

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

**November 10, 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, November 10, 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. Vice Chair Gary Mackler called the meeting to order at 9:00 a.m.

Those present and excused were as follows:

Present: Director Donn Mende, Chair (In-Person; arrived at 9:31 a.m.)  
Director Gary Mackler, Vice Chair (In-Person)  
Director Sean Sasaki, Secretary (In-Person)  
Director Carol Reimann (In-Person)  
Director Jason Bradshaw (Remote; excused at 10:17 a.m.)  
Director Jay Kimura (In-Person)  
Designee Mary Alice Evans for Director Mike McCartney (Remote; arrived at 9:03 a.m.)  
Designee Roderick Becker (Remote)  
Director Sherilyn Kajiwarra (In-Person)

Executive Director Denise Iseri-Matsubara

Staff: Sandra Ching, Deputy Attorney General  
(Remote & Ciara Kahahane, Deputy Attorney General  
In-Person) Francis Keeno, Executive Assistant  
Christopher Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Dean Minakami, Development Branch Chief  
Randy Chu, Development Section Chief  
Christopher Oakes, Housing Finance Specialist  
Kan Cheung, Housing Finance Specialist  
Melissa Loy, Corporate Controller  
Marc Orbito, Information Technology Systems Analyst  
Esa Pablo, Secretary to the Board

Guests: Andrew, Furuta, Homes Hawaii Incorporated  
Jeff Furuta, Homes Hawaii Incorporated  
Gary Furuta, GSF LLC  
Moe Mohanna, Highridge Costa  
Chris Deuchar, Form Partners  
Keith Kato, Hawaii Island Community Development Corporation  
Stanford Carr, Stanford Carr Development, LLC  
Kevin Kasai, Stanford Carr Development, LLC  
Kaloa Robinson, Stanford Carr Development, LLC  
Makani Maeva, AHE Group  
Bill Rice, Synergy Community Development Corporation  
Carlo Mireles, Mirein Development LLC

Vice Chair Mackler asked those attending remotely, to state who, if anyone, was present at their remote location. There being none, Vice Chair Mackler proceeded to the approval of minutes.

Director Bradshaw moved, seconded by Director Kimura, to approve the regular meeting minutes of October 13, 2022.

The motion was carried unanimously.

Approval of the October 13, 2022 executive session meeting minutes were deferred to later in the meeting.

Vice Chair Mackler announced that pursuant to Section 92-3 Hawaii Revised Statutes (HRS), oral testimony will be taken on matters pertaining to the agenda and the public will have an opportunity to provide testimony throughout the meeting before each item is discussed.

(Designee Evans arrived remotely at this time – 9:03 a.m.; there was no one present at her remote location.)

Director Kimura moved, seconded by Director Reimann, to approve staff’s recommendation.

There being no oral testimony provided by the public, Housing Finance Manager David Oi presented the For Action, stating that Act 236, Session Laws of Hawaii (SLH) 2022, appropriated a cash infusion of \$300 million into the Rental Housing Revolving Fund (RHRF), of which \$150 million may be used for mixed-income rental projects or units in mixed-income rental projects targeted for individuals and families between 60% - 100% of the Area Median Gross Income (AMGI).

On August 15, 2022, the RHRF Tier II Program applications were released and on September 16, 2022, HHFDC received 11 applications for the Funding Year (FY) 2023 RHRF Tier II Program Funding Round. All 11 applications scored in excess of the minimum threshold of 125 points, placing all 11 applications on the FY 2023 RHRF Tier II Program Funding Round Approved Project List. Separate For Actions will be issued for the Board’s consideration on project awards, subject to the availability of RHRF Tier II Program funds, terms and conditions granted by HHFDC, and final approval by the Governor.

There being no questions, the motion was carried unanimously.

Director Kajiwarra moved, seconded by Director Sasaki, to approve staff’s recommendation.

There being no oral testimony provided by the public, Oi presented the For Action, stating that the RHRF Tier II Program is brand-new not only for Hawaii, but also for State Housing Finance Agencies across the country. Oi explained that program goals primarily focused on revolving funds back into the RHRF program to the fullest extent possible, with updated terms based on the current economic environment.

