

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

December 14, 2023

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, December 14, 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 (<https://www.youtube.com/channel/UCJP6i8hhsS9EK769RJfT5w>).

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

A roll call was taken with a quorum present. Those in attendance were as follows:

Present: Director Gary Mackler, Chair
 Director Carol Reimann, Vice Chair
 Director Sean Sasaki, Secretary (remotely)
 Director Donn Mende (remotely)
 Director Jay Kimura
 Director Jason Bradshaw (remotely)
 Director Luis Salaveria
 Designee Mary Alice Evans for Director James Tokioka
 Director Scott Glenn

Executive Director Dean Minakami

Staff: Delmond Won, Executive Assistant
 Sandra Ching, Deputy Attorney General
 Ryan Kanakaole, Deputy Attorney General
 Chris Woodard, Chief Planner
 David Oi, Housing Finance Manager
 Randy Chu, Development Branch Chief
 Holly Osumi, Chief Financial Officer
 Lanz Dong, Real Estate Portfolio Manager
 Mark Yonamine, Project Manager
 Stan Fujimoto, Housing Development Specialist
 Albert Palmer, Housing Development Specialist
 Michele Leong, Housing Development Specialist
 Heather Murakami, Housing Development Specialist
 Lee Miller, Property Management Specialist
 Hunter Miller, Real Estate & Planning Analyst
 Cynthia Nyross, Planner
 Gordon Pang, Housing Information Officer
 Marc Orbito, Information Technology Systems Analyst
 Helmer Betiong, Information Technology Support Specialist
 Esa Pablo, Secretary to the Board

Guests: Stanley Chang, Hawaii State Senate
 Chico Figueiredo, Office of the Governor
 Lindsay Apperson, Office of the Governor
 Tami Whitney, Office of the Governor
 Craig Hirai, City and County of Honolulu – DPP
 Jiro Sumada, City and County of Honolulu – DPP
 Pane Meatoga III, City and County of Honolulu
 Moe Mohanna, Highridge Costa
 Monte Heaton, Highridge Costa
 Sam Arico, Highridge Costa
 Caitlin Barrow, Highridge Costa

Sam Bruan, AHED Foundation
Scott Settle, AHED Foundation
Chris Deucher, Form Partners
Emily Davids, Form Partners
Daniel Simonich, Prospac Holdings Group
Kelcee (Fujimoto) Mira, Austin Tsutsumi & Associates
Leilani Pulmano, Pacific Rim Land
Hawaii Montessori
Reyn Kimura, Stanford Carr Development
Tom Schnell, PBR Hawaii
Sunny Rosario, PBR Hawaii
Christopher Delaunay, Pacific Resource Partnership
Connie Yu-Pampalone, Catholic Charities Hawaii
Crystal Schip, Settle Meyer Law
Aaron Eberhardt, EAH Housing
Grant Allison, Lung Rose Voss Wagnild
Dennis King, James Song & WWCA
Paul Zweng, WWCA
Marie Revilla, WWCA
Ryan Ringuette, WWCA
Mondonna Keohokapu-Meria, WWCA
Vernon T. Ota, WWCA
Lucy & Hannah, WWCA
Pat Pilanca, WWCA
Lilia Galicinao, WWCA
Nellie Dano, WWCA
Robert Badiyo Jr., WWCA
Lisa Zane, WWCA
Tiara Balocan, WWCA
Thoman Barros, WWCA
Colby Kahele, WWCA
Kaylin Kahele, WWCA
Leina Kane, Supporter WWCA
Kehua Kane-Badiyo, Supporter WWCA
Wayne Matayoshi, WWCA
David Shimokawa, Waiahole
Darlene Yoshizumi, WWCA
Norman Sadoyama, WWCA
Silvestre Ulep, WWCA
Toni Cano, 48-389 WVR
Lauren Badiyo, 48-264 Waiahole Vly. Rd.
Cynthia Hopkins, Waiahole Supporter
Gwen Cunha, Waiahole
Glenell Dano, Waiahole
Arleen Velasco
Jarred Kimura
Kanoa Makaanale
Nick (screen name)
Farm 1 (screen name)

Chair Mackler confirmed that there was no one present at the remote locations of Directors Sean Sasaki, Donn Mende, and Jason Bradshaw.

