

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

**May 12, 2022**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met remotely and in-person for their Regular Meeting on Thursday, May 12, 2022, with its HHFDC Board Room, located at 677 Queen Street, Suite 300, Honolulu, Hawaii, designated as their public location.

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

A roll call was taken, declaring a quorum. Acting Chair Sean Sasaki called the meeting to order at 9:02 a.m..

Those present and excused were as follows:

Present: Director Sean Sasaki, Acting Chair (Remote)  
Director Melvin Kahele (Remote)  
Director Jay Kimura (In-Person)  
Director Sabrina Nasir (In-Person)  
Director Craig Hirai (In-Person)  
Designee Chung Chang for Director Mike McCartney (Remote)

Executive Director Denise Iseri-Matsubara

Excused: Director Donn Mende, Chair  
Director Gary Mackler, Vice Chair  
Director Carol Reimann

Staff: Sandra Ching, Deputy Attorney General  
(Remote & Ciara Kahahane, Deputy Attorney General  
In-Person) Christopher Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Dean Minakami, Development Branch Chief  
Randy Chu, Development Section Chief  
Carianne Abara, Development Support Section Chief  
Lanz Dong, Real Estate & Compliance Specialist  
Melissa Loy, HHFDC Corporate Controller  
Christopher Oakes, Housing Finance Specialist  
Cheryl Kajitani, Housing Development Specialist  
Evahn Beresiwsky, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Stan Fujimoto, Housing Development Specialist  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Technology Systems Analyst  
Esa Pablo, Secretary to the Board

Guests: Grant F. Allison, Bays Lungs Rose Voss  
Kenneth Chang, Ililani LLC  
Henry Chang, Ililani LLC  
Bill Yuen, Dentons US LLP  
Stanford Carr, Stanford Carr Development  
Kevin Kasai, Stanford Carr Development  
Marian Gushiken, EAH Housing  
Questor Lau, EAH Housing  
Douglas Bigley, UHC  
Mig Saenz, UHC  
Thomas Fischer, UHC

Adam Dornbush, Front Street Affordable Housing Partners  
Stewart Matsunaga, DHHL  
Tyler Iokepa Gomes, DHHL  
Leilehualani Kane Tapado, Kane Ohana Property Management LLC  
Blossom Feiteira, Association of Hawaiian Home Lands  
Danielle De Lima, Kaupe`a Homestead  
Iwalani Laybon-McBrayer, Kaupe`a Homestead

Acting Chair Sasaki asked members of the Board attending remotely, to state who, if anyone, was present at their various locations. There being none, Acting Chair Sasaki proceeded to the approval of minutes.

Director Kahele moved, seconded by Director Kimura, to approve the meeting minutes of April 14, 2022.

The motion was carried unanimously.

Director Kahele moved, seconded by Director Nasir, to approve the executive session meeting minutes of April 14, 2022.

The motion was carried unanimously.

Housing Information Officer Gordon Pang announced the public testimony rules and instructions, stating that testifiers will be limited to 3 minutes at the discretion of the presiding officer to provide testimony on matters directly related to the agenda.

Acting Chair Sasaki stated that public testimony will be taken at the time of the agenda item, before staff's presentation.

Ms. Leilehualani Kane Tapado provided testimony on agenda item III.A., regarding the Lease Rent Negotiations for the Waiahole Valley, requesting that all properties within the Waiahole Valley be considered in the lease rent negotiations as a whole. She also requested that there be a public meeting with the Waiahole community to provide clear communication and understanding of the changes that will take place.

Ms. Blossom Feiteira provided testimony in support of agenda item IV. E., regarding the transfer of the 9-acre Parcel in Villages of Kapolei, Village 8, stating that the transfer would provide an opportunity for getting people off the waitlist and into housing.

Director Kahele moved, seconded by Director Nasir, to convene in executive session at 9:20 a.m., pursuant to Section 92-5(a)(3), Hawaii Revised Statutes, to deliberate the authority of persons designated by the board to conduct negotiations to acquire public property, or during the conduct of such negotiations; and 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 reconvened in regular session at 10:35 a.m.

**II.A.  
APPROVAL  
OF MINUTES**

Regular  
Meeting  
4/14/22

**II.B.  
APPROVAL  
OF MINUTES**

Executive  
Session  
4/14/22

**III.  
EXECUTIVE  
SESSION**

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

**RECONVENED**  
10:35 a.m.

Ms. Iwalani Laybon-McBrayer provided testimony in support of agenda item IV. E., who stated that the transfer would provide an opportunity to shorten the waitlist and place more people into affordable housing.

Ms. Danielle De Lima also provided testimony in support of agenda item IV.E., stating that this would allow for more affordable housing for Native Hawaiians.

