

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

**April 13, 2023**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its Regular Meeting on Thursday, April 13, 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**

A roll call was taken with a quorum present. Those present and excused were as follows:

**Present:** Director Donn Mende, Chair (in-person)  
Director Gary Mackler, Vice Chair (in-person)  
Director Carol Reimann (in-person)  
Director Jason Bradshaw (remote; excused 10:13 a.m.)  
Director Chris Sadayasu (remote; arrived 9:15 a.m.)  
Director Nani Medeiros (remote)

Executive Director Denise Iseri-Matsubara

**Excused:** Director Jay Kimura

**Staff:** Sandra Ching, Deputy Attorney General  
Ciara Kahahane, Deputy Attorney General (arrived 10:09 a.m.)  
Ryan Kanakaole, Deputy Attorney General  
Delmond Won, Executive Assistant  
Chris Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Dean Minakami, Development Branch Chief  
Randy Chu, Development Section Chief  
Dean Watase, Housing Planning Manager  
Lee Miller, Property Management Specialist  
Keri Higa, Planner  
Hunter Miller, Real Estate & Planning Analyst  
Stan Fujimoto, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Evahn Beresiwsky, Housing Development Specialist  
Kan Cheung, Housing Finance Specialist  
Marc Orbito, Information Technology Systems Analyst  
Gordon Pang, Housing Information Officer  
Esa Pablo, Secretary to the Board

**Guests:** Grant Allison, Lung Rose Voss & Wagnild  
Theresa Ng, Senator Chang's Office  
Stanford Carr, Stanford Carr Development  
Joe Michael, Pacific Development Group  
Dave Michael, Pacific Development Group  
Chris Deuchar, Form Partners LLC  
Questor Lau, EAH Housing  
Serge Krivasty, Kamehameha Schools  
Melanie Hao, Kamehameha Schools  
Christine Sanpei, Kamehameha Schools  
Moe Mohanna, Highridge Costa  
Harrison Herzberg, Highridge Costa  
Monte Heaton, Highridge Costa

Sery Berhanu, Hawaii Public Housing Authority  
Sunny Rosario, PBR Hawaii & Associates, Inc.  
Kaanapu Kalama - Jacobsen, Waiahole Resident/Farmer  
Kathleen Oshiro, Waiahole  
Kala`i Miller, Waiahole  
Vivien Lee, Waiahole  
Paul Zweng, Waiahole  
iPhone (screen name)

The approval of the regular and executive session meeting minutes of March 9, 2023, March 20, 2023, and March 31, 2023 was deferred until the May 11, 2023 Board Meeting.

There being no testimony provided by the public, Housing Finance Manager David Oi stated that Halawa View II (Project) is a 302 family unit project in Aiea, Oahu, consisting of studios, one-, two-, and four-bedroom units serving those in the 30% - 60% Area Median Income (AMI) range. The Project received its foundation and superstructure permits and is working towards closing. The developer has requested an extension deadline to issue the Hula Mae Multi-Family (HMMF) bonds to June 8, 2023.

In reference to Exhibit B, Vice Chair Mackler asked whether the \$5 million in Affordable Housing Funds (AHF) from the City and County of Honolulu (City's) was resolved. Oi responded in the affirmative, stating that the City's AHF will be subordinate to the HHFDC and Senior Lender in the project financing stack that was approved by the Board.

Vice Chair Mackler asked when the anticipated closed date is. Oi stated that once a commitment from the City is executed a closing date will be determined.

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

Executive Assistant Delmond Won went over HHFDC's protocol for providing oral testimony.

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

There being no testimony provided by the public, Oi stated that the Rental Housing Revolving Fund (RHRF) Letter of Intent (LOI) for the Halawa View II project (Project) is being requested to coincide with the previously approved HMMF bond extension deadline of June 8, 2023.

Director Medeiros asked whether 4 years of extensions is the norm for projects to get through the process at HHFDC. Oi stated that typically financing closes within a year or two for most projects. However, this Project encountered unique circumstances that attributed to the delay.

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

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

There being no testimony provided by the public, Oi stated that the RHRF LOI for the Halewiliko Highlands project (Project) is being requested to coincide with the approved HMMF bond extension deadline of July 8, 2023.

Vice Chair Mackler asked if the reason for the extension request was to allow more time for the permit issuance. Oi responded in the affirmative.

**II.  
APPROVAL  
OF  
MINUTES**

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

Approve an Extension to Resolution No. 183, 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 0002

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

Approve an Extension to the Rental Housing Revolving Fund Letters of Intent for the Halawa View II Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 0002

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

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent for the Halewiliko Highlands Project



Vice Chair Mackler asked when did the Project submit its application for permits. Oi stated that the Project submitted its permit application in April 2022. Mr. Questor Lau, on behalf of the Project, concurred.

Located in Aiea,  
Oahu, TMK No.:  
(1) 9-9-078: 006

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

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

Development Support Unit Manager Rodney Shiraishi delivered a PowerPoint presentation on the Villages of Kapolei (VOK) Master Plan budget and its request for an increase of \$40.6 million for the dedication of VOK to the City and \$36 million for the VOK spending budget to continue raising and maintaining the VOK infrastructure to the City’s standards. The budget increases would be covered by the Dwelling Unit Revolving Fund (DURF).

Shiraishi stated that consultants were hired to evaluate the infrastructure to determine the work needed, resulting in an execution plan estimated at \$64 million for the next 5 years, which were mainly attributed to the aging of the infrastructure, requirements of the City, and inflation.

Vice Chair Mackler asked whether the engineering consultants were working under the standards provided by the City. Shiraishi responded in the affirmative, stated that a Memorandum of Understanding (MOU) was signed between HHFDC and the City in September 2022, agreeing that the standards HHFDC fulfills are applicable to the standards of when the development was built. Interim Executive Director Minakami stated that while the MOU agreement has been signed, standards continue to be a challenge and negotiated with the City.

(Director Sadayasu arrived at this time – 9:15 a.m.)

Director Sadayasu congratulated HHFDC on getting the MOU with the City and inquired about the DURF monies. Interim Executive Director Minakami stated that \$35 million of tax-exempt bonds proceeds that were in the RHRF were transferred to DURF.

Chair Mende asked whether the dedication to the City would be done in phases or all at one time. Shiraishi stated that the dedication would be done in phases.

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

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

There being no testimony provided by the public, Housing Development Specialist Albert Palmer stated that the Kakaako Block C project (Project) also known as Kahuina, is a portion of the Kaiaulu o Kakaako Master Plan, with an estimated project budget cost of \$600 million, consisting of an aggregate total of 861 units and 1,266 parking stalls, serving those within the 70% - 140% AMI range. Construction of the Project is estimated to start in September 2024 and completed in March 2027. The Project’s request of 201-H exemptions from the City and the Hawaii Community Development Authority (HCDA) were summarized.

Palmer noted that approval of this For Action shall be subject to the Project’s compliance with all requirements of the Federal Aviation Administration (FAA) and the Hawaii Department of Transportation relating to development near the Daniel K. Inouye International Airport, including but not limited to height limitations. Any modifications made by the City Council to the project, exemptions, or affordability levels do not require HHFDC Board approval.

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

Approve: (1) Amendments to the Villages of Kapolei Master Plan Budget; and (2) Increases to the Villages of Kapolei Spending Approved Budget for Planning, Design and Construction, and Maintenance

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

Authorize an Application for Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, and Approve: (1) the Certification of Kakaako Block C LLC, or Other Successor Entity Approved by the Executive Director, as an Eligible

Vice Chair Mackler asked about how long does a response from the FAA take. Palmer stated that the response time has ranged anywhere from 6 weeks to a few months.

Vice Chair Mackler asked whether a change to the height limit is anticipated. Palmer stated no, explaining that the Project is following what was outlined in the original Environment Impact Statement for the Kakaako Community Development District that HCDA published.

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

Directors Reimann moved, seconded by Vice Chair Mackler, to approve staff’s recommendation.

There being no testimony provided by the public, Palmer stated that the 690 Pohukaina project (Project), is a new construction project in Kakaako, with an estimated increased project budget cost from \$317 million to \$320 million, consisting of 625 units and 870 parking stalls, serving those within the 30% - 120% AMI range. The land is own by the State, HHFDC, through an Executive Order.

Palmer stated that the Project’s design unit mix has been modified from what was originally proposed by Highridge Costa Development Company, LLC (Applicant) in response to the original Request For Proposal (RFP), increasing the number of studio and one-bedroom units and decreasing the number of two-bedroom and three-bedroom units, reducing the total unit count from 631 units to 625 units.

Palmer stated that the Project will be developed in two phases and is required to be set at AMI levels required by the RHRF Tier 2 program and 201H program. Should the RHRF Tier 2 funds not be used, respective units can be raised back from 100% AMI to 120% AMI. Construction of the Project is set to start in March 2025 with completion anticipated in April 2027 for Phase 2 and August 2027 for Phase 1.

The Project’s request of 201-H exemptions from the City and the Hawaii Community Development Authority (HCDA) were summarized. Palmer stated that response letters from the FAA have been received. Any modifications made by the City Council to the project, exemptions, or affordability levels do not require HHFDC Board approval.

There being no questions, the motion was carried unanimously.

The board recessed at 9:47 a.m. and reconvened at 9:59 a.m.

Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; (2) the Project Proposal; and (3) Execution of Development Documents for Approved Exemptions for the Kakaako Block C Rental and For-Sale Project Located in Honolulu, Oahu, TMK No.: (1) 2-1-054: 001

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

Authorize an Application for Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, and Approve: (1) the Certification of Highridge Costa Development Company, LLC, or Other Successor Entity Approved by the Executive Director, as an Eligible Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; (2) The Project Proposal; and (3) Execution of Development Documents for Approved Exemptions for the 690 Pohukaina Mixed-Use Project Located at 690 Pohukaina Street in Kakaako, Oahu, TMK No.: (1) 2-1-051: 041

**RECESSED**  
9:47 a.m.  
**RECONVENED**  
9:59 a.m.



There being no testimony provided by the public, Chief Planner Chris Woodard stated that 27 out of the 91 lease rent renegotiations have been settled and asked that the Board convene in executive session to discuss the matter further.

Director Sadayasu moved, seconded by Director Reimann, to convene in executive session 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 convened in regular session at 11:44 a.m.

Based on the Board’s discussion, Woodard summarized staff’s next steps on the Waiahole Valley lease rent negotiation process.

- Revised Residential lot lease rent offers will be sent directly to all lessees whether they have a signed lease amendment, or they have signed an offer letter or not.
- Revised Agricultural lot lease rent offers, with the exception of the two commercial lot lessees, will be sent directly to all lessees, reflecting the terms that were agreed upon by Mahiai O Waiahole, which include, but are not limited to, reporting provisions and farming requirements.

Woodard expressed his appreciation for the Board’s support on this matter.

Chair Mende thanked Woodard, staff, attorneys, and the Waiahole community for all their hard work and collaboration on this matter.

There being no public testimony, Planner Keri Higa presented the For Information, providing an overview of the draft Annual Action Plan (AAP) and use of funding for Program Year (PY) 2023 (July 1, 2023 to June 30, 2024), in which the State anticipates to receive approximately \$3 million in U.S. Department of Urban Development's (HUD's) HOME Investment Partnerships fund program; \$3 million in National Housing Trust Fund program; and \$307,340 in Housing Opportunities for Persons with AIDS program.

As the administer of previous Emergency Solutions Grant (ESG) program funds, Higa stated that the Department of Human Services formally declined their allocation of approximately \$458,038 in favor of the neighbor island counties receiving the funds directly based on each county’s population size. However, due to the limited funding amounts, the neighbor island counties also declined their share of the ESG funds, with the City expressing interest in receiving the allocation in addition to their annual allocation.

Higa stated that the final PY2023 AAP will be presented at the May 11, 2023 Board of Directors Meeting for the Board’s consideration.

Vice Chair Mackler inquired about the County of Maui’s activities that the HOME and HTF allocations would be utilized for. Higa stated that an RFP was issued and a selection is anticipated to be made in the upcoming months.

**III.G.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Discussion 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**  
11:44 a.m.

**III.H.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Information on the State of Hawaii Draft Program Year 2023 (July 1, 2023 through June 30, 2024) Annual Action Plan for the U.S. Department of Housing and Urban Development Office of Community Planning and Development’s HOME Investment Partnerships, Housing Trust Fund, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS

There being no further questions, Chair Mende proceeded to the Report by the Executive Director.

Programs

Planner Cynthia Nyross reported on the following legislative bills relating to housing, noting that conference committee hearings will be held in the next two weeks.

**IV.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

- HB668 addresses the dedication of infrastructure, such as the VOK to the City.
- HB675 requires HHFDC to hold two financing rounds if sufficient funding is available.
- HB676 gives the counties flexibility to do district boundary amendments for 15-30 acres on lands that the county owns.
- HB677 is a DURF equity pilot program targeting future homeowners in the 80-120% AMI range, reducing the cost for them to purchase for-sale units.
- HB678 requires the counties to issue affordable housing credits to developers and appropriates moneys for the HHFDC to conduct a study assessing the efficacy of each county's affordable housing credit programs.
- HB923 ensures fairness and equity in the allocation of the private activity bond cap, especially for counties that do not have their own issuance programs (such as Maui and Hawaii island). One way is by requiring the counties with such programs to exhaust their allotment before applying to the State/HHFDC.

Interim Executive Director Minakami thanked the HHFDC staff for their help in a smooth transition into the interim position.

In reference to the Executive Director Report, Interim Executive Director Minakami stated that the Legislative Auditor's Office selected a new auditor for the first time in 13 years, which brings a concern in terms of additional work and time for respective staff in dealing with possible inquiries and unfamiliarity of its process with the new auditor.

Vice Chair Mackler asked if the auditor is contracted for more than one year. Interim Executive Director Minakami stated that it is for a 3-year term, contingent upon their performance in the first year.

Director Medeiros inquired about the fluctuating budget amounts. Interim Executive Director stated that staff continues to meet with key legislators on the need for both DURF and RHRF monies to complete pipeline projects and further produce additional housing units at this level.

Directors Medeiros and Sadayasu express their support in coordinating with HHFDC on all its budget impacts.

There being no further business on the agenda, Director Reimann moved, seconded by Vice Chair Mackler, to adjourn the meeting at 12:02 p.m.

**V.  
ADJOURNMENT  
12:02 p.m.**

*Sean Sasaki*

SEAN SASAKI  
Secretary