

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

**January 12, 2023**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its Regular Meeting on Thursday, January 12, 2023, at 9:00 a.m., in the HHFDC Board Room, located at 677 Queen Street, Suite 300, Honolulu, Hawaii. The meeting was also livestreamed via Zoom and YouTube.

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

**Present:** Director Donn Mende, Chair (in-person)  
Director Gary Mackler, Vice Chair (in-person)  
Director Sean Sasaki, Secretary (in-person)  
Director Carol Reimann (in-person)  
Director Jason Bradshaw (remote; excused 10:57 a.m.)  
Director Jay Kimura (in-person)  
Designee Dane Wicker for Director Chris Sadayasu (remote; arr.  
9:24 a.m./excused 12:00 p.m.)  
Director Luis Salaveria (in-person; arr. 9:03 a.m./excused 11:29 a.m.)

Executive Director Denise Iseri-Matsubara

**Excused:** Director Nani Medeiros

**Staff:** Sandra Ching, Deputy Attorney General  
Ciara Kahahane, Deputy Attorney General  
Chris Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Dean Minakami, Development Branch Chief  
Holly Osumi, Chief Financial Officer  
Randy Chu, Development Section Chief  
Lee Miller, Property Management Specialist  
Danielle Guthrie, Housing Finance Specialist  
Jimmy Nguyen, Housing Finance Specialist  
Kan Cheung, Housing Finance Specialist  
Albert Palmer, Housing Development Specialist  
Evahn Beresiwsky, Housing Development Specialist  
Marc Orbito, Information Technology Systems Analyst  
Cathy Ho, Human Resources Specialist  
Gordon Pang, Housing Information Officer  
Esa Pablo, Secretary to the Board

**Guests:** Delmond Won, executive assistant candidate  
Donn Nakamura, Accuity LLP  
Kim Miyoshi, Accuity LLP  
Nicholas Miyamoto, Accuity LLP  
Dave Michael, Pacific Development  
Alex Toccoli, AMT Properties  
Ed Macloy, AMT Properties  
Mark Hashem, Hocking Hale  
Marian Gushiken, EAH Housing  
Questor Lau, EAH Housing  
Lester Ng, Architects Hawaii, Ltd.  
George Burkards, Nordic PCL  
Dennis Enomoto, Palekana  
John Serikawa, Palekana  
Makani Maeva, AHE Group

Sarah DeVries, AHE Group  
Doug Bigley, UHC Communities  
Grant Bigley, UHC Communities  
Joe Michael, Pacific Development Group  
David Michael, Pacific Development Group  
Sharon Gi, Hunt Development Group  
Keegan Flaherty, `Ikenākea Development  
Marnie Klein, Miller Housing Advisors LLC  
John Reppun, Waiahole Valley  
Kalai Miller (screen name)

Director Reimann moved, seconded by Director Sasaki, to approve the regular meeting minutes of December 8, 2022.

The motion was carried unanimously.

Approval of the December 8, 2022 executive session meeting minutes was deferred to later in the meeting.

Chair Mende asked Director Bradshaw, attending remotely, to state who, if anyone, was present at his remote location. There being none, Executive Director Denise Iseri-Matsubara stated HHFDC’s protocol for providing public testimony.

There being no testimony provided by the public, Director Bradshaw moved, seconded by Director Sasaki, to convene into executive session at 9:03 a.m., pursuant to Section 92-5(a)(2), Hawaii Revised Statutes (HRS), to consider the hire of an officer or employee, where consideration of matters affecting privacy will be involved.

(Luis Salaveria arrived at this time – 9:03 a.m.)

The motion was carried unanimously.

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The Board reconvened into regular session at 9:21 a.m.

Director Salaveria moved, seconded by Vice Chair Mackler, to hire Mr. Delmond Won, as HHFDC’s Executive Assistant, effective Friday, January 13, 2023, with an annual salary of \$129,000.

The motion was carried unanimously.

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

There being no testimony provided by the public, Chief Fiscal Officer Holly Osumi delivered a PowerPoint presentation on the results of the Audited Financial Statements of HHFDC (Audit). Osumi stated that the Audit was completed and received on January 11, 2023, which Accuity LLC (Auditor) opined to have presented fairly, in accordance with general accepted accounting principles and federal programs complied with the Uniform Guidance. There were no reported deficiencies in internal control over financial reporting that were considered material weaknesses and no instances of noncompliance.