Executive Assistant Delmond Won announced HHFDC's protocol for providing testimony. He asked that testifiers state their name for the record, at which time they would be limited to three minutes at the discretion of the presiding officer, to address matters directly related to the agenda. He noted that instructions for submitting written testimony can be found on the first page of the agenda.

Vice Chair Reimann moved, seconded by Director Salaveria, to approve the meeting minutes of November 9, 2023, as circulated.

The motion was carried unanimously.

Approval of the meeting minutes of executive session held on November 9, 2023 was deferred to later in the meeting.

Finance Manager David Oi presented the For Action, providing the programmatic details of the Low-Income Housing Tax Credit (LIHTC) program and Qualified Allocation Plan (QAP) which establishes criteria to allocate LIHTC to projects which best meet the housing needs of the State and preferences required by the IRS Section 42.

Oi summarized the substantive changes made within the following sections of the proposed 2024 QAP, of which he stated would be effective for one allocation year: (1) Selection Criteria; (2) Project Readiness; (3) Debt Service Ratio; and (4) the Criteria Point System.

The 2024 Funding Round timeline for the 9% LIHTC and 4% LIHTC was noted as follows:

- 1. December 15, 2023 – Applications Available
- 2. February 16, 2024 – Applications Due
- 3. June – August 2024 – Recommendations to the Board

Oi stated that staff would like to form a Permitted Interaction Group (PIG) consisting of appointed Board members, staff, and various affordable housing development stakeholders to contribute to the evaluation and revision process for the 2025 QAP.

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

There being no testimony provided by the public, Chair Mackler acknowledged the copious amount of written testimony received on this matter.

Director Bradshaw thanked the staff for all their hard work on the QAP. In reference to Senator Stanley Chang's written testimony, Director Bradshaw suggested that approval of the 2024 QAP be postponed to a future Board of Directors Meeting to work out the proposed changes and recommendations of the Senator.

Director Luis Salaveria expressed concern on delaying the approval of the QAP and suggested that a "happy medium" be sought to proceed forward in the Corporation's process and operations in collaboration with the recommendations of the Board, staff, public, and major stakeholders.

Chair Mackler concurred, adding that while there are a lot of ideas that came through the testimony received, some recommendations (i.e., Senator Chang's concept of affordability in perpetuity) need additional vetting, discussion, and analysis to avoid unintended consequences.

In reference to Senator Stanley Chang's testimony received, Executive Director Minakami addressed the following:

**II.A
APPROVAL
OF
MINUTES**

Regular
Meeting
11/9/23

**II.B.
APPROVAL
OF
MINUTES**

Executive
Sessions
11/9/23

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

Approve the 2024
Qualified
Allocation Plan for
the Low-Income
Housing Tax
Credit
Program

1. While HHFDC is open to discuss amendments to the QAP with various stakeholders and anticipated outside consultant expertise, the proposed 2024 QAP is geared towards producing as many units as quickly as possible to address the affordable housing shortfall.
2. In respect to affordability, the absolute minimum affordability term is 30 years for LIHTC awarded projects and 60 years for RHRF awarded projects, which is felt to be a considerable amount of time. Even after the affordability commitment period ends, the market rental rate for typical LIHTC projects is about 80% of area median income or less.
3. Postponing the QAP to further explore affordability in perpetuity and go through the approval process a second time would result in about a 4-month delay. Therefore, staff would recommend that the 2024 QAP be adopted while the revision process is being worked on for 2025.

Once approved, Director Salaveria asked whether there would be an opportunity for a change to be made to a particular criterion. Executive Director Minakami explained that non-substantive amendments can be made by the Board. However, any substantial changes would need to go through a public hearing and approval process.

Oi added that delaying the adoption of the 2024 QAP by 3 to 4 months would impact the funding schedule, which he believes would be a disservice to what is trying to be accomplished.

Director Bradshaw asked whether an amendment could be addressed at today's meeting. Oi reiterated the required revision and approval process for any substantive amendments to the QAP.

