Act 130, Session Laws of Hawaii, 2016, which established the Interagency Council for Transit-Oriented Development (TOD), had recently been enacted and there was a need for a TOD plan for the area to be developed.

Woodard stated that TOD redevelopment plans are not imminent, with the rail now projected to be completed in March 2031. A redevelopment of the property would require HHFDC to: (1) buy out the existing lease; (2) own and operate the Project (which needs substantial rehabilitation) for a period of time; and (3) take additional resources and time to manage, renovate, and coordinate with other governmental entities on a plan to assemble land in the area for redevelopment, which could result in the temporary displacement of tenants.

Vice Chair Mackler concurred with staff's assessment of the extension request and asked if there were any discussions on other public transportation services that might serve the project, being a mile's walk away from the TOD rail station. Woodard stated that he was unsure of transportation plans for the area; however, stated that there is a dedicated Handi-Van stop onsite with other public services nearby.

Chair Mende opened for public testimony on this item.

Kane Ohana (screen name, later identified as Leilehualani Kane Tapado in the meeting) expressed concern on possible displacement of elderly tenants, referencing page 2, first sentence of section III.B.2. of the For Information, which states: "To redevelop the Project site, HHFDC would have to negotiate a buyout of the existing

**II.A.**  
**APPROVAL**  
**OF MINUTES**  
Regular  
Meeting  
1/13/22

**III.**  
**PUBLIC**  
**TESTIMONY**

**IV.D.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Information on a  
Possible Ground  
Lease Extension for  
the Hale O Hauoli  
Affordable Rental  
Housing Project  
Located at Manana-  
uka, Ewa, Oahu,  
TMK No.: (1) 9-7-  
094: 021

ground lease or condemn the property.” Woodard assured that displacement of tenants is not the intent, and that condemnation would be considered as a last resort should the State want to undertake redevelopment.

There being no further discussion, Chair Mende proceeded to agenda item IV. E.

Woodard provided an overview of its 92 long-term ground leases within the 122 lots that HHFDC owns in fee simple within the Waiahole Valley Agricultural Park and Residential Lots Subdivision, obtained through HHFDC’s predecessor’s 1977 acquisition of Marks Estate lands and the Department of Land and Natural Resources, pursuant to Act 330, Session Laws of Hawaii 1993. Monthly lease rents through June 29, 2023, currently average \$119 for residential lots, average \$110 for agricultural lots, and are \$160 and \$2.35 for the two commercial lots, with lease terms expiring on June 29, 2053.

Per the terms stated within the leases, Woodard stated that the base rents and agricultural lot percentage rent are to be renegotiated between HHFDC and lessees beginning June 29, 2022, with arbitration being the ultimate dispute resolution mechanism. Community meetings to inform and discuss lease rent negotiations have been held, with an additional community meeting anticipated in April/May 2022.

Woodard stated that the Waiahole-Waikane Community Association has informed HHFDC of their engagement of a law firm to help advise them with the rent renegotiation process.

Chair Mende opened for public testimony.

Kane Ohana provided testimony on the rent increases and asked to be a part of the renegotiation process. Mende stated that further discussion on the lease rents will be addressed at a future board meeting. Woodard clarified that the Kane Ohana property is a Revocable Right of Entry Permit and does not fall within the category of leases being discussed today.

Mr. Elijah Kane asked that Waiahole residents be better informed of future discussions regarding Waiahole and to be a part of the lease renegotiation process.

There being no further testimony, Director Kahele moved, seconded by Vice Chair Mackler, to convene in executive session at 9:33 a.m., pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to consult with the board’s 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.

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The Board returned into regular session with Chair Mende announcing a recess at 10:36 a.m.

Chair Mende reconvened the meeting at 10:47 a.m.

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

Development Branch Chief Dean Minakami delivered a PowerPoint presentation providing an overview of: (1) the Water System Administrative Rules; (2) key provisions; (3) community and water system operating deficit; (4) current and proposed water rates; (5) median water bill; and (6) the next steps.

