

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

**August 10, 2023**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, August 10, 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.

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 (remote)  
Director Sean Sasaki, Secretary (in-person)  
Director Donn Mende (in-person)  
Director Jason Bradshaw (remote)  
Director Jay Kimura (remote)  
Director Luis Salaveria (remote)  
Director Nani Medeiros (remote; arrived at 9:08 a.m.)

Interim Executive Director Dean Minakami

**Excused:** Director James Tokioka

**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  
Lorna Kometani, Sales & Counseling Section Chief  
Dean Watase, Housing Planning Manager  
Danielle Guthrie, Housing Finance Specialist  
Kan Cheung, Housing Finance Specialist  
Lee Miller, Property Management Specialist  
Hunter Miller, Real Estate & Planning Analyst  
Stan Fujimoto, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Technology Systems Analyst  
Helmer Betiong, Information Technology Intern  
Esa Pablo, Secretary to the Board

**Guests:** Neil Nugent, Department of Hawaiian Home Lands  
Benjamin Park, Hawaii Public Housing Authority  
Andrew Tang, Hawaii Public Housing Authority  
Alana Pakkala, Kobayashi Group  
Elton Wong, Kobayashi Group  
Dean Sakata, Mark Development Incorporated  
Nainoa Watson, Ikenakea Development  
Keegan Flaherty, Ikenakea Development  
David Nakamura, Mutual Housing Association of Hawaii  
Makani Meva, Ahe Group

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

Joelle Chiu, Ahe Group  
Stuart Hartman, Retirement Housing Foundation  
Robert Amberg, Retirement Housing Foundation  
Bob Fard, Retirement Housing Foundation  
Maggie Hall, Retirement Housing Foundation  
Salvatore Ingrao, Retirement Housing Foundation  
Jeff Streiffer, Goldfarb & Lipman LLP  
Scott Jepsen, EJP Consulting Group  
Kenna StormoGipson, community advocate  
Arielle Blacklow (Senator Stanely Chang’s Office - screen name)  
Mark Shelburne, Novogradac  
Florene Web (screen name)  
Dan Cooper (screen name)  
Case Realty 1 (screen name)  
Milleria (screen name)

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.

Chair Mackler confirmed that there was no one present at the remote locations of Vice Chair Carol Reimann, Directors Bradshaw, Salaveria, and Kimura.

Director Mende moved, seconded by Director Sasaki, to approve the Meeting Minutes of July 13, 2023.

The motion was carried unanimously as circulated.

Director Mende moved, seconded by Director Sasaki, to approve the Executive Session Meeting Minutes of July 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.

(Director Medeiros arrived at 9:08 a.m.)

Interim Executive Director Dean Minakami reported on the impact to HHFDC’s assets on Maui due to the wildfires, including but not limited to, the Front Street Apartments (HHFDC holds the ground lease), which was destroyed. He stated that the HHFDC has been designated to standup a call-in response center to connect those impacted by the Maui fires that are in urgent need of housing with Hawaii homeowners/landlords who are willing to assist by offering unoccupied rooms, units, or houses on a temporary basis. A meeting will be held with staff immediately after the Board meeting to discuss plans to erect the program as soon as possible. He added that while the HHFDC continues to move forward on the acquisition of the Haggai Institute, the property will temporarily be used as an emergency shelter.

Director Mende asked if there was anything needed by the Board. Minakami responded not at this time.

**II.A  
APPROVAL  
OF  
MINUTES**  
Annual  
Meeting  
7/13/23

**II.B.  
APPROVAL  
OF  
MINUTES**  
Regular  
Meeting  
7/13/23

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



Chair Mackler expressed his willingness to hold a special meeting should assistance be needed by the Board.

There being no further discussion, Chair Mackler proceeded to agenda item III.A.

There was no testimony provided by the Public on this matter.

Chief Planner Chris Woodard, in collaboration with Interim Development Branch Chief Randy Chu, Sales & Counseling Section Chief Lorna Kometani, and Housing Planning Manager Dean Watase, delivered part two of the PowerPoint presentation (with part one delivered last month), providing an overview of the HHFDC's development and infrastructure programs, planning programs and activities, as well as other critical support functions, relating to: the Dwelling Unit Revolving Fund (DURF), DURF Equity Pilot Program, Hawaii Revised Statutes (HRS) Section 201H-38 Expedited Review, General Excise Tax Exemptions, Requests for Proposals to develop lands, master plans and infrastructure projects, as well as infrastructure activities in the Villages of Kapolei, Waiahole Valley Subdivision, HRS Chapter 343 Environmental Review Activities, Homeownership Program, Leasehold Homeownership Portfolio, Housing Advocacy and Information Activities, and Real Estate Portfolio and Compliance Activities.