Director Bradshaw suggested that the affordability provision in perpetuity be considered by the Board. Oi responded that such a concept would be a substantive amendment and require significant time to further explore and determine whether that could be an option for the Board to consider.

In watching the public hearing for the QAP being proposed, Chair Mackler stated that there were several testifiers who were in opposition to the concept of affordability in perpetuity.

Upon roll call vote, the motion carried with 8 Ayes: Chair Gary Mackler, Vice Chair Carol Reimann, Directors Sean Sasaki, Jay Kimura, Donn Mende, Luis Salaveria, Scott Glenn, and Designee Mary Alice Evans. 1 Nay: Director Bradshaw.

The motion was carried.

Chair Mackler asked that a QAP PIG be established to engage Board members to work on the QAP for the 2025 Program Year and work through testimony received to broaden the understanding of the criteria, interacting with staff, and consideration of hiring an outside consultant to assist, guide, and bring understanding of the long-term impacts of possible changes made to the QAP.

Appointed members to the QAP PIG were noted as Directors Scott Glenn, Sean Sasaki, Vice Chair Carol Reimann, and Chair Gary Mackler.

Director Salaveria commented that he would like to get a better understanding of the concept of affordability in perpetuity (i.e., pros and cons). Chair Mackler stated that the QAP PIG will provide briefings and progress reports to the full Board.

For the record, Deputy Attorney General Sandra Ching clarified that in order for the Board to take action on a matter investigated by a PIG, three separate board meetings must occur: (1) today's meeting of the full Board was to establish the members and

**QAP
PERMITTED
INTERACTION
GROUP**

scope of the PIG; (2) second meeting of the full Board, the findings and recommendation of the PIG are presented to the Board (with no discussion, deliberation, or action); and (3) third meeting of the full Board, discussion, deliberation, or action may be taken regarding the PIG's findings and recommendations presented at the second meeting.

Planner Cynthia Nyross presented the For Action, stating that the proposed amendments to Chapter 15-307 "State-Assisted Land and Housing Development Program," Hawaii Administrative Rules (HAR), primarily updates the fee schedule which has not been updated since 2010 and other necessary conforming, housekeeping, and technical amendments for purposes of clarity and consistency. She further stated that the proposed fee schedule would allow HHFDC to cover service costs pertaining to affordability compliance for projects that use DURF interim loans or receive 201H exemptions.

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

There being no testimony provided by the public, Chair Mackler opened the floor for discussion.

Director Salaveria recused himself from the vote due to the Department of Budget and Finance's association in the review process for administrative rules that go to the Governor for approval.

There being no further discussion, the motion was carried. Director Salaveria recused himself from the vote.

Due to technical difficulties, the meeting was recessed at 9:40 a.m.

The meeting was reconvened at 9:49 a.m.

Vice Chair Reimann moved, seconded by Designee Evans, to approve staff's recommendation.

There being no public testimony provided by the public, Chief Planner Chris Woodard presented the For Action, stating that the Hawaii Montessori, a 501(c)(3) non-profit corporation, has requested to enter into a new 30-year ground lease with HHFDC at \$1.00 per annum; a \$10,755 deduction of late fees from their current debt; and utilize the first 15 years of the lease to pay back the rent arrears of \$254,625 in monthly installments of approximately \$1,415, with no penalties for prepayment or lump sum payments.

Ms. Chrissy Bogdanovitch and Ms. Eva Lee, with Hawaii Montessori School, delivered a PowerPoint presentation about the Hawaii Montessori School, the community which they serve, school programs, and facility improvements.

There being no questions, the motion was carried.

Vice Chair Reimann moved, seconded by Designee Evans, to approve staff's recommendation.

Chair Mackler opened for public testimony.

Mr. Chris Delaunay, with Pacific Resource Partnership, representing the Carpenter's Union and approximately 240 contractors in the State of Hawaii, provided testimony in support of the Pahoa Ridge Project, stating that the project will provide the State with much needed housing as well as provide Hawaii's construction workers with the opportunity to earn a living wage with benefits to keep up with Hawaii's high cost of living.

