

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

July 13, 2023

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, July 13, 2023, at 9:06 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 Gary Mackler, Chair (in-person)
Director Carol Reimann, Vice Chair (in-person)
Director Sean Sasaki, Secretary (in-person)
Director Jason Bradshaw (remote)
Director Jay Kimura (in-person)
Director Nani Medeiros (remote)
Designee Dane Wicker for Director James Tokioka (remote)

Interim Executive Director Dean Minakami

Excused: Director Donn Mende
Director Luis Salaveria

Staff: Sandra Ching, Deputy Attorney General
Ryan Kanakaole, 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
Rodney Shiraishi, Development Support Unit Manager
Kan Cheung, Housing Finance Specialist
Lee Miller, Property Management Specialist
Hunter Miller, Real Estate & Planning Analyst
Albert Palmer, 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: Craig Hirai, City and County of Honolulu Department of Planning and Permitting
Stanley Chang, Hawaii State Senator
Marian Gushiken, EAH
Questor Lau, EAH
Alana Pakkala, Kobayashi Group
Elton Wong, Kobayashi Group
Chris Ruane, Kobayashi Group
Wendy Matsukawa, Kobayashi Group
Gavin Hogan, Kobayashi Group
Miles Lin, Kobayashi Group
Jim Ivory, Foulger Pratt
Thomas Fischer, Ikaika Ohana
Moe Mohanna, Highridge Costa

Audrey Awaya, Pacific Housing Assistance Corporation
Jessica Gasmen, Pacific Housing Assistance Corporation
Karen Arakawa, Pacific Housing Assistance Corporation
Devin Belnap, Riverbend
Carlo Mireles, Mirein Development
Kino Shigekane, KS Renovation Consultants LLC
Kenna StormoGipson, housing policy advocate
Summer Yadao, community member and housing advocate
Ava Goldman, Ava Goldman Associates, LLC
Jesse Wu, HUD
Paul Zweng, Waiahole
Kathy Oshiro, Waiahole
Justin Saito, Waiahole
Laurence and Helene Uyemura, Waiahole
Josh Chang
Maggie Hall
Toni (screen name)
Devin (screen name)
churnt (screen name)
ChunKB (screen name)
Econtrades (screen name)
millerla (screen name)
rod s (screen name)
Rowena (screen name)
Paul (screen name)

Chair Mackler confirmed that there was no one present at the remote locations of Directors Bradshaw, Medeiros, and Designee Wicker.

Vice Chair Reimann moved, seconded by Director Sasaki, to approve the Meeting Minutes of June 8, 2023.

The motion was carried unanimously as circulated.

Vice Chair Reimann moved, seconded by Director Kimura, to approve the Executive Session Meeting Minutes of April 13, 2023.

The motion was carried unanimously as circulated.

Approval of Executive Session Meeting Minutes of May 11, 2023 and June 8, 2023 were deferred to a future meeting.

Executive Assistant Delmond Won went over HHFDC’s protocol for providing testimony, in which a testifier will be limited to three minutes, at the discretion of the presiding officer, to address matters directly related to the agenda.

Interim Executive Director Dean Minakami noted that this is a two-part presentation, providing an overview of HHFDC’s financing programs this month and an overview of the development and planning programs at next month’s board meeting.

There being no testimony provided by the public, Chief Planner Chris Woodard and Housing Finance Manager David Oi delivered a PowerPoint presentation of the various financing programs that HHFDC operates and undertakes pursuant to its legislative establishment in 2006, to facilitate the development of affordable housing

**II.A
APPROVAL OF
MINUTES**
Regular
Meeting
6/8/23

**II.B.
APPROVAL OF
MINUTES**
Executive
Session
4/13/23

**II.C. & II.D.
APPROVAL OF
MINUTES**
Executive
Sessions
5/11/23, 6/8/23

**III.A.
DISCUSSION
AND/OR
DECISION
MAKING**
Overview of the
Discussion on the
Hawaii Housing
Finance and
Development
Corporation’s

pursuant to 201H, Hawaii Revised Statutes, with the mission to increase and preserve the supply of affordable housing statewide by providing financing and development resources.