Oi stated that the Hualalai Court Apartments (Project) consists of 104 two- to three-bedroom units for families in the Hilo area, targeting household incomes between 80% - 100% AMGI. Staff is recommending a \$25,524,927 RHRF loan award, with a loan term of 53 years at an interest rate of 3% (after Year 2).

Vice Chair Mackler deferred further action on this item until the arrival of the Project’s representative and proceeded to agenda item III.C.

**II.A.  
APPROVAL  
OF MINUTES**

Regular  
Meeting  
10/13/22

**II.B.  
APPROVAL  
OF MINUTES**

Executive  
Sessions  
10/13/22

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

Adopt the Approved  
and Rejected List  
for the Rental  
Housing Revolving  
Fund Tier II  
Moderate Income  
Funding Program  
for FY 2023

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

Approve a Rental  
Housing Revolving  
Fund Tier II Project  
Award for the  
Hualalai Court  
Apartments Project  
Located in Hilo,  
Hawaii, TMK No.  
(3) 2-4-028: 009



Director Reimann moved, seconded by Director Kajiwara, to approve staff's recommendation.

There being no oral testimony provided by the public, Oi presented the For Action, noting a correction to the For Action on page 1, under the Type of Construction, which should read: "7-story building with a total of 97 one-bedroom [~~senior~~] family rental units."

Oi stated that the recommendation of staff is for a \$25,342,534 RHRF loan award, with a loan term of 52 years at an interest rate of 3% (after Year 2).

Mr. Andrew Furuta and Mr. Jeff Furuta delivered a PowerPoint presentation to the Board, providing an overview of the Koa Vista II project (Project), located within the planned community of Koa Ridge, being an ideal location for families with incomes at 80% AMGI. Construction is anticipated to start in the 4<sup>th</sup> Quarter of 2023, with certificate of occupancy in the 2<sup>nd</sup> Quarter of 2025.

There being no questions, the motion was carried unanimously.

Director Reimann moved, seconded by Vice Kajiwara, to approve staff's recommendation.

There being no oral testimony provided by the public, Oi presented the For Action, stating that the Kahuina (Block C) project (Project) consists of 124 one-, two-, and three-bedroom units for families in the Kakaako area, targeting household incomes between 80% - 100% AMGI. Staff is recommending a \$24,000,000 RHRF loan award, with a loan term of 47 years at an interest rate of 3% (after Year 2).

Mr. Kevin Kasai delivered a PowerPoint presentation to the Board, proving an overview of the Project's name, meaning "coming together at the cross roads," which is one component within the Kaiulu O Kakaako Master Plan (Blocks A thru I) being developed by Stanford Carr Development, LLC. Building permits and financial closing are anticipated in the 4<sup>th</sup> Quarter of 2023, with construction in the 3<sup>rd</sup> Quarter of 2024, and project completion within the 3<sup>rd</sup> Quarter of 2026.

There being no questions, the motion was carried unanimously.

(Chair Mende arrived in-person at this time – 9:31 a.m.)

Director Sasaki moved, seconded by Director Reimann, to approve staff's recommendation.

There being no oral testimony provided by the public, Oi presented the For Action, stating that the Pohukina Commons Phase I project (Project) consists of 434 studios, one-, two-, and three-bedroom units for families in the Kakaako area, targeting household incomes between 80% - 100% AMGI. Oi further stated that the proposed Financing Structure of the Project consists of a grant from the Department of Education (DOE) currently in the amount of \$5,774,234 for 110 parking stalls and a \$67,500,291 RHRF loan award. Building permits, financial closing, and commencement of construction are anticipated within the 2<sup>nd</sup> Quarter of 2024, with project completion in the 3<sup>rd</sup> Quarter of 2026.

Mr. Moe Mohanna and Mr. Chris Deuchar delivered a PowerPoint presentation, providing an overview of the Project's location, site plan, and reservation of 110 parking stalls for the DOE.

Vice Chair Mackler asked what other costs are included within the DOE grant of approximately \$5.7 million. Mohanna stated that the estimated \$5.7 million is the current cost for the 110 parking stalls requested by the DOE and any additional third-party cost.

