

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

**January 11, 2024**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, January 11, 2024, 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/UCJP6i8hhsS9EK769RJJfT5w>).

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

The meeting was called to order by Chair Mackler and on roll call, those present and excused were as follows:

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

Executive Director Dean Minakami

Excused: Director Luis Salaveria  
Director Jay Kimura

Staff: Delmond Won, Executive Assistant  
Sandra Ching, Deputy Attorney General  
Ryan Kanakaole, Deputy Attorney General  
Klemen Urbanc, Deputy Attorney General  
Chris Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Randy Chu, Development Branch Chief  
Holly Osumi, Chief Financial Officer  
Dean Watase, Housing Planning Manager  
Stan Fujimoto, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Lorna Kometani, Sales & Counseling Section Chief  
Jay Nakamura, Housing Finance Specialist  
Ryan Morita, Housing Finance Specialist  
Gale Nishimoto,  
Annie Okumoto, Secretary  
Marc Orbito, Information Technology Systems Analyst  
Helmer Betiong, Information Technology Intern  
Esa Pablo, Secretary to the Board

Guests: Chico Figueiredo, Office of the Governor  
Lindsay Apperson, Office of the Governor  
Maggie Hall, Office of the Governor  
Tami Whitney, Office of the Governor  
Craig Hirai, City & County of Honolulu  
Kevin Auger, City & County of Honolulu  
Darren Ueki, City & County of Honolulu  
Anne Bailey, Hawaii County  
Ben Park, Hawaii Public Housing Authority  
Carlson Schultz, Hawaii Public Housing Authority

Garet Sasaki, HCDA  
Sharon Har, The Michaels Organization  
Daniel Simonich, The Michaels Organization  
Tai Pā, The Michaels Organization  
Grant Chang, Lowney Architect  
Carlo Mireles, Honuaula  
Moe Mohanna, Highridge Costa  
Brian Suess, Highridge Costa  
Monte Heaton, Highridge Costa  
Sam Arico, Highridge Costa  
Caitlin Barrow, Highridge Costa  
Bob Fard, Retirement Housing Foundation  
Stuart Hartman, Retirement Housing Foundation  
Chris Deuchar, Form Partners  
Michael Saines, Form Partners  
Tom S., PBR Hawaii  
Sunny R., PBR Hawaii  
Christina Pineada, OHCD  
OHCD Admin (screen name)  
Leilani Pulmano, Pacific Rim Land  
Crystal Schip, Settle Meyer Law  
Marian Gushiken, EAH  
Makani Maeva, AHE Group  
Jesse Wu, HUD  
Katie Pierce, HUD  
Christina Longman, HUD  
Scott Jepsen, EJP Consulting Group  
JP (screen name)  
anakalvp (screen name)  
iEmily (screen name)  
M (screen name)  
Arielle B (screen name)  
Case Realty1 (screen name)  
Jay (screen name)

Chair Mackler confirmed that there was no one present at the remote location of Director Bradshaw.

Executive Assistant Delmond Won went over HHFDC’s protocol for providing testimony. He stated that a testifier will be limited to three minutes, at the discretion of the presiding officer, to address matters directly related to the agenda. Instructions on how to submit written testimony were noted to be on the first page of the meeting agenda.

Approval of the December 14, 2023 regular meeting minutes was deferred to next Board of Directors Meeting.

Approval of the meeting minutes of executive session held on December 14, 2023 was deferred to next Board of Directors Meeting.

Chair Mackler called for a motion to convene in executive session pursuant to Section

**II.A**  
**APPROVAL**  
**OF**  
**MINUTES**  
Regular  
Meeting  
12/14/23

**II.B.**  
**APPROVAL**  
**OF**  
**MINUTES**  
Executive  
Session  
12/14/23

**III.A.**  
**DISCUSSION**



92-5(a)(2), Hawaii Revised Statutes (HRS), to consider the hire of an officer or employee, where consideration of matters affecting privacy will be involved.

**AND/OR  
DECISION  
MAKING**  
Selection and  
Hiring of an  
Executive Assistant  
Pursuant to Section  
201H-2(b), Hawaii  
Revised Statutes

Director Mende moved, seconded by Vice Chair Reimann, to enter executive session at 9:05 a.m.

**EXECUTIVE  
SESSION**  
9:05 a.m.

The motion was carried.  
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**RECONVENED**  
9:26 a.m.

The Board reconvened the meeting at 9:26 a.m.

Chair Mackler announced that the Board convened in executive session to discuss the hiring of an executive assistant.