Acting Chair Sasaki asked that the agenda be taken out of order by proceeding to agenda item IV. G.

Director Nasir moved, seconded by Director Hirai to approve staff’s recommendation.

Woodard introduced Mr. Adam Dornbush (participating remotely) and presented the For Action, stating that involved parties have reached an informal agreement on the basic business terms and conditions of a new ground lease to preserve the affordability of Front Street Apartments (Project), subject to the approval by the HHFDC Board, the Front Street Affordable Housing Partners’ (Lessee’s) limited partner, and resolution of ongoing litigation.

Director Nasir moved, seconded by Director Hirai to convene in executive session at 10:57 a.m., pursuant to Section 92-5(a)(3), Hawaii Revised Statutes (HRS), to deliberate the authority of persons designated by the board to conduct negotiations to acquire public property, or during the conduct of such negotiations; and Section 92-5(a)(4), HRS, 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 reconvened the meeting at 11:14 a.m.

Woodard read staff’s recommendation within the For Action.

The motion was carried unanimously.

Acting Chair Sasaki took the agenda out of order and proceeded to agenda item IV. D, followed by agenda items C, A, B, F, E, and H, respectively.

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

Housing Finance Specialist Christopher Oakes presented the For Action, stating that A0703 West Maui, L.P. (Awardee) submitted a request to increase its Low Income Housing Tax Credit (LIHTC) award to absorb some of its \$13 million project budget

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

Approve the Following Actions Relating to Front Street Apartments, Lahaina, Maui, TMK No.: (2) 4-5-003: 013: (1) Cancellation of the Existing Ground Lease with Front Street Affordable Housing Partners (FSAHP); (2) Execution of a New 75-Year Ground Lease with FSAHP (the New Ground Lease); and (3) Execution of a Declaration of Restrictive Covenants to be Coterminous with the New Ground Lease

**EXECUTIVE  
SESSION  
10:57 a.m.**

**RECONVENED  
11:14 a.m.**

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

Approve a Request from the Developer

increase primarily attributed to higher construction, contingency, interim cost, and project reserves. Additional absorption will come from an increase in its senior permanent loan, the Dwelling Unit Revolving Fund (DURF), and a reduction in deferred developer fee.

In response to Oakes, Mr. Doug Bigley confirmed that the DURF grant is in purview of the LIHTC rules as well as the rules of the tax exempt bonds. Oakes requested that this statement be put in writing.

Director Nasir inquired about the \$2.5 million DURF grant. Developer Doug Bigley stated that the road cannot be built without the DURF grant.

In response to Director Nasir, Director Hirai provided background information, stating that through an RFP process, HHFDC sought services to build on this land owned with the exception of the road extension, which is the reason for the DURF grant being given.

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

Director Nasir moved, seconded by Director Hirai that staff's recommendation be approved.

Oakes stated that this For Action is in conjunction with the Kaiāulu o Kūku`ia Apartments (Project) for the issuance of \$83.625 million in Hula Mae Multi-Family (HMMF) Bonds for the Project.

There being no questions, the motion was carried unanimously.

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

Housing Finance Branch Manager David Oi presented the For Action, stating that based on the West Kawili Street Senior/Veteran Housing's (Project's) progress made in site control, zoning approvals, and financing commitments, staff is requesting approval of the Project's request to extend the HMMF Bond deadline to July 8, 2023.

There being no questions, the motion was carried unanimously.

to Increase the Low Income Housing Tax Credit Reservation for the Kaiāulu o Kūku`ia Apartments Project Located in Lahaina, Maui, TMK No.: (2) 4-5-021: 041 (por.)

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

Approve Resolution No. 167, Authorizing the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Kaiāulu o Kūku`ia Apartments Project Located in Lahaina, Maui, TMK No.: (2) 4-5-021: 041 (por.)

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

Approve an Extension to Resolution No. 156, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the West Kawili Street Senior/Veteran Housing Project Located in Hilo, Hawaii, TMK No.: (3) 2-4-057: 030

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

Oi presented the For Action, stating that based on Halewiliko Highlands' (Project's) progress made in site control, zoning approvals, and financing commitments, staff is requesting approval of the Project's request to extend the HMMF Bond deadline to July 8, 2023.

There being no questions, the motion was carried unanimously.

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

Woodard presented the For Action, providing an update on the Board's request made at the April 14, 2022 Board of Directors meeting for a viable action plan by Ililani and Komohale.

1. Alternate drop-off/pick-up area has been resolved.
2. HCDA approval is in process.
3. No adjustment to be made to the \$391,000 park construction closing credit.
4. A meeting was held by Komohale/Ililani developer yesterday with the Pohulani residents.
5. Possible accommodation/value considered to be returned to the Pohulani residents remains unknown.

Mr. Ken Chang updated the Board on its meeting with the Pohulani residents yesterday, in which he stated went well and that the residents were appreciative for the temporary drop-off/pick-up area. He further added that Ililani is working on a point of contact for residents to directly contact the development team on any questions or concerns during the construction process.

Director Hirai inquired about the possible accommodation/value considered for the Pohulani residents. Mr. Stanford Carr reported on the completion of renovations to the interior of the units and common areas, elevator modernization is anticipated to be completed in August/September 2022 (with a fob system being put in place for residents to access their units and common areas), guest parking has been reopened in the parking structure, and Komohale Services has provided resources and outreach services to all residents.

Woodard confirmed Carr's statements to be accurate; however, stated that those are all existing obligations as a result of HHFDC's sale of the property to Komohale and does not address the Board's request for a possible additional accommodation/value to be returned to the Pohulani residents.

Director Nasir inquired on whether there were any complaints by the tenants on the delay of the park. Carr stated that tenants were understanding to the delay of the park. In addition, Carr stated that Komohale is recommending the state hiring a new archeological consultant at their expense to address the State Historic Preservation Division's 18-page deficiency report on the construction of the park.

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

Approve an Extension to Resolution No. 157, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Halewiliko Highlands Project Located in Aiea, Oahu, TMK No.: (1) 9-9-078: 006

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

Approve Request for Consent to Ililani, LLC License Agreement for the Use of the Pohulani Open Space Parcel Located at 620 Coral Street, Kaakaukui, Kakaako, Oahu, TMK No.: (1) 2-1-051: 018

Executive Director Iseri-Matsubara asked whether the board could authorize HHFDC to work it out with Ililani/Komohale as opposed to dragging out the process.

Acting Chair Sasaki asked for a motion to go into executive session 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.

Director Kahele moved, seconded by Director Nasir to convene in executive session at 12:16 p.m.

The motion was carried unanimously.

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The Board reconvened in regular session at 12:51 p.m.

Woodard read staff’s recommendation within the For Action.

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

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

Development Branch Chief Minakami presented the For Action, stating that under the Memorandum of Understanding (MOU), if the transfer to the Department of Hawaiian Home Lands (DHHL) is not effectuated within 90 days after execution of the MOU and the deadline is not extended, staff will proceed with the issuance of an Request For Proposal for the development of the 9-acre parcel as an affordable housing project.

Director Hirai asked whether an appraisal was done. Minakami stated that an appraisal is not required; and therefore, HHFDC has elected to negotiate.

Mr. Tyler Gomes thanked HHFDC staff for their assistance, stating that this MOU achieves DHHL’s and HHFDC’s shared goal of developing affordable housing, subject to the approval of its Commission. He further stated that DHHL has also received a \$600 million appropriation by the Legislature.

Director Hirai commented that those funds may not be effective until after June 2022. Minakami stated that DHHL has confirmed that there are necessary funds available without the appropriation.

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

(Director Hirai was excused at this time – 1:01 p.m.)

Housing Development Specialist Albert Palmer presented the For Information via a PowerPoint presentation, stating that HHFDC envisions a project that will be community-oriented and will further complement and enhance the surrounding community, while also providing support to HHFDC’s mission to increase the supply of affordable housing.

(Designee Chung Chang was excused at this time – 1:05 p.m.)

There being no questions, Acting Chair Sasaki proceeded to the Report of the Executive Director.

**EXECUTIVE SESSION**  
12:16 p.m.

**RECONVENED**  
12:51 p.m.

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

Approve: (1) A Memorandum of Understanding with the Department of Hawaiian Home Lands for the Village 8, 9-acre Parcel; and (2) Transfer of Title to the Department of Hawaiian Home Lands for the Village 8, 9-acre Parcel Located in the Villages of Kapolei, Oahu, TMK No.: (1) 9-1-140: 159

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

Update on the Request for Proposals for the Villages of Kapolei Kamaaha Loop Parcel Project Located in Honolulu, Oahu, TMK No.: (1) 9-1-016: 058

Executive Director Iseri-Matsubara reported that this was a very good Legislative session for HHFDC and for affordable housing, with over \$300 million going to the RHRF, DURF, computer equipment, and software.

Executive Director Iseri-Matsubara welcomed aboard Director Jay Kimura and thanked the Board for their continued support.

There being no further business on the agenda, the meeting was adjourned at 1:07 p.m.

**V.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

**VI.  
ADJOURNMENT  
1:07 p.m.**



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SEAN SASAKI  
Secretary