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

Discussion on a Policy and Strategy for Lease Rent Renegotiations for the Waiahole Valley Agricultural Park and Residential Lots Subdivision Located in Waiahole, Koolaupoko, Oahu, TMK Nos.: (1) 4-8 (various)

**EXECUTIVE  
SESSION  
9:33 a.m.**

**RECONVENED/  
RECESSED  
10:36 a.m.  
RECONVENED  
10:47 a.m.**

**IV.A.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve Proposed New Chapter 15-319 “Water Service to Consumers,” Hawaii

Minakami stated that the numbers within the Median Water Bill table, under the Median Monthly Use by Rate Category column, for the Agricultural/Residential and Residential rows are transposed and should be corrected as follows:

Rate Description	Median Monthly Use By Rate Category Nov. 2020 - Oct. 2021	Current Water Charge per Median Usage	With Proposed Rate
Agricultural	19,333	\$7.25	\$26.83
Agricultural/Residential	17,750	\$17.09	\$94.59
Residential	8,083	\$10.28	\$59.66

Administrative Rules, Establishing Uniform Practices Governing Water Services in the Waiahole Valley and to Define the Obligations Between HHFDC and the Consumers

Minakami stated that staff proposes that the rates be tied to the Consumer Price Index to avoid sudden rate increases in the future.

Based on the input provided by the Waiahole/Waikane Community Association additional community meetings are anticipated to be held on March 7<sup>th</sup> and the 21<sup>st</sup> to provide more information on the administrative rules and allow for public input on the proposed rules. Any substantial amendments made to the final rules will require the approval by the Board and the Governor.

Chair Mende opened for public testimony on this item.

Kane Ohana provided testimony on the water rates and the need for more health studies and discussions on the use of the water in Waiahole Valley.

Mr. Elijah Kane provided testimony on the balancing of the water rates among all its users.

Chair Mende clarified that more opportunities will be available for public/community input. Minakami concurred.

(Director McCartney signed off/reconnected at this time - 11:06 a.m./11:07 a.m.)

The motion was carried unanimously.

Director McCartney moved, seconded by Director Kahele to approve the recommendations of the HHFDC Leasehold Policy Permitted Interaction Group (PIG).

Real Estate Services Section Chief Lorna Kometani stated that the findings and recommendations of the PIG were presented at the January 13, 2022 Board Meeting and is consistent with HHFDC's mission.

Chair Mende opened for public testimony on this item.

Kane Ohana provided testimony on the shortage of lands for housing for the Native Hawaiians and asked whether the recommended basis for a leasehold policy could be applied to the leases within Waiahole Valley.

Chair Mende stated that the Waiahole Valley leases do not apply to this matter.

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

**IV.B.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve the Recommendations of the Hawaii Housing Finance and Development Corporation Leasehold Policy Permitted Interaction Group

Chair Mende stated that this item will be deferred to a future board meeting to allow the project to address changes required by the City and County of Honolulu.

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

Approve a Request to: (1) Convert the Project from For-Sale to Rental; (2) Modify the Affordability Targets; (3) Modify the Project Budget; (4) Modify the Project Schedule, for the Ohana Hale Affordable Housing Project, Located in McCully, Oahu, TMK No.: (1) 2-3-028: 004

Director McCartney commended Executive Director Iseri-Matsubara and the HHFDC staff in how they are conducting themselves at the Legislature.


**V.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

Executive Assistant Keeno reported that Vice Chair Gary Mackler is being nominated by the Governor for a second term under GM637, pending Senate confirmation.

There being no further business on the agenda, Director McCartney moved, seconded by Director Kahele, to adjourn the meeting at 11:14 a.m.

**VI.  
ADJOURNMENT  
11:14 a.m.**

The motion was carried unanimously.

  
SEAN SASAKI  
Secretary