Director Mende and Chair Mackler thanked the HHFDC staff for all that they do.

Chair Mackler confirmed that there was no one present at Director Medeiros' remote location.

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

There being no testimony provided by the public, Housing Development Specialist Stan Fujimoto presented the For Action, requesting that the Board of Directors approve the conveyance of the Ahi Road Remnant Lot at the Hanapepe Heights House Lots Subdivision in fee simple to the Department of Hawaiian Home Lands (DHHL), for access purposes, subject to the approval of all necessary documents by the Department of the Attorney General and execution by the Executive Director, in compliance with all rules and regulations and such other terms and conditions required by the Executive Director.

There being no questions, the motion was carried unanimously.

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

(Written testimony from Senator Stanely Chang was received in support of the board's approval of a public hearing on HHFDC's proposed Qualified Allocation Plan (QAP) amendments.)

There being no oral testimony provided by the public, Housing Finance Branch Manager David Oi requested the board's approval to conduct a public hearing on the proposed changes to the 2024 QAP, in hopes of aligning the scoring criteria of the QAP and Consolidated Application with the mission and goals of HHFDC. Proposed changes were geared to provide greater emphasis on project readiness, government support, as well as cost efficiencies and reasonableness of development costs. A tentative timeline was noted to conduct a public hearing in September 2023, approval of the 2024 QAP in October 2023, with applications being available in December 2023, and recommendations presented to the Board in the second quarter

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

Overview of the Discussion on the Hawaii Housing Finance and Development Corporation's 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 the Fee Simple Conveyance to the Department of Hawaiian Home Lands of the Ahi Road Remnant Lot at Moi Road at the Hanapepe Heights House Lots, Hanapepe, Kauai, TMK No.: (4) 1-8-013: 047

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

Approve a Request to Conduct a Public Hearing on the Low-Income Housing Tax Credit Program's 2024 Qualified Allocation Plan

of 2024.

In reference to Senator Chang’s written testimony, Director Mederios asked whether HHFDC would be responding to the Senator’s comments and whether his suggestions would be incorporated within the QAP in the future. Oi clarified that staff remains in communication with Senator Chang and his comments are under consideration. However, any comments received and incorporated into the proposed 2024 QAP will need to align with the goals of the State, HHFDC, and federal mandates.

Chair Mackler asked how soon before the October board meeting would the complied public hearing comments be available for the Board’s review. Oi stated that staff will try to expedite the process to provide the Board adequate time for review.

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

Director Mende 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 Hale O Piikea II Project is requesting an extension to issue the Hula Mae Multi-Family (HMMF) Bond deadline from August 11, 2023 to February 16, 2024, to fulfill all financial requirements for closing.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi presented the For Action, stated that the Uahi Ridge Project is requesting an extension to issue the HMMF Bond deadline from August 11, 2023 to February 28, 2024, to fulfill all financial requirements for closing.

There being no questions, the motion was carried unanimously.

The Board recessed at 10:15 a.m. and reconvened the meeting at 10:25 a.m.

(Director Medeiros was excused at 10:15 a.m.)

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

Approve an Extension to Resolution No. 177, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Hale O Piikea II Project Located in Kihei, Maui, TMK No.: (2) 3-9-002: 076

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

Approve an Extension to Resolution No. 178, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Uahi Ridge Project Located in Lihue, Kauai, TMK No.: (4) 3-8-005: 022, CPR 0002

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



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

There being no testimony provided by the public, Oi presented the For Action, requesting that the land tenure of the Hale O Piikea I Project be amended from fee simple to a leasehold structure that contemplates the real estate acquired by Hawaiian Community Development Board (HCDB) to be ground leased to the Partnership, for a capitalized rental payment of \$100,000 for a 99-year term, payable by note from the Partnership to HCDB. Under the Affordable Housing Fund grant awarded, HCDB remains prohibited from transferring the fee simple interest in the property per Maui County requirements.

Chair Mackler expressed concerns on ensuring/safeguarding lease payments long-term. In addition to the note, Oi stated that there will also be the mortgage documents and declarations signed by the lessor and lessee.