**III.B.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve the Proposed Amendments to and Compilation of Chapter 15-307 "State-Assisted Land and Housing Development Program," Hawaii Administrative Rules, to Amend Fees and Make Technical, Non-Substantive Corrections

RECESSED
9:40 a.m.
RECONVENED
9:49 a.m.

**III.C.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve the Execution of a Ground Lease with Hawaii Montessori Inc. for the Lailani Multi-Purpose Project Located in Kailua-Kona, Hawaii, TMK No.: (3) 7-4-017: 060 (por.)

**III.D.
DISCUSSION
AND/OR
DECISION
MAKING**
Authorize an Application for Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised

Ms. Patty K. (screen name/introduced self as Patty), provided testimony in opposition to the project, raising concerns on pedestrian safety and traffic congestion. She asked that the Board reject the project's application for exemptions in its present form and that the development be relocated to a larger location along the rail line for Scenario 1 (30% area median income (AMI) – 60% AMI rentals) only.

Ms. Arleene Velasco, Neighborhood Board No. 5, provided testimony in opposition to the project, raising concerns regarding sea level rise, flooding, sewage systems, infrastructure, and traffic. She asked the Board to consider the impact of these projects on the community.

Mr. David Shimokawa (written testimony was also received), provided testimony in opposition of the project, echoing the concerns of the two previous testifiers. He suggested that more evaluation be done on the project and to consider the various communities that surround the project before taking action.

Housing Development Specialist Albert Palmer presented the For Action, stating that Highridge Costa Development Company, LLC (Developer) submitted a request to the HHFDC for approval of certain exemptions for the Pahoa Ridge (Project), consisting of 211 residential dwelling units under a proposed 3-scenario affordability mix, and up to 281 parking stalls.

In the preference order of the Developer, the following 3 scenarios are being proposed:

1. Scenario 1: A 100% affordable rental apartment project for households earning 60% or below the AMI and two manager's units, utilizing LIHTC and other HHFDC financing;
2. Scenario 2: A 100% affordable rental apartment project for households earning between 80% and 100% of the AMI and two manager's units; utilizing 501(c)(3) bonds and the RHRF; or
3. Scenario 3: An affordable and market for-sale project with at least 60% of the units to be sold at affordable prices to residents earning between 80% and 140% of the AMI, and 40% of market units.

Palmer stated that the Developer will determine which scenario to pursue, depending on the sources of financing that are available. However, approval of this For Action does not obligate HHFDC to provide any financing for the project nor warranty of the availability of any such financing.

In reference to the testimony and comments received by the various agencies and elected officials, Chair Mackler inquired about the traffic concerns raised at community meetings and what mitigation is to be done to address the concerns.

In response to Chair Mackler, Mr. Moe Mohanna, Highridge Costa, stated that the following is being done to address the various concerns:

1. Traffic congestion in the area is an existing issue that remains to be addressed.
2. Exiting traffic from the community will be prohibited from crossing over to enter directly onto the H-1 West onramp.
3. They are working with the traffic department to explore additional mitigation measures (e.g., speed bumps, etc.).
4. Flood and drainage issues have been reviewed and addressed.
5. The scenario structures provided are intended to provide available alternative financing solutions and could be removed if felt to be problematic.

Statutes, and Approve: (1) the Certification of Highridge Costa Development Company, LLC, or Other Successor Entity Approved by the Executive Directors, 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 Pahoa Ridge Rental or For-Sale Project Located in Honolulu, Oahu, TMK No.: (1) 2-7-028: 025

Mohanna introduced partners of the Project in attendance, Mr. Chris Deuchar, Form Partners, and Mr. Scott Settle, Affordable Housing Economic Development Foundation.

Regarding Scenario 3, Executive Director Minakami stated that under the current market and high interest rates, a developer has no choice but to increase its AMI to make a project feasible.

Chair Mackler asked if that was the reason why an exemption from Hawaii Revised Statutes, Chapter 29, "Affordable Housing Requirements." Mohanna responded in the affirmative.