Osumi reported on the Corporation’s net position, which increased by \$105 million to \$1.6 billion primarily attributed to increases in the General Obligation Bond Fund,

**II.A.  
APPROVAL  
OF MINUTES**  
Regular  
Meeting  
12/8/22

**II.B.  
APPROVAL  
OF MINUTES**  
Executive  
Session  
12/8/22

**III.A.  
EXECUTIVE  
SESSION**  
(9:03 a.m.)  
Selection and hiring  
of an Executive  
Assistant pursuant  
to Section 201H-2  
(b), Hawaii Revised  
Statutes

**RECONVENED**  
9:21 a.m.

**IV.A.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Accept the Audited  
Financial Statements  
of the Hawaii  
Housing Finance  
and Development  
Corporation for the  
Fiscal Year Ended  
June 30, 2022

Rental Housing Revolving Fund (RHRF), and the Dwelling Unit Revolving Fund (DURF). She further stated that the Corporation administered a new program, the Homeowner Assistance Fund, which provided \$7 million in the aggregate expenditures of financial assistance to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities, and displacement of Oahu homeowners who experienced financial hardship after January 21, 2021.

Further financial highlights were noted to be available within the Management’s Discussion and Analysis section of the Audit, which would be posted on the HHFDC website along with HHFDC’s annual report.

Osumi thanked the Auditors, Mr. Donn Nakamura, Mr. Nicholas Miyamoto, and Ms. Kim Miyoshi, for their professionalism and knowledge throughout the auditing process.

Vice Chair Mackler thanked staff, and everyone involved for a compliant and successful audit. Gratitude was also expressed by Osumi, Chair Mende, and Executive Director Iseri-Matsubara.

The motion was carried unanimously.

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

There being no testimony provided by the public, Finance Manager David Oi presented the For Action, stating that the Halawa View II (Project) requested an extension to July 1, 2023, for additional time to close and complete the issuance of the Hula Mae Multi-Family (HMMF) Bonds for the Project anticipated in March 2023. He added that the Project and Halawa View III will move forward as a single project under a single ownership entity, as Halawa View II.

In reference to Exhibit B within the For Action, Vice Chair Mackler inquired about the HHFDC Closing Checklists being sustainably complete and whether there were other requirements needed to be met before the Project can close. With the exception of the Project’s building permits, Oi stated that there are documents for the RHRF Loan and for the HMMF Bonds that are currently in progress and will be subject to further review.

With approval of the Project’s building permits anticipated in February 2023 and the numerous extensions provided for the Project, Vice Chair Mackler asked whether the recommended extension deadline of July 1, 2023 could be modified to April 13, 2023, to provide the Board the opportunity to monitor the Project’s progress and reassess if necessary. Mr. David Michael, with Pacific Development Group, agreed upon the proposed April 13<sup>th</sup> deadline.

Deputy Attorney General (DAG) Sandra Ching stated that a motion to amend staff’s internal deadline from July 1, 2023 to April 13, 2023 was not needed.

For the record, Oi stated that the For Action reflect April 13, 2023 as the deadline to issued HMMF Bonds for the Project.

Director Salaveria asked that this item be agendized at the April 13, 2023 Board Meeting as an update from the Executive Director.

The motion was carried unanimously.

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

**IV.B.  
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.)

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

There being no testimony provided by the public, Oi stated that this For Action extends the RHRF Letter of Intent (LOI) for the Halawa View II Project and is to reflect the same extension deadline of April 13, 2023, as discussed in the previous For Action.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi reiterated that Halawa View II and III will move forward as a single project under a single ownership entity, as Halawa View II, with an extension deadline of April 13, 2023, as mentioned in the previous For Action.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi presented the For Action, stating that this is the corresponding RHRF LOI award for the Halawa View III Project to reflect the same extension deadline of April 13, 2023, as discussed in the previous For Action.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi presented the For Action, stating that the Kaiaulu O Kapiolani Project (Project) is requesting an increase to the intended tax-exempt issuance from the HMMF Bond Program and the annual 4% Federal and State Low Income Housing Tax Credits to cover cost increases mainly attributed to construction, interest rates, and additional infrastructure requirements from the County of Hawaii. Oi stated that the increase being requested is an \$8 million reduction from the Project’s original request as a result of the collaboration between all parties.

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.)

**IV.D.  
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.)

**IV.E.  
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.)

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

Approve: (1) Resolution No. 181, Which Amends Resolution No. 136 by Increasing the Intended Issuance Amount of the Hula Mae Multi-Family Tax Exempt Revenue Bonds; and (2) a Request from



In reference to the Project’s estimated timeline, Vice Chair Mackler confirmed the Project’s anticipated February 2023 date for building permits. On behalf of the Project, Mr. Doug Bigley responded in the affirmative.

Vice Chair Mackler inquired about the construction costs being based on an estimate or an agreed upon price with the contractor. Bigley stated that nothing has been signed with the contractor at this point. However, he did not anticipate any increases until closing given the current stability of the market.

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

Director Reimann moved, second by Director Salaveria to approve staff’s recommendation.

There being no testimony provided by the public, Oi noted a correction to be made on page 4 of the For Action, under section III.G. and to the extension deadline under section IV.A., which should read as follows:

- III. G. Staff recommends an extension from January 30, 2023 to ~~July 8, 2023~~ April 30, 2023 to provide the Project with additional time to close the RHRF Loan and fulfill the requirements of the LOI ~~[and to also coincide with the Project’s deadline to issue HMMF Bonds of July 8, 2023].~~
- IV. A. Extend the deadline for the RHRF LOI for the Halewiliko Highlands Project to ~~July 8,~~ April 30, 2023, subject to the requirements as set forth in the For Action dated July 8, 2021;

The motion was carried unanimously.

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

There being no testimony provided by the public, Oi stated that this For Action recommends extending the RHRF LOI deadline for the Hocking Hale Project (Project) to July 1, 2023, to provide additional time to close on the RHRF Loan and fulfill the requirements of the RHRF LOI.

In reference to the Project’s estimated timeline, Vice Chair Mackler stated that the Project is given approximately a year from the time of closing to its placed in service deadline. He asked whether the start of the Project’s construction could be accelerated. On behalf of the Project, Mr. Mark Hashem stated that construction is to start on July 1, 2023; however, is not opposed to finishing earlier, if possible, to save on development costs of approximately \$40,000 per month.

Director Salaveria inquired about seeing more of this type of repurposed projects within the urban core/Chinatown. Hashem responded in the affirmative, stating that the challenge would be to find a way to make smaller projects more viable, given that closing costs alone are substantial whether you are doing a 20 unit or 100 unit project. He further stated that although there are many vacant buildings, it is more expensive to repurpose than it is to build new ones.

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

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

There being no testimony provided by the public, Oi stated that this For Action recommends extending the RHRF LOI deadline for the Hale O Pi`ikea I Project (Project) to July 8, 2023, to provide additional time to close on the RHRF Loan, fulfill

the Developer to Increase the Low Income Housing Tax Credit Reservation for the Kaiāulu O Kapiolani Project Located in Hilo, Hawaii, TMK No.: (3) 2-4-025: 048

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

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent for the Halewiliko Highlands Project Located in Aiea, Oahu, TMK No.: (1) 9-9-078: 006

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

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent for the Hocking Hale Project Located in Honolulu, Oahu, TMK No.: (1) 1-7-003: 001

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

Approve an Extension to the Rental Housing

the requirements of the RHRF LOI, as well as coincide with the Project’s July 8, 2023 deadline to issue HMMF Bonds.

There being no questions, the motion was carried unanimously.

A recess was taken at 10:31 a.m. and reconvened at 10:38 a.m.

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

There being no testimony provided by the public, Oi stated that in 2022, the Kauai County Council adopted Resolutions declaring its intent to issue tax-exempt bonds and reimburse expenditures relating to the Lima Ola Apartments Project (Project) pursuant to section 39-B-2, HRS. HHFDC has developed procedures for reviewing and issuing credits to projects requesting Low Income Housing Tax Credits (LIHTC) through its Qualified Allocation Plan. The Project is requesting reservations of \$2,351,132 in annual Federal LIHTC over a 10-year period and \$2,351,132 in annual State LIHTC over a 5-year period from the 4% non-volume pool.

Executive Director Iseri-Matsubara commended Oi and the Finance team for their work on this, being the first trial run of the counties issuing bonds.

A PowerPoint presentation on the Project was delivered by Ms. Makani Maeva, President of Ahe Group.

Director Salaveria inquired about staff’s level of comfort with the County of Kauai’s ability to execute the bonds through this new process. In this case, Oi stated he felt the process went well; however, it will be an ongoing process and staff will do what is necessary to make it work.

Executive Director Iseri-Matsubara clarified that she believes the process went smoothly given that this trial run was on a smaller scale that was accumulated over 3 years (which the County of Kauai received less than 2.5% of the bond cap), as opposed to when the system will be tested on a grander scale with the City and County of Honolulu competing for almost 40% of the bond cap.

Vice Chair Mackler commented on the fast track permitting policies within each county, appearing to help shorten the time it takes to get projects out. Maeva stated that it is a collaboration of the respective agencies making incremental improvements to get the process streamlined.

Woodard asked whether compliance monitoring would be conducted by the county. Executive Director Iseri-Matsubara responded in the affirmative. Maeva clarified that there are several layers of compliance monitoring that is included to ensure all are meeting the obligations of the various programs.

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

Chair Mende opened the floor for public testimony on this item.

Mr. John Reppun testified on his concern regarding framers and agriculture lands within the Waiahole Valley, encouraging the Board to reconsider its decision on this matter, keeping an open dialog that aims at a more positive outcome.

There being no further testimony provided by the public, Chief Planner Chris Woodard introduced HHFDC’s Property Management Specialist Lee Miller, hired as the new property manager for Waiahole Valley.

Revolving Fund  
Letter of Intent for  
the Hale O Pi`ikea I  
Project Located in  
Kihei, Maui, TMK  
No.: (2) 3-9-002:  
076

**RECESS**  
10:31 a.m.

**IV.J.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve a  
Reservation of Low-  
Income Housing Tax  
Credits for the Lima  
Ola Apartments  
Project Located in  
Eleele, Kauai, TMK  
Nos.: (4) 2-1-001:  
54, Lots 2 and 45

**V.A.  
EXECUTIVE  
SESSION**  
(11:06 a.m.)  
Discussion on the  
Status of Lease  
Rent Renegotiations  
for the Waiahole  
Valley Agricultural  
Park and Residential  
Lots Subdivision

Miller shared her work experience at various entities, with her most recent position being with the Office of Hawaiian Affairs. Raised in the Kaneohe area and work experience given, Lee stated that she believes this position is the best fit to utilize her attributes in the Waiahole Valley.

Located in  
Waiahole,  
Koolaupoko, Oahu,  
TMK Nos.: (1) 4-8  
(various)

Director Sasaki moved, seconded by Director Salaveria, to convene in executive session at 11:06 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’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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**RECONVENED**  
11:47 a.m.

The Board reconvened the meeting at 11:47 a.m.

(Director Salaveria was excused at 11:29 a.m.)

Mr. John Reppun testified on traffic and infrastructure concerns within the Waiahole Valley, specifically near the commercial lots. He asked that the Board consider relocating/designating a safer area for retail/parking sites.

**V.B.  
EXECUTIVE  
SESSION**  
(9:02 a.m.)  
Discussion on Lease  
Rent Renegotiations  
for the Waiahole  
Valley Agricultural  
Park and Residential  
Lots Subdivision  
Commercial Lot  
Nos. 109 and 110  
Located in  
Waiahole,  
Koolaupoko, Oahu,  
TMK Nos.: (1) 4-8-  
008: parcels 21 and  
22

There being no further testimony provided by the public, Vice Chair Mackler moved, seconded by Director Sasaki, to convene in executive session at 11:51 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’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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**RECONVENED**  
12:08 p.m.

The Board reconvened in regular session at 12:08 p.m.

For the record, Chair Mende announced that the executive session meeting minutes of the December 8, 2022 were approved.

Executive Director Iseri-Matsubara commended Branch Chiefs Chris Woodard, David Oi, Holly Osumi, Dean Minakami, and their team, for all their hard work and dedication.

**VI.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

Executive Director Iseri-Matsubara reported that HHFDC is prioritizing its activities and requests for the upcoming Budget Briefing with the new Administration in preparation for the upcoming Legislative Session.

There being no further business on the agenda, Director Reimann moved, seconded by Director Sasaki, to adjourn the meeting at 12:11 p.m.

**VII.  
ADJOURNMENT**  
12:11 p.m.

*Sean Sasaki*

SEAN SASAKI  
Secretary