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

Approve a Rental Housing Revolving Fund Tier II Project Award for the Koa Vista II Project Located in Waipahu, Oahu, TMK No. (1) 9-4-006: 108

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

Approve a Rental Housing Revolving Fund Tier II Project Award for the Kahuina (Block C) Project Located in Honolulu, Oahu, TMK No.: (1) 2-0-051: 001

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

Approve a Rental Housing Revolving Fund Tier II Project Award for the Pohukaina Commons Phase I Project Located in Honolulu, Oahu, TMK No.: (1) 2-1-051: 041

Director Kajiwarra asked how the project plans to meet any new rural development requirements regarding electric charging stations. Deuchar stated that the project will meet any current requirements of the City and County of Honolulu, and potential options to incorporate electrical charging stations in the future continues to be explored.

Executive Director Iseri-Matsubara stated that in respect to the RHRF Program, electrical charging stations are not a requirement.

Designee Becker asked whether the 80% - 100% AMGI falls within the guidelines of the RHRF Tier II Program. Oi responded in the affirmative. Executive Director Iseri-Matsubara clarified that Act 236, SLH of 2022, specifically addresses this income gap group that is often overlooked.

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

With the Project's representative present, Vice Chair Mackler returned to agenda item III.B., PowerPoint presentation for the Hualalai Court Apartments Project delivered by Mr. Carlos Mireles. Mireles provided an overview of the Project's unit mix and stated that building permits are anticipated in the 2<sup>nd</sup> Quarter of 2023.

Vice Chair Mackler inquired about the Project exemptions being requested within its 201H application. Mireles stated that the Project is requesting exemption of fees and zoning. However, Mireles stated that financial exhibits were pending within its preliminary review of the 201H application, which can now be finalized.

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

(Vice Chair Mackler turned over the meeting to Chair Mende at this time – 9:51 a.m.)

Director Kajiwarra moved, seconded by Director Reimann, to approve staff's recommendation.

Executive Assistant Francis Keeno provided instructions for providing public testimony on matters directly related to the agenda.

In reference to the Board's guidance provided to staff at the August 11, 2022 Board Meeting regarding the State's Private Activity Bond Cap, Ms. Makani Maeva, president of Ahe Group, testified on the integrity of HHFDC's application process by which an application was allowed to be received on a private funding round. She expressed that circumventing the competitive criteria evaluation process undermines the participation of affordable housing developers and asked by what standards would she need to follow to be provided the same opportunity.

There being no further oral testimony provided by the public, Oi presented the For Action, stating that the Hale Moiliili project consists of 278 studios, one-, two-, and three-bedroom family units, serving household incomes between the 30% – 100% AMGI. A subsequent consolidated application was submitted on behalf of the Project for Hula Mae Multi-Family Bonds, Low Income Housing Tax Credits (LIHTC), and a RHRF loan in the amount of \$41.5 million pursuant to Act 248, SLH 2022, for the redevelopment of the property owned by the Department of Hawaiian Home Lands (DHHL). Building permits are anticipated in the 4<sup>th</sup> Quarter of 2022, financial closing and start of construction in the 1<sup>st</sup> Quarter of 2023, and project completion by the 4<sup>th</sup> Quarter of 2024.

Designee Evans asked whether discussion on unit preferences were established. Housing Finance Specialist Chris Oakes responded in the affirmative, stating that preference will be given to eligible Native Hawaiians.

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

Approve a Rental Housing Revolving Fund Tier II Project Award for the Hualalai Court Apartments Project Located in Hilo, Hawaii, TMK No. (3) 2-4-028: 009

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

Approve: (1) Resolution No. 180, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds; and (2) Reservation of Low-Income Housing Tax Credits for the Hale Moiliili Project Located in Honolulu, Oahu, TMK Nos.: (1) 2-7-008: 18 and 20



Vice Chair Mackler inquired about a current market study. On behalf of the Project, Mr. Kaloa Robinson stated that the current market study and DHHL's 2014 market study both confirmed a deep demand for this type of product.

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

Director Bradshaw moved, seconded by Director Sasaki, to approve staff's recommendation.

There being no oral testimony provided by the public, Oi stated that this For Action requests approval of a \$41,500,000 RHRF award, pursuant to Act 248, SLH 2022, with a loan term of 46 years at an interest rate of 1% (after Year 2) for the Hale Moiliili project (Project).

Mr. Kaloa Robinson delivered a PowerPoint presentation providing an overview on the Project's unit mix and centralized location, providing an opportunity for Native Hawaiian beneficiaries to have affordable housing within the urban core. The Project consists of a residential high rise tower, parking, two-story townhomes, a community room, and laundry facility.

Executive Director Iseri-Matsubara thanked Robinson for his presentation and acknowledged Ms. Makani Maeva's concerns about circumventing the competitive criteria evaluation process. She explained that this was in response to supporting the State Legislature's RHRF appropriation for the specific project for another State agency, DHHL.

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

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

There being no oral testimony provided by the public, Oi presented the For Action, stating that the Kaloko Heights Affordable Housing project (Project) consists of 100 two- and three-bedroom units for families in the Kailua-Kona area, targeting household incomes between 30% - 60% AMGI. An increase to the Project's LIHTC amount is being requested to fully utilize the project's eligible basis and maximize LIHTC equity. Financial closing is anticipated in the 4<sup>th</sup> Quarter of 2022, construction in the 1<sup>st</sup> Quarter of 2023, and project completion in the 2<sup>nd</sup> Quarter of 2024.

There being no questions, the motion was carried unanimously.

With the upcoming change in administration, Vice Chair Mackler acknowledge and thanked the following Directors and Designees appointed to serve on the HHFDC Board during the Ige Administration: Governor Representatives Sherilyn Kajiware, Sabrina Nasir, Kymberly Sparlin; DBEDT Representatives Mike McCartney and Mary Alice Evans; and Budget & Finance Representatives Craig Hirai and Roderick Becker.

On behalf of the Governor, Director Kajiware thanked everyone for all that they continue to do and wished everyone the best.

In addition to Director Kajiware's comments, Vice Chair Mackler commended the Executive Director and the Finance Branch staff on its achievement for the development of affordable housing units that will be financed with the assistance of the RHRF Tier II Program.

(Director Bradshaw was excused at this time – 10:17 a.m.)

The Board recessed the meeting at 10:19 a.m.; reconvening at 10:31 a.m.

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

Approve a Rental Housing Revolving Fund Project Award for the Hale Moiliili Project Located in Honolulu, Oahu, TMK Nos.: (1) 2-7-008: 18 and 20

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

Approve a Request from the Developer to Increase the Low Income Housing Tax Credit Reservation for the Kaloko Heights Affordable Housing Project Located in Kailua-Kona, Hawaii, TMK No.: (3) 7-3-009: 032

**RECESSED**  
10:19 a.m.  
**RECONVENED**  
10:31 a.m.



There being no oral testimony provided by the public, Vice Chair Mackler moved, seconded by Director Sasaki, to convened in executive session at 10:33 a.m., pursuant to Section 92-5(a)(3), 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 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 11:01 a.m.

Chair Mende noted that the executive session meeting minutes of October 13, 2022, were approved in executive session.

Executive Director Iseri-Matsubara thanked the Governor’s appointees to the Board for their tremendous support that has played a vital role in the accomplishments of HHFDC to provide affordable housing.

Housing Finance Branch Manager David Oi and the Finance Branch staff were commended for establishing the RHRF Tier II Program in such a short amount of time and for their outreached efforts made with the development community before launching the program, which Executive Director Iseri-Matsubara expressed has resulted in the program’s success.

In closing, Executive Director Iseri-Matsubara stated that due to the current inflationary environment, financial shortfalls of existing awards as well as future awards continue to deplete remaining resources. Therefore, HHFDC continues to explore possible avenues through various governmental entities and congressional delegation in an effort to minimize constraints and alleviate strain on the development community.

There being no further business on the agenda, Director Reimann moved, seconded by Director Kajiware, to adjourn the meeting at 11:05 a.m.

*Sean Sasaki*

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SEAN SASAKI  
Secretary

**IV.  
EXECUTIVE  
SESSION**  
(10:33 a.m.)  
Update on the  
Status of Lease  
Rent  
Renegotiations for  
the Waiahole Valley  
Agricultural Park  
and Residential Lots  
Subdivision Located  
in Waiahole,  
Koolaupoko, Oahu,  
TMK Nos.: (1) 4-8  
(Various)

**RECONVENED**  
11:01 a.m.

**V.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

**VI.  
ADJOURNMENT**  
11:05 a.m.