Ms. Kenna StormoGipson, housing policy advocate, asked for clarification on the \$280 million Rental Housing Revolving Fund (RHRF) infusion for Fiscal Years (FY) 2024 and 2025. Woodard confirmed that the \$280 million RHRF allocation is to be spread over the next two fiscal years - \$100 million in FY2024 and \$180 million in FY2025.

StormoGipson asked whether the \$180 million in RHRF would be enough to maximize the bond cap. Oi clarified that the RHRF is a “gap financing,” that will be used in conjunction with the bond cap, depending upon the applications received and the amounts requested.

StormoGipson inquired about the City and County of Honolulu’s (C&C’s) plan to retain its bond cap. Although uncertain of the C&C’s plans, Oi stated that there is a legislative deadline in which the C&C would need to report by.

StormoGipson asked whether other counties planned to retain their bond cap. Chair Mackler stated that each county individually makes their decision on whether they retain their bond cap or not. He requested that any further questions be discussed with staff after the meeting.

Director Bradshaw thanked staff for their presentation.

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

There being no testimony provided by the public, Oi presented the For Action, stating that due to a budget increase of \$12,405,875 the Halewiliko Highlands LP (Awardee), is requesting an increase to the intended tax-exempt issuance of Hula Mae Multi-Family (HMMF) bonds, Low Income Housing Tax Credit (LIHTC), and the subordination of the RHRF loan to an additional interim taxable loan in the amount of \$1,438,601 for the Halewiliko Highlands project. The project also secured a \$6 million Affordable Housing Fund loan from the C&C to address cost increases. If approved by the Board, the project is targeted to close in September 2023. *(Note: the approved Resolution No. 185 was corrected after the meeting for a typo and the page is being replaced for the record).*

There being no questions, the motion was carried unanimously.

Financing and Development Programs; Legacy Infrastructure Activities; Housing-Related Programs and Activities; and Real Estate Management and Compliance Activities

III.B. DISCUSSION AND/OR DECISION MAKING
Approve: (1) Resolution No. 185, Which Amends Resolution No. 157 by Increasing the Intended Issuance Amount of the Hula Mae Multi-Family Tax-Exempt Revenue Bonds; (2) Request from the Awardee to Increase the Low-Income Housing Tax Credits Reservation; and (3) the Subordination of the Rental Housing Revolving Fund Loan to an Additional Interim Taxable Loan in the Amount of \$1,438,601 for the Halewiliko Highlands Project Located in Aiea, Oahu, TMK No.: (1) 9-9-078: 006

Vice Chair Reimann 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 Highridge Costa Development Company (Developer) elected to submit a new Consolidated Application during the 2023 Funding Round due to the significant changes to the scope of the project and its request for increased resources of \$14,362,308. The project's RHRF request will be addressed in a subsequent For Action.

Mr. Moe Mohanna delivered a PowerPoint presentation on the project, summarizing the increases reflected within the current budget primarily attributed to higher construction costs and interest rates.

There being no questions, the motion was carried unanimously.

Vice Chair Reimann 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 loan increase request for the Liloa Hale project in the amount of \$23,930,000 via a new application submitted in the 2023 Funding Round.

There being no questions, the motion was carried unanimously.

Director Sasaki moved, seconded by Vice Chair Reimann, to approved staff's recommendation.

There being no testimony provided by the public, Oi presented the For Action, explaining that Parkway Village at Kapolei – Lot 6 is requesting an extension to issue HMMF Bonds to December 31, 2023, to allow additional time for financial closing.

There being no questions, the motion was carried unanimously.