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

Director Mende 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 Resolution No. 189, authorizes the issuance, sale, and delivery of the HMMF bonds in a principal amount not to exceed \$58,239,230, subject to the availability of volume cap, and approval by the Department of Budget and Finance (B&F) and the Governor. Financial closing is anticipated this month, with project completion in 2025.

There being no questions, the motion was carried unanimously.

Director Mende 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 Resolution No. 190, authorizes the issuance, sale, and delivery of the HMMF bonds in a principal amount not to exceed \$39,865,882, subject to the availability of volume cap, and approval by B&F and the Governor. Financial closing is anticipated this month, with project completion in 2025.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Oi stated that applications were reviewed and scored based on criteria and guidelines of the 2022/2023 QAP, along with other relevant factors. As a result, an allocation of up to \$1,400,000 in annual Federal (over a 10-year period) and \$1,400,000 in annual State (over a 5-year period) 9% Low Income Housing Tax Credits (LIHTC) is being recommend for the Kai Olino Phase II project.

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

Approve a Change in Land Tenure Held by the Owner of the Hale O Piikea I Project Located in Kihei, Maui, TMK No.: (2) 3-9-002: 076, CPR 0001

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

Approve Resolution No. 189, Authorizing 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)

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

Approve Resolution No. 190, Authorizing the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Parkway Village at Kapolei – Lot 7 Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-160: 018 (portion)

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

Approve an Award of Federal and State Low-Income Housing Tax Credits from the State's 2023 Volume Cap for the



A PowerPoint presentation was delivered by Ahe Group President Makani Maeva, who stated that Kai Oline Phase II is a 75-family unit project located in Eleele, Kauai, featuring 2 and 3-bedroom units, serving those within the 30%, 60%, and 100% area median income (AMI) range, with an affordability commitment of 60 years. The total project cost is estimated at \$21.5 million.

Chair Mackler asked whether there were any lease-up preferences for the project. While there are currently no specifics in terms of preferences, Maeva stated that there is sufficient demand, and a lottery will be conducted.

Chair Mackler encouraged that a preference be utilized if possible. Maeva concurred.

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

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

There being no testimony provided by the public, Oi presented the For Action, stating the Rental Housing Revolving Fund (RHRF) Award loan terms by staff for the Kai Oline project, in the amount of \$2.25 million, with a loan term of 55 years.

There being no questions, the motion was carried unanimously.

Director Mende 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 the Palolo Homes is an existing 306-unit family project in Honolulu, Oahu, consisting of one, two, three, four, and five-bedroom units, serving those in the 30%, 50%, and 60% AMI, with an affordability commitment of 61 years. Financial closing is targeted in quarter one of 2024 and project completion in 2026. The total development cost for the project is estimate at \$61.8 million. All work will be limited to daytime hours to avoid displacement of residents during rehabilitation.

Oi stated that Resolution No. 191 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 the bonds of up to \$31,500,000, subject to the availability of bond cap, and approval by B&F and the Governor.

A reservation of up to \$2,790,000 in annual Federal LIHTC over a 10-year period and \$2,790,000 in annual State LIHTC over a 5-year period from the non-volume pool (4% LIHTC) is also being recommended for the project, subject to the provisions and conditions set forth within the For Action.

Mutual Housing Developer David Nakamura delivered a PowerPoint presentation. Nakamura discussed the history of the project, noting the inclusion of its solar water panels for with project, and financial closing anticipated in March/April 2024. He further stated that the affordable housing communities are used as a platform to provide resident services, such as, but not limited to, educational services, church, and health services.

There being no questions, the motion was carried unanimously.

Kai Oline Phase II  
Project Located in  
Eleele, Kauai, TMK  
No.: (4) 2-1-010: 062

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

Approve a Rental  
Housing Revolving  
Fund Project Award  
for the Kai Oline  
Phase II Project  
Located in Eleele,  
Kauai, TMK No.:  
(4) 2-1-010: 062

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

Approve: (1)  
Resolution No. 191,  
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 Palolo  
Homes Acquisition  
and Rehabilitation  
Project Located in  
Honolulu, Oahu,  
TMK Nos.: (1) 3-4-  
007: 016, (1) 3-4-  
007: 018, and (1) 3-4-  
008: 002



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

There being no testimony provided by the public, Oi stated that in addition to their HMMF bonds and LIHTC requests, the Palolo Homes is also requesting a RHRF loan of up to \$14,965,000, with a loan term of 27 years, subject to the approval of the Governor, execution of all necessary documentation, and availability of RHRF monies.

There being no questions, the motion was carried unanimously.

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

HPHA Chief Planner Benjamin Park provided testimony on behalf of HPHA Executive Director Hakim Ouansafi, in support of the extension to Resolution No. 163.

(Written testimony from Hawaii Public Housing Authority Executive Director Hakim Ouansafi was received in support of agenda items III.M. and III.N.)

There being no further oral testimony by the public, Oi presented the For Action on the HPHA Redevelopment Phase 1A project. The Awardee, School Street RHF Partners Phase One, LP, is requesting an extension to issue HMMF bonds from August 31, 2023 to May 5, 2024, to allow additional time for financial closing. The Awardee continues to work with HPHA on finalizing the final terms of the Ground Lease and recordation of site subdivision with the City & County of Honolulu's (C&C) Department of Planning and Permitting.

In reference to page 4, section III.F. of the For Action, Chair Mackler inquired about an update on the project's status and budget. Mr. Bob Fard, with Retirement Housing Foundation, stated that an updated report was submitted a few weeks ago. Fard stated that the ground lease is still being negotiated and anticipated to be completed before closing, with subdivision approval expected in the first quarter of 2024.

Chair Mackler referenced the \$23 million in additional resources to address budget shortfalls and asked whether the total project cost had been determined. Fard stated that due to increases in materials, interest rates, and other factors, the total project cost is estimated at \$170 million.

Chair Mackler asked whether there was a contingency plan should the \$23 million from HHFDC not be awarded. Fard stated that there is currently no contingency plan.

Chair Mackler asked whether an update on the project's progress would be able to be provided by the December 14, 2023 HHFDC Board of Directors meeting. Fard responded in the affirmative.

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

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

Approve a Rental Housing Revolving Fund Project Award for the Palolo Homes Acquisition and Rehabilitation Project Located in Honolulu, Oahu, TMK Nos.:  
(1) 3-4-007: 016,  
(1) 3-4-007: 018, and  
(1) 3-4-008: 002

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

Approve an Extension to Resolution No. 163, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Hawaii Public Housing Authorizing (HPHA) School Street Redevelopment Phase1A Project Located in Honolulu, Oahu, TMK No.:  
(1) 1-6-009: 003 (portion)

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

There being no testimony by the public, Oi stated that pursuant to Act 88, Session Laws of Hawaii 2021, the State Legislature approved \$40 million in general obligation funds to be deposited into the HHFDC's RHRF for Fiscal Year 2021 – 2022 for the project. The funds were contingent upon the start of construction no later than August 30, 2022, but was later extended by the Board to August 31, 2023. The Awardee, School Street RHF Partners, Phase One, LP has requested another extension until May 5, 2024, to fulfill all requirements of the loan.

There being no questions, the motion was carried unanimously.

Interim Executive Director Minakami reported that pursuant to House Bill 923, HHFDC continues to work with the C&C on terms of the Private Activity Bond allocations. Should an agreement be reached between both parties, staff plans to return to the Board next month for its consideration on the final 4% LIHTC awards for the 2024 funding round.

Minakami continued with an update on the Waiahole Valley rent renegotiations. While agricultural lessees are being scheduled for mediation, residential lessees were offered 3.3 times current rent, which were favorably received. Under those terms, a rent subsidy program is no longer necessary. The Planning, Evaluation and Compliance Branch Monthly Status Report was referenced to provide more details.

There being no further business on the agenda, Director Mende moved, seconded by Director Sasaki to adjourn the meeting at 11:42 a.m.

The motion was carried unanimously.

Sean Sasaki  
SEAN SASAKI  
Secretary

**III.N.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve an  
Extension to the  
Rental Housing  
Revolving Fund  
Letter of Intent for  
the Hawaii Public  
Housing Authority  
(HPHA) School  
Street  
Redevelopment  
Phase 1A Project  
Located in Honolulu,  
Oahu, TMK No.: (1)  
1-6-009: 003  
(portion) Pursuant to  
Legislative  
Appropriation Under  
Act 88, Session Laws  
of Hawaii 2021

**IV.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

**V.  
ADJOURNMENT**  
11:42 a.m.