A motion was made that the HHFDC Board of Directors approve the selection of Mr. Craig Hirai to serve as the Executive Assistant of HHFDC, with a start date of January 17, 2024, or as soon as possible thereafter, with a starting salary set at 90% of the HHFDC Executive Director’s current salary.

Vice Chair Reimann moved, seconded by Director Mende, that the motion be approved.

There being no discussion, nor testimony provided by the public, the motion was carried.

Chair Mackler congratulated Craig Hirai and thanked Delmond Won who has been serving in the position, for his service. He announced that Won will be serving in the capacity of a project manager within the Development Branch.

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

That the HHFDC Board of Directors accepts the audited financial statements of the Corporation for the fiscal year ending June 30, 2023.

**III.B.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Accept the Audited  
Financial  
Statements of the  
Hawaii Housing  
Finance and  
Development  
Corporation for the  
Fiscal Year Ended  
June 30, 2023

There being no testimony provided by the public, Chief Financial Officer Holly Osumi delivered a PowerPoint presentation providing an overview of: (1) Auditor Reports, (2) HHFDC Audited Financial Statements (AFS); (3) Housing Projects Completed; and (4) Housing Completed Pipeline. She stated that the AFS was completed, and respective reports were issued by Eide Bailly LLP (Auditor) yesterday, January 10, 2024, due to a correction of error regarding future costs of development for the Villages of Kapolei which was removed as a liability and instead disclosed as a commitment in the notes to the financial statements as per the Auditor. Primarily due to activities within the General Obligation Bond Fund, Rental Housing Revolving Fund (RHRF), Dwelling Unit Revolving Fund (DURF), and the Housing Finance Revolving Fund, Osumi noted that HHFDC’s total net position increased by \$122,000,000 to \$1,760,800,000 as of June 30, 2023.

(Director Bradshaw was excused at this time – 9:40 a.m.)

Osumi thanked the staff of HHFDC for their collaboration and contribution to the AFS and asked that requests for copies of the entire AFS be made to the Secretary to the Board Esa Pablo. The full AFS was also noted to be made available on the HHFDC website.

There being no questions, the motion was carried.

Designee Evans moved, seconded by Director Mende, for the HHFDC Board of Directors to approve staff's recommendation as summarized below:

- A. Reserve of up to \$8,384,158 in annual Federal Low Income Housing Tax Credits (LIHTC) over a 10-year period and \$8,384,158 in annual State LIHTC over a 5-year period from the non-volume pool (4% LIHTC) for the Kuhio Park Low-Rise & Homes Redevelopment Phase 1 (Project), subject to the provisions and conditions recommended in Exhibit C and D, completion of reporting requirements as shown in Exhibit E, and to the City and County of Honolulu (City) providing its private activity bond volume cap in support of the Kuhio Park Low-Rise & Homes Redevelopment – Phase 1 (Project); and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Chair Mackler opened for public testimony.

Chief Housing Planner Benjamin Park, with Hawaii Public Housing Authority (HPHA), stated that HPHA Executive Director Hakim Ouansafi sends his regrets for being unable to attend and thanked the Board for their consideration for all the HPHA related For Actions at today's meeting.

Chair Mackler noted that written testimony was received by HPHA Executive Director Ouansafi for agenda items III.C., D., G., and H.

There being no further testimony provided by the public, Housing Finance Specialist Jay Nakamura presented the For Action stating that the Project is the first phase of the redevelopment of 304 new affordable units consisting of studios, 1, 2, 3, and 4-bedrooms, and a manager's unit, targeting families with incomes at or below 60% of the Area Median Income (AMI). The Project has an affordability commitment of 65 years, with the property secured by a lease agreement with HPHA, at an estimated development cost of \$181 million.

Ms. Sharon Har introduced The Michaels Organization's Daniel Simonich and Tai Pā, and lead architect Grant Chang, with Lowney Architect. She delivered a PowerPoint presentation on the Project, emphasizing the revitalization history between Kuhio Park and HPHA as well as the community connectivity.

Designee Evans asked how old are the buildings that will be demolished in Phase 1. Har stated that she will get back to her on the exact number of years.

Chair Mackler inquired about the relocation plan for the 64 families. Har stated that they are currently working out the details with HPHA and residents to ensure a smooth transition.

Director Glenn asked for an update on the City's private activity bonds. Har responded that the Project received an award from the City of approximately \$93 million in November 2023 per the Cooperative Agreement.

There being no further discussion, the motion was carried.

Designee Evans moved, seconded by Director Mende, for the HHFDC Board of Directors to approve staff's recommendation as summarized below.