**III.C.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve: (1)
Resolution No. 186,
Which Amends
Resolution No. 172
by Increasing the
Intended Issuance
Amount of Hula
Mae Multi-Family
Tax-Exempt
Revenue Bonds; (2)
Request from the
Awardee to
Increase the Low-
Income Housing
Tax Credits
Reservation for the
Liloa Hale Project
Located in Kihei,
Maui, TMK No.:
(2) 2-2-002: 072
(portion)

**III.D.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve a Request
from the Awardee
to Amend the Rental
Housing Revolving
Fund Award for the
Liloa Hale Project
Located in Kihei,
Maui, TMK No.: (2)
2-2-002: 072
(portion)

**III.E.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an
Extension to
Resolution No. 169,
Which Provides for
Official Intent with
Respect to the
Issuance of Hula
Mae Multi-Family
Tax-Exempt
Revenue Bonds for
the Parkway Village
at Kapolei – Lot 6
Project Located in
Kapolei, Oahu,
TMK No.: (1) 9-1-
160: 018 (portion)

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

There being no testimony provided by the public, Oi presented the For Action, explaining that the Villages at Kapolei – Lot 7 is requesting an extension to issue the HMMF Bonds to December 31, 2023, to allow additional time for financial closing.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi presented the For Action, explaining that the Rice Street Apartments is requesting an extension to issue the HMMF Bonds to April 14, 2024, to allow additional time for financial closing.

Oi noted a correction on page 4 of the For Action, under section III.E.3. Construction Start, to read: 2023-Q4.

Mr. Jim Ivory, with Foulger Pratt, reported that the project is in its final stages and expressed their appreciation for the HHFDC staff's efforts throughout the process.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi presented the For Action, explaining that the Honuaula Living Community is requesting an extension to issue HMMF Bonds to July 14, 2024, to allow additional time for financial closing.

In reference to Exhibit C – Letter from Law Offices of Yeh & Kim dated May 15, 2023, Chair Mackler asked whether the project anticipates meeting its timeline of the 4th Quarter for its building permits. Mireles responded in the affirmative, stating that the project has regained site control and can proceed.

Interim Executive Director Minakami stated that staff will monitor the situation and will report back to the Board in 6 months on the project's status.

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

**III.F.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an Extension to Resolution No. 170, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Parkway Villages at Kapolei - Lot 7 Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-160: 018 (porition)

**III.G.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an Extension to Resolution No. 173, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Rice Street Apartments Project Located in Kailua-Kona, Hawaii, TMK Nos.: (3) 7-4-004: 092

**III.H.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an Extension to Resolution No. 174, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Honuaula Living Community Project Located in Kailua-Kona, Hawaii, TMK Nos.: (3) 7-4-004: 014 and (3) 7-4-004:

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

There being no testimony provided by the public, Oi thanked Interim Executive Director Minakami and various branch staff in their collaborative efforts in the products being presented to the Board today.

Oi presented the For Action, stating that the Na Hale Makoa is a 140-unit family project in Waikoloa, Hawaii, consisting of one, two, and three-bedroom units serving those in the 30%, 60%, 80%, 100%, and 140% AMI groups, with an affordability commitment period of 61 years. The market study provided by the project indicates more than adequate demand for rentals in the AMI ranges, with units expected to be leased up within 6 months of receiving certificates of occupancy in 2025.

Oi stated that approval of Resolution No. 187 only facilitates further discussions and negotiation between participating parties to determine the feasibility of the project and does not guarantee or obligate HHFDC to issue the bonds. If the project is deemed feasible, staff will return to the Board for final authorization of issuance, sale, and delivery of bonds.

Ms. Audrey Awaya and Ms. Jessica Gasmen from Pacific Housing Assistance Corporation (PHAC) delivered a PowerPoint presentation on the project, stating that the project was awarded 30 project-based vouchers from the County of Hawaii, which will greatly assist in the project’s financial feasibility.

Due to technical difficulties, the meeting was recessed at 10:25 a.m. and reconvened at 10:29 a.m.

There being no questions, the motion was carried unanimously.

Director Sasaki moved, seconded by Vice Chair Reimann, 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 Project Award loan request for the Na Hale Makoa project in the amount of \$31,173,197.

There being no questions, the motion was carried unanimously.

Chair Mackler thanked Oi and HHFDC staff for their quick efforts in presenting the 2023 projects to the Board for approval.

The Board recessed at 10:34 a.m. and reconvened the meeting at 10:48 a.m.

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

There being no testimony provided by the public, Development Support Unit Manager Rodney Shiraishi and Woodard presented the For Action, requesting that an increase of \$6.3 million to the Waiahole Valley Budget, for the next 5 years, be approved by the Board to continue operations and maintenance of infrastructure in

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

Approve: (1) Resolution No. 187, 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 Na Hale Makoa Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-042: 022

RECESSED
10:25 a.m.
RECONVENED
10:29 a.m.

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

Approve a Rental Housing Revolving Fund Project Award for the Na Hale Makoa Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-042: 022

RECESSED
10:34 a.m.
RECONVENED
10:48 a.m.

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

Approve an Increase to the Budget for the Waiahole Valley Agricultural Park

the Waiahole Valley.

There being no questions, the motion was carried unanimously.

Oi stated that the Novogradac Private Activity Bonds and 4% LIHTC online training was offered to the Board to provide best practices used and to get a better perspective on the mechanics of the financing programs.

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

Planner Cynthia Nyross reported on the outcome of the 2023 Legislative Session, summarizing the various bills that became law with the Governor's signature. House Bill (HB) 923, Act 262, was noted to be passed yesterday without the Governor's signature, amending the private activity bond statute to ensure fairness and equity in the limited bond cap for housing. Nyross stated that HB923 would be helpful for counties that do not have their own bond issuance program, such as the County of Maui and County of Hawaii. Interim Executive Director Minakami added that HB923 would allow the C&C to return their unused bond cap. If the C&C retains its bond cap, HHFDC will not be able to award any additional 4% LIHTC for the remainder of the calendar year.

Interim Executive Director Minakami stated that he and Oi attended the National Council of State Housing Agencies' (NCSHA's) Credit Connect Conference last month, highlighting best practices and recommendations received on the nationwide increased demand of private activity bonds with the pairing of the LIHTC program. HHFDC has policies in place that implement such recommendations and continues to explore long term funding options that supports housing services.

Interim Executive Director Minakami also reported on a community meeting held last week Thursday, July 6, 2023, in which a 3.3 times current rent offer was suggested to be offered to the residential lessees within Waiahole Valley. Should the HHFDC decide to do this rent offer, feedback has been received that a subsidy rent program would not be necessary.

There being no questions, Chair Mackler announced that the Board will create an Executive Director Search and Selection Permitted Interaction Group (PIG), to oversee the search and selection process of a new executive director for HHFDC.

The following members were appointed to the PIG:

- Chair Gary Mackler
- Vice Chair Carol Reimann
- Director Nani Medeiros
- Director James Tokioka or his Designee Dane Wicker

and Residential Lots
Subdivision Located
at Waiahole,
Koolau, Oahu,
TMK Nos.: (1) 4-8:
Various, for Costs
and Expenses
Relating to
Infrastructure
Operations and
Maintenance, Land
Management, and
Lease
Administration

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

Overview of and
Discussion on the
Novogradac Private
Activity Bonds and
4% Low Income
Housing Tax Credit
Training

**IV.
REPORT
BY THE
EXECUTIVE
DIRECTOR**

There being no further business on the agenda, Vice Chair Reimann moved, seconded by Director Kimura, to adjourn the meeting at 11:20 a.m.

**V.
ADJOURNMENT**
11:20 a.m.

The motion was carried unanimously.

Sean Sasaki

SEAN SASAKI
Secretary