

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

**May 11, 2023**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its Regular Meeting on Thursday, May 11, 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 Sean Sasaki, Secretary (remote)  
                    Director Carol Reimann (in-person)  
                    Director Jason Bradshaw (remote; excused 9:38 a.m.)  
                    Director Luis Salaveria (remote)  
                    Designee Mary Alice Evans for Director James Tokioka (remote;  
   arrived 9:02 a.m.)  
                    Director Nani Medeiros (remote; arrived 10:25 a.m.; excused 11:22  
   a.m.)

Interim Executive Director Dean Minakami

Excused:        Director Gary Mackler

Staff:            Sandra Ching, Deputy Attorney General  
                    Delmond Won, Executive Assistant  
                    Chris Woodard, Chief Planner  
                    David Oi, Housing Finance Manager  
                    Holly Osumi, Chief Financial Officer  
                    Randy Chu, Interim Development Branch Chief  
                    Lee Miller, Property Management Specialist  
                    Keri Higa, Planner  
                    Hunter Miller, Real Estate & Planning Analyst  
                    Albert Palmer, Housing Development Specialist  
                    Evahn Beresiwsky, Housing Development Specialist  
                    Marc Orbito, Information Technology Systems Analyst  
                    Gordon Pang, Housing Information Officer  
                    Helmer Betiong, Information Technology Intern  
                    Esa Pablo, Secretary to the Board

Guests:          Grant Allison, Lung Rose Voss & Wagnild  
                    Stanley Chang, Hawaii State Senator  
                    Gary Furuta, Koa Vista I LP  
                    Andrew Furuta, Koa Vista I LP  
                    Jeff Furuta, Koa Vista I LP  
                    Stacy Sur, HHF LLC  
                    Moe Mahanna, Highridge Costa Development Company, LLC  
                    Chris Deuchar, Form Partners LLC  
                    Kathy Oshiro, Waiahole  
                    John Reppun, Waiahole Lessee (AG)  
                    Nick Reppun, Waiahole  
                    Nathan Miranda, Waiahole Botanicals  
                    Elijah Kane, Waiahole Waikane Homestead Association  
                    Leilehualani Kane Tapado, Waiahole Waikane Homestead

Association  
Joe Royos, Waiahole Waikane Homestead Association  
Cody Lestelle, Waiahole Waikane Homestead Association  
Solomon Kane, Waiahole Waikane Homestead Association  
Keahi, Waiahole Waikane Homestead Association  
Michael Ivie, Waiahole (screen name “Mivie”)  
Paul Zweng, Waiahole Waikane Community Association  
Laura Lee, Waiahole

Chair Mende confirmed that no one was present at the remote locations of Directors Sasaki, Bradshaw, Salaveria, and Designee Evans.

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

Director Salaveria moved, seconded by Director Reimann, to collectively approve the Regular and Special Meeting Minutes of March 9, 2023, March 20, 2023, March 31, 2023, and April 13, 2023.

The motion was carried unanimously for all.

Approval of the Executive Session Meeting Minutes of March 9, 2023, March 20, 2023, March 31, 2023, and April 13, 2023 were deferred to a future meeting.

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

There being no testimony provided by the public, Finance Branch Manager David Oi presented the For Action, stated that a total of 26 applications for Rental Housing Revolving Fund (RHRF) Funding Round for Fiscal Year (FY) 2023 were received, totaling an aggregate amount of \$430,044,596. Applications were reviewed and scored to determine if all projects met the minimum threshold criteria in areas including, but not limited to, (1) local housing need; (2) project description and design; (3) benefits and impact; (4) project management; and (5) financial leverage. All applications scored above the scoring minimum of 125 points (out of a total 250 points), placing all 26 applications on the RHRF Approved Project List, being further categorized by the two statutory funding priority tiers.

Oi informed the Board that separate For Actions will be presented to the Board to recommend specific project awards and provide further project details. The Approved Project List will remain in effect until the HHFDC makes an award to the projects on the Approved List or until a new approved project list is approved by the Board.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi stated that Koa Vista I project (Project) is a 96 elderly unit project in Waipahu, Oahu, anticipated to be completed in 2025, with finance closing anticipated by the end of the month.

Oi stated that the Hula Mae Multi-Family (HMMF) Bond is a private placement with First Hawaiian Bank to provide support for construction and permanent financing.

**II.A., C., E., G.  
APPROVAL OF  
MINUTES**

Regular  
Meeting  
3/9/23, 3/20/23,  
3/31/23, 4/13/23

**II.B., D., F.  
APPROVAL OF  
MINUTES**

Executive  
Sessions  
3/9/23, 3/20/23,  
3/31/23, 4/13/23

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

Adopt the Approved  
and Rejected List for  
the Rental Housing  
Revolving Fund  
Project Awards for  
the FY2023 Funding  
Round

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

Approve Resolution  
No. 184,  
Authorizing the  
Issuance of Hula  
Mae Multi-Family  
Tax-Exempt

The final bond issuance is subject to the availability of bond cap, approval by the Department of Budget and Finance, and the Governor.

There being no questions, the motion was carried unanimously.

There being no testimony provided by the public, Housing Development Specialist Albert Palmer updated the Board on the various exemption modifications (Resolution 22-297, CD1) required by the Honolulu City Council for the Kahoapili project (Project) located in Salt Lake, Oahu, to be developed as either an affordable rental project with affordability levels ranging from 30% AMI to 60% AMI or an affordable and market-rate for-sale project with affordability levels ranging from 80% AMI to 140% AMI (as revised). Palmer noted that by a condition set by the Honolulu City Council, the Project is to seek HHFDC financing for at least 2 years before pivoting to its for-sale model option.

Director Reimann asked for clarification on the rental/for-sale scenarios. Palmer stated that because HHFDC's financing is oversubscribed, there is no guarantee that the Project will be awarded to move forward on its preferred rental scenario. Therefore, as a backup option, the developer has included a for-sale scenario in the event that funding is unable to be obtained over the 2-year condition set by the Honolulu City Council.

Chair Mende asked whether providing an updated traffic study is common. Palmer stated that in addition to the initial traffic study, an updated traffic study is also required after the project obtains its date of occupancy.

In reference to the affordability levels set forth in the table on page 3 of the For Action, under section III.F., Designee Evans asked for clarification on the resolution difference. Palmer stated that the developer and the Honolulu City Council negotiated to decrease the AMI levels from what was originally proposed in the for-sale scenario.

There being not further discussion, Chair Mende proceeded to III.D.

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

There being no testimony provided by the public, Planner Keri Higa stated that the For Action seeks the Board's approval of the Program Year (PY) 2023 Annual Action Plan (from July 1, 2023 to June 30, 2024) focuses on the allocation of funds by activity type and objective instead of specific projects, identifying the housing and community development priorities in alignment with federal funding received from the U.S. Department of Housing and Urban Development's (HUD's) HOME Investment Partnerships Program, the Housing Trust Fund (HTF), and the Housing Opportunities for Persons with AIDS program.

Higa provided an overview of intended uses of the program funds and activities for PY2023 being allocated to the County of Maui in HHFDC's annual rotation between the counties of Hawaii, Kauai, and Maui.

As the administer of previous Emergency Solution 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 limited funding amounts, the neighbor island counties also declined their share of the ESG funds, with the City and County of Honolulu expressing interest in receiving the allocation in addition to their annual allocation. An update on the ESG program will be provided in 2024, when the State will be eligible for its next ESG allocation.

Revenue Bonds for the Koa Vista I Project Located in Waipahu, Oahu, TMK No.: (1) 9-4-006: 107

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

Update on the Modifications Approved by the Honolulu City Council to Exemptions From Statutes, Ordinances, and Rules Under Chapter 201H, Hawaii Revised Statutes, Previously Approved by the Hawaii Housing Finance and Development Corporation for the Kahoapili Rental or For-Sale Project Located in Honolulu, Oahu, TMK No.: (1) 1-1-061: 003

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

Approve the State of Hawaii 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, and Housing Opportunities for Persons With AIDS Programs

The following revisions to the For Action were noted:

- The HTF allocation amount should be approximately \$3,066,413 on page 2 of the For Action, under section II.D., and on page 3 of the For Action, under section III.D. National Housing Trust Fund.
- The table on page 4 of the For Action, HTF Fund amounts should reflect approximately \$2,759,771.70 for the Production/Preservation of Rental Units; \$153,320.65 for the Maui County administration and \$153,320.65 for the HHFDC administration of the program, totaling approximately \$3,066,413 in HTF for PY2023.

Higa informed the Board that the PY2023 draft Annual Action Plan was subject to a 30-day public comment period, in which no comments were received. If approved, HHFDC anticipates submitting the PY2023 Annual Action Plan to HUD by May 12, 2023.

There being no questions, the motion was carried unanimously.

The Board recessed at 9:29 a.m. and reconvened at 9:34 a.m.

Chief Planner Chris Woodard provided an update on the status of the lease rent renegotiations in Waiahole Valley, stating that about a third of the rent renegotiations have been resolved. Woodard acknowledged present testifiers online and in-person, suggesting that testimony be taken before entering into executive session.

Mr. John Reppun, agricultural lot lessee/Mahiai O Waiahole member and Mr. Nathan Miranda, agricultural lot lessee/Waiahole Botanicals/Windward Oahu Soil and Water Conservation District director, testified in opposition to the non-compliance rent penalty to be included as part of the rent offers to be made to the agricultural lot lessees who are not part of the Mahiai O Waiahole’s agreement. They suggested that lessees obtain 5-year conservation plans through the Department of Land and Natural Resource’s Hawaii Association of Conservation Districts to assist with the compliance monitoring of all agricultural lots, protecting farmers from having to incur unnecessary expenses, as well as provide a guide on how to track, project, and develop their properties.

(Director Bradshaw was excused at 9:38 a.m.)

Mr. Nick Reppun, agricultural lot lessee/Mahiai O Waiahole member, expressed appreciation for the work done on Mahiai O Waiahole’s agreement, requesting that the remaining agricultural lot lessees receive the same deal without the added rent provisions, as it would greatly add in the aspect of coalition building.

Mr. Elijah Kane, Ms. Leilehualani Kane Topado, and Mr. Joe Royos, along with lease holders of the Waiahole Waikane Homestead Association, testified on the lack of communication, transparency, and fairness regarding the rent renegotiation process. They referenced the Declaration of Restrictive Covenants (Declaration), stating that a vote of a minimum of 70% of the lessees is needed to start negotiations, avoiding displacement/eviction, and keeping the Valley’s agricultural purpose intact.

Mr. Michael Ivie echoed testimony provided by the above, testifying on the various factors that have impacted the finances of the farmers and questioned HHFDC’s motives in doing what is best for the farmers in Valley, requesting that more time be given to obtain the 70% vote and getting everyone on the same page.

**RECESSED**  
9:29 a.m.  
**RECONVENED**  
9:34 a.m.

**III.E.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Discussion on the  
Status of Lease  
Rent  
Renegotiations and  
Vacant Lots for the  
Waiahole Valley  
Agricultural Park  
and Residential Lots  
Subdivision Located  
in Waiahole,  
Koolaupoko, Oahu,  
TMK Nos.: (1) 4-8  
(various)

There being no further testimony provided by the public, Director Kimura moved, seconded by Director Reimann, to convene in executive session at 9:53 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.

**EXECUTIVE  
SESSION**  
9:53 a.m.

The motion was carried unanimously.  
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**RECONVENED**  
11:24 a.m.

The Board reconvened the meeting at 11:24 a.m.

In response to the comments made by testifiers, Woodard clarified for the record that HHFDC has individual ground lease contracts with 91 lessees in the Waiahole Valley to negotiate the lease rents individually. The Declaration states that a 75% vote of the project lessees are needed to make an amendment to the Declaration and is not relevant to setting the lease rents.

There being no further discussion, Chair Mende proceeded to the Report of the Executive Director.

**IV.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

Interim Executive Director Dean Minakami provided an overview of the Legislative Session, in which HHFDC received sufficient funds to maintain its Dwelling Unit Revolving Fund program (\$100 million in the biennium (\$50 million in FY2024 and \$50 million in FY2025)), the RHRF program (\$280 million in the biennium (\$100 million in FY2024 and \$180 million in FY2025)), and funding for 3 additional staff positions (a project manager, housing sales coordinator, and an IT specialist).

Other bills of interest were noted as follows:

- HB677 allows HHFDC to purchase equity in units to lower the cost paid by homebuyers. The bill was modified by the legislature, to target occupations where there is a shortage of workers and specifies occupations such as health care workers, educators, and police officers, leaving the discretion to HHFDC to broaden the pool of eligible workers. Administrative rules are being worked on to implement the program quickly.
- HB923 allows HHFDC to come to an agreement with the City, whereby the City’s Bond Cap would be given to HHFDC in exchange for awards for City projects in the amount given.
- HB1397 establishes a supportive housing program of which the HHFDC has a role in financing, also requiring assistance by Hawaii Public Housing Authority to provide Section 8 vouchers and the non-profit sector to provide the onsite supportive services.

Interim Executive Director thanked Won and Planner Cynthia Nyross for their assistance and support with the Legislative Session, as well as Oi’s assistance with providing information on the RHRF and Bond Cap.

Interim Executive Director reported that the Development Branch issued a request for proposal for the Northwest Corner parcel in Kapolei, which is HHFDC’s last parcel anticipated to fit over 500 units.

Chair Mende asked Designee Evans to confirm on DBEDT’s representative for the Executive Director Search and Selection Permitted Interaction Group (PIG), which would oversee the search and the selection process of a new executive director for HHFDC. Members are anticipated to be established at the next meeting.

There being no further business on the agenda, Director Reimann moved, seconded by Director Kimura, to adjourn the meeting at 11:32 a.m.

V.  
**ADJOURNMENT**  
11:32 a.m.

*Sean Sasaki*

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SEAN SASAKI  
Secretary