Director Glenn inquired about transportation impacts based on the various AMI mixes provided. Mohanna stated that the traffic study is based on the maximum parking available. Therefore, the lower your AMI, the less cars and parking stalls you may have. Palmer added that if there is additional required bicycle parking beyond capacity presented, parking stalls can be converted into bicycle parking.

Director Salaveria confirmed that other entitlements are needed to go through the City Council, should the Board approve the For Action. Mohanna stated that the Project will need to go through the City Zoning Committee anticipated for January 10, 2024 and then the full City Council. Any additional restrictions/changes will be at the discretion of the City Council.

There being no further discussion, the motion was carried.

Chair Mackler called for a recess at 10:36 a.m.

(Director Bradshaw was excused at this time – 10:36 a.m.)

The meeting was reconvened at 10:44 a.m.

Designee Evans moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Housing Development Specialist Stan Fujimoto presented the For Action, stating that HHFDC is negotiating a Memorandum of Agreement (MOA) with the University of Hawaii (UH) and Hawaii Community Development Authority (HCDA), for a leasehold development of a primarily affordable project. Under the MOA, He stated that HHFDC would issue a Request for Proposals (RFP) for the leasehold development, sale and/or ownership and operation of the project. To encourage developer interest and facilitate development of the project, HHFDC would seek approval to provide an interim loan of up to \$5 million in DURF funds to the RFP developer.

Director Salaveria asked whose project this is. Fujimoto stated that this is a UH project.

Director Salaveria raised concern about the amount of responsibility that is being placed on HHFDC for a project that is not owned by HHFDC and asked whether the Corporation has the capacity to do so. Executive Director Minakami stated that the project is a primarily affordable project and HHFDC's involvement with the UH project is what the Corporation typically does for HHFDC's RFP projects to provide affordable housing (i.e., 690 Pohukaina and Villages of Kapolei).

Director Glenn asked whether the Boards of HCDA and UH authorized the agencies to proceed forward. Fujimoto stated that while HCDA's Board approved, UH's Board deferred for more details. Executive Director Minakami clarified that UH chief financial affairs officer Kalbert Young indicated that they could proceed.

RECESSED
10:36 a.m.

RECONVENED
10:44 a.m.

**III.E.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve: (1)
Negotiation and
Execution of a
Memorandum of
Agreement (MOA)
Between the
Hawaii Housing
Finance and
Development
Corporation, the
University of
Hawaii, and the
Hawaii
Community
Development
Authority; (2)
Issuance of a
Request for
Proposals in
Accordance with
the MOA; and (3)
an Interim Loan
from the Dwelling
Unit Revolving
Fund for a
Leasehold

There being no further discussion, the motion was carried.

Director Salaveria moved, seconded by Designee Evans, to approve staff's recommendation.

There being no public testimony provided by the public, Housing Development Specialist Heather Murakami presented the For Action, stating that the City and County of Honolulu (City) has requested that the HHFDC Board recognize the Revised Ordinances of Honolulu (ROH) Chapter 32 program as a "government assistance program" and adopt a policy for the granting of general excise and use tax exemptions for the planning, design, financing, construction, or lease of ROH Chapter 32 projects in the City, which is consistent with the mission and program guidelines of HHFDC.

City's Department of Planning and Permitting Deputy Director Jiro Sumada and Chief of Affordable Housing Policy and Strategy Craig Hirai were introduced and available for questions.

Chair Mackler confirmed that this would be a tool in which the City can encourage affordability or reduce costs in apartment mixed-use projects. Murakami responded in the affirmative.

There being no further discussion, the motion was carried.

(Director Salaveria was excused at this time – 11:00 a.m.)

Given that the next agenda item would be taken in executive session, Chair Mackler asked that the agenda be taken out of order and requested that agenda item III.H. be taken next.

Chair Mackler clarified that this agenda item was a request made by the Waiahole-Waikane Community Association (WWCA) Agricultural Lessees and noted that he had suggested that the WWCA appoint a spokesperson to present on behalf of the request (as to allow more time for presentation), but this suggestion was rejected by the WWCA. Therefore, he opened the floor for public testimony, and the protocol for providing testimony was reiterated by Executive Assistant Won.

Mr. Dennis King stated that he is the appointed negotiator for Mr. James Song, recommending that the Board accept WWCA's counteroffer made to HHFDC on October 27, 2023, along with eight other farmers. Mr. King provided testimony on how "unprofitable farmers," those he described to be affected by "old age, physical disabilities, flooding, poor soil, excessive seediness and pests," should not be asked to pay the same rent as "profitable famers," such as the Mahiai Group. He noted findings of unusable land based on a report by WWCA's appraiser, the Mediator's recommendation on rents (WWCA's counteroffer), and his estimation of arbitration costs (distributed to the Board).

With Executive Assistant Won calling "time," Chair Mackler asked that Mr. King conclude his testimony.

Mr. King continued to go over his handouts and stated that by accepting the

Primarily Affordable Project on Approximately 19 Acres at the University of Hawaii at West Oahu Located in Kapolei, Oahu, TMK Nos.: (1) 9-1-016: 220 (por.) and 223 (por.)

III.F. DISCUSSION AND/OR DECISION MAKING
Approve the Revised Ordinances of Honolulu Chapter 32 Affordable Rental Housing Program for Certification for Exemption from General Excise Tax as a "Government Assistance Program" under Hawaii Revised Statutes Sections 237-29 and 201H-36(a)(2) and Hawaii Administrative Rules Section 15-306-2

III.H. DISCUSSION AND/OR DECISION MAKING
Request by the Waiahole-Waikane Community Association Agricultural Lessees for Lots 41, 10, 98, 124, 86, 74, 84, 138, 76, and 85A, for the Hawaii Housing Finance and Development Board of Directors to Accept Their Settlement Offers Proposed in the October 27, 2023 Letter from Deeley King Pang & Van

counteroffers, the Board will avoid the expensive cost of arbitration and the risk that there will be no rent increase and fulfill its “Kuleana” (responsibility) stated in the Declaration of Restrictive Covenants.

Written and oral testimony was received and provided by the following lessees, requesting that the Board consider their situations and accept WWCA’s counteroffer, as stated within the handout provided by King: (1) Norman Sadoyama (Lot 41A); (2) Marie Revilla, who spoke on behalf of her mother Concetta Fialkowski, Aunt Lydia and Uncle Dennis Kaeka (Lot 76A), (3) Albert Badiyo (Lot 86A); (4) Linda Lopes (Lots 74A and 84A); (5) Silverstre Ulep (Lot 10A); (6) Gwen Cunha (Lot 138A); (7) Madonna Keohokapu – Meria (Lot 124A); and (8) Vernon Ota (Lot 85A).

There being no further testimony provided, Chair Mackler stated that the Board of Directors has given Chris Woodard authority to negotiate with all lessees of residential, agricultural, and commercial lots, in compliance with the process of the Lease Agreements, to negotiate and settle rents on behalf of the Board.

Woodard thanked members of the WWCA for their time and stated that HHFDC has made rent settlements with 86% of the lessees in Waiahole Valley, with 14 lessees remaining, 10 of which are represented here today.

Based on the testimony provided, Woodard addressed the following:

1. There was no “Mediator’s Proposal” that was made or shared by the Mediator with HHFDC during mediation.
2. At the WWCA’s request, over a year ago, the HHFDC shared its appraisal information with WWCA and in response to WWCA’s request for a mutual exchange of appraisal data or reports. However, no Appraisal reports or data has been received from WWCA, nor an appraiser’s market value conclusion on rents.
3. As part of the mediation process, the Mediator asked that appraisal information be shared. HHFDC agreed, while WWCA refused.
4. Rent offers made and which remain on the table, are far below market.
5. Agricultural lease values are in large part due to allowed residential use.
6. The same deal was offered to everyone, which is consistent with the Board’s policy and what the WWCA requested in relation to the residential lot leases, for “everyone to be treated the same.”
7. Yes, there will be arbitration costs should the State’s good and fair offers not be accepted. Offers will remain open until the arbitrators make a binding decision.

Chair Mackler inquired about what impact the residential uses allowed under the Agricultural leases have on the valuations and rents for these properties. Woodard stated that most agricultural leases in Hawaii do not allow residential uses on them. Most of the lessees here, 9 out of 10, have homes on their property. As a result, these properties are more desirable than typical agricultural leased lands as the WWCA members do not have to incur additional housing costs elsewhere.