- A. Rental Housing Revolving Fund (RHRF) Project Award loan of \$48,556,752 to Kuhio Park 2, LLC (Applicant) for the Kuhio Park Low-Rise & Homes Redevelopment-Phase 1 (Project), with the terms and conditions prescribed in Section III. G. and in the RHRF Preliminary Commitment Letter in Exhibit C

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

Approve a Reservation of Low-Income Housing Tax Credits for the Kuhio Park Low-Rise & Homes Redevelopment – Phase 1 Project Located in Honolulu, Oahu, TMK Nos.: (1) 1-3-039: 006 (por.), 008 (por.)

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

Approve a Rental Housing Revolving Fund Project Award for the



of the For Action, subject to the following:

1. Authorization and approval by the Governor for the proposed project and the release of RHRF program funds as mandated under Chapter 15-311, Hawaii Administrative Rules (HAR).
2. Execution of documentation satisfactory to the HHFDC outlining the terms and conditions of the Project Award. The documents shall specify the standard terms and conditions as required to meet all statutory requirements of the RHRF program and the specific terms and conditions that are applicable to the Applicant's request for Project Award funds.
3. Completion of all documentation necessary and required to secure the release of RHRF funds.
4. Certification of the Applicant to comply with all applicable statutory and Program requirements, including, but not limited to, Chapters 343, 103D, and 104, and § 103-50, HRS, as they may relate to the use of State funds.
5. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project management Fees, shall not exceed the amounts indicated in the Applicant's Consolidated Application and in this For Action.
6. Availability of RHRF program funds.
7. The City and County of Honolulu is providing its private activity bond volume cap in support of the Project.

B. Authorize the Interim Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

There being no testimony provided by the public, Nakamura presented the For Action, providing the recommended RHRF loan terms with an interest rate of 0.25% after year 3 over a loan term of 50 years.

There being no questions, the motion was carried.

Finance Manager David Oi noted that the purpose of this For Information is to update the Board on the status of the Honuaula Living Community Project (Project) as discussed at the July 13, 2023 Board of Directors Meeting. Oi referenced Exhibit A within the informational report, providing an overview of the timeline of events and updated schedule of milestones for the Project.

Mr. Carlo Mireles, CEO of Honuaula, reported that communications with the federal government have been successful with the Project proceeding forward independently as two separate TMK Nos.

Designee Evans asked which U.S. Federal Government Agency is being referred to. Oi responded that staff will get back to her on that information.

The meeting was recessed at 10:27 a.m.

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The Board reconvened the meeting at 10:33 a.m.

Mr. Moe Mohanna delivered a PowerPoint presentation on the HPHA School Street Redevelopment Phase 1A (Project) which will consist of approximately 800 affordable units on the existing School Street campus. The following members of the

Kuhio Park Low-Rise & Homes Redevelopment – Phase 1 Project Located in Honolulu, Oahu, TMK Nos.: (1) 1-3-039: 006 (por.), 008 (por.)

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

Information on the Honuaula Living Community Project Located in Kailua-Kona, Hawaii, TMK Nos.: (3) 7-4-004: 014 and 092

**RECESSED**  
10:27 a.m.  
**RECONVENED**  
10:33 a.m.

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



Development Team were introduced: Mr. Steward Heartman and Mr. Bob Fard, with Retirement Housing Foundation; Mr. Chris Deucher, with Form Partners; and Mr. Ben Park and Mr. Carson Schultz, with HPHA.

Mohanna stated that the purpose of this informational item is to notify the Board of the transfer of assignment to Highridge Costa Development Company.

Designee Evans clarified whether the Board’s consent is required for the transfer. Mohanna explained that HHFDC needs to be notified of any assignment transfer while the allocation remains with the Project.

Chair Mackler noted that the HPHA Board approved the transfer. Mohanna concurred.

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

Designee Evans moved, seconded by Director Mende to approve staff’s recommendation as summarized below.

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 194, which amends Resolution No. 163 by increasing the intended tax-exempt issuance of Hula Mae Multi-Family (HMMF) bonds for the HPHA School Street Redevelopment Phase 1A (Project) up to \$85,152,621 from \$71,500,000, subject to provisions and conditions set forth in Exhibits E and G of the For Action.
- B. Increase the award of annual Federal LIHTC over a 10-year period to \$6,131,601 from \$5,257,493 and the award of annual State LIHTC over a 5-year period to \$6,131,601 from \$5,257,493 from the non-volume pool (4% LIHTC), subject to the LIHTC provisions and conditions set forth in Exhibits F and G of the For Action.
- C. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

There being no testimony provided by the public, Oi presented the For Action, stating that Project Budget increases were attributed to construction costs and financing fees. He noted that the HMMF bond amount being recommended is lower than the requested amount, which is sufficient to allow the Project to meet the 50% Test as required for LIHTC as well as a financial cushion for unforeseen expenses.