Chair Mackler asked if a formula is used that applies to the residential portion and the agricultural land portion. Woodard responded in the affirmative, stating that the same formula has been applied for everyone, but noted that lessees of agricultural lots that do not have a home are not charged under the formula for the allowed residential use.

Chair Mackler acknowledged HHFDC’s Special Deputy Attorney General Grant Allison in attendance and asked whether the Board or staff felt it necessary to convene

in executive session. There was none.

King asked if he could respond to comments made by Woodard. Chair Mackler stated that the Board allowed additional time for presentation, along with receiving all materials provided and that there will be no debates on the floor.

Ms. Glenell Dano questioned whether the offers were “fair” between the WWCA farmers and Mahiai Group because she thought the offers were not the same. Woodard stated that the difference between the two was an added clause, whereby the rent would ratchet up if a lessee was not in compliance with the diversified agricultural requirements of the lease. However, during the mediation process the ratchet clause was dropped, resulting in offers being the same for everyone. The current offers to the WWCA farmers does not contain the “ratchet” provision and are the same as those offered to the Mahiai Group.

WWCA President Lucy Salas provided testimony in a plea for the nine farmers that have “special” hardships and asked that the Board consider the facts that they are their own people that have different circumstances and want fairness.

WWCA Vice President Paul Zweng provided testimony that offering the same rents to all is unfair because some have more means than others and stated that many of the Mahiai farmers are not completely dependent on the land. He also asked the Board to consider the various hardships of the other farmers.

Leilani Pulmano, with Pacific Rim Land, stated that the seller is not willing to reduce their sales price to the amount that the Board approved last month.

**III.G.
DISCUSSION
AND/OR
DECISION
MAKING**
Update on the
Possible
Acquisition of the
Haggai
International Mid-
Pacific Center
f.k.a. the Maui Sun
Hotel Located at
175 E. Lipoa
Street, Kihei,
Maui, TMK No.:
(2) 3-9-002: 084

Chair Mackler asked for a motion to convene in executive session pursuant to Section 92-5(a)(3), 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), to consult with the board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities, as it relates to this matter.

**EXECUTIVE
SESSION**
12:07 p.m.

Vice Chair Reimann moved, seconded by Director Glenn, to convene in executive session.

The motion was carried.

The Board entered executive session at 12:07 p.m.

(Director Glenn was excused at this time – 12:22 p.m.)

The meeting was reconvened at 12:29 p.m.

RECONVENED
12:29 p.m.

Woodard asked for clarification from Pulmano on the statement made regarding the seller not willing to accept the reduced price. Pulmano stated that payment to the seller for the use of the property from August 2023 remains to be settled.

Designee Evans asked how much of the unpaid cost is attributed to FEMA personnel staying there. Pulmano stated it was primarily responders from Red Cross, National Guard, and Southern Baptist.

Designee Evans asked if any of those groups are seeking FEMA reimbursement of what they owe to Haggai. Pulmano stated that the County of Maui is seeking opportunities for reimbursement from the mentioned groups.

Executive Director Minakami reported on the Fire Relief Housing Program, stating that through the program, over 600 families have been placed into rental homes and are looking to consolidate programs alike to make it easier for survivors to find a home. He further stated that HHFDC continues to work with the County of Maui to provide housing solutions and community outreach.

Executive Director Minakami commented that he sees the partnership with UH and HCDA on the leasehold project as an opportunity to provide lower cost for sale housing for many residents. He stated that while the current climate of interest rates and overall increases makes meeting HHFDC's affordable guidelines very challenging for developers and with the issuance of the RFP developer interest can be determined.

There being no further business on the agenda, Vice Chair Reimann moved, seconded by Director Kimura to adjourn the meeting at 12:35 p.m..

The motion was carried unanimously.


SEAN SASAKI
Secretary

**IV.
REPORT
BY THE
EXECUTIVE
DIRECTOR**

**V.
ADJOURNMENT
12:35 p.m.**