There being no questions, the motion was carried.

Designee Evans moved, seconded by Director Mende to approve staff’s recommendation as summarized below.

That the HHFDC Board of Directors approve the following:

- A. An increase to the RHRF Project Award to \$67,860,277 from \$40 million for the benefit of the HPHA School Street Redevelopment Phase 1A (Project), with the terms and conditions prescribed in Section III.H. and in the RHRF Preliminary Commitment Letter in Exhibit of the For Action, subject to:
  - 1. Authorization and approval by the Governor for the proposed project and the release of RHRF program funds as mandated under Chapter 15-311, HAR.
  - 2. Execution of documentation satisfactory to the HHFDC outlining the

**MAKING**  
Information on the  
HPHA School  
Street  
Redevelopment  
Phase 1A Project  
Located in  
Honolulu, Oahu,  
TMK No.: (1) 1-6-  
009: 003 (por.)

**III.G.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve: (1)  
Resolution No.  
194, Which  
Amends Resolution  
No. 163 by  
Increasing the  
Intended Issuance  
Amount of the Hula  
Mae Multi-Family  
Tax-Exempt  
Revenue Bonds;  
and (2) Request  
from the Awardee  
to Increase the  
Low-Income  
Housing Tax  
Credits  
Reservations for  
the HPHA School  
Street  
Redevelopment  
Phase 1A Project  
Located in  
Honolulu, Oahu,  
TMK No.: (1) 1-6-  
009: 003 (por.)

**III.H.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve a Request  
to Amend the  
Rental Housing  
Revolving Fund  
Award and Letter  
of Intent for the  
HPHA School  
Street  
Redevelopment  
Phase 1A Project  
Located in  
Honolulu, Oahu,

terms and conditions of the Project Award.

TMK No.: (1) 1-6-009: 003 (por.)

3. Completion of all documentation necessary and required to secure the release of RHRF.
  4. Certification of the Applicant to comply with all applicable statutory and program requirements, including, but not limited to, Chapters 343, 103D, and 104, and Section 103-50, HRS, as they may relate to the use of State funds.
  5. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed the amounts indicated in the Applicant's Consolidation Application and within the For Action.
  6. All undrawn Project RHRF funds remaining after completion of construction will be used to pay down the Project's RHRF principal balance at the time of permanent loan conversion.
  7. Availability of RHRF program funds.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

There being no testimony provided by the public, Oi presented the For Action, stating the amended loan terms with any undrawn Project RHRF funds remaining to be applied as a principal payment to the Project's RHRF balance.

Chair Mackler asked how the remaining debt will be serviced. Oi stated that the permanent debt is served at a 75% repayment which is the standard for all projects.

There being no further discussion, the motion was carried.

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

That the HHFDC Board of Directors approve the following:

- A. Developer, or other successor entity approved the Executive Director, as an Eligible Developer pursuant to Section 15-307-24, HAR;
- B. Development of the Project with the proposed exemptions from statutes, ordinances, and rules as recommended for approval herein, pursuant to Section 201H-38, HRS;
- C. Execution of any Development Agreement and Restrictions for such exemptions as required by the Executive Director; and
- D. Authorize the Executive Director to take all actions necessary to effectuate the purposes of the For Action;

Subject to the following:

- E. Approval with or without modification by the Department of Planning and Permitting Director (in lieu of the City Council) pursuant to the Governor's Emergency Proclamation (dated December 22, 2023);
- F. Exemption of a Development Agreement and Restrictions within twelve months from the date of this approval, unless otherwise extended at the sole discretion of the Executive Director. The Development Agreement will

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

Authorize an Application for Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, and Approve: (1) the Certification of HCDC Mayor Wright LLC, or Other Successor Entity Approved by the Executive Director, as an Eligible Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; (2) The Project Proposal; and (3) Execution of Development



include deadlines for commencement and completion of construction;

- H. Approval as to form of the applicable development documents and restrictions by the Department of the Attorney General and execution by the Executive Director;
- I. The Project shall not be sold, transferred, or otherwise used to satisfy the reserved housing or affordable housing requirement for any other project at any other location; and
- J. Compliance with all applicable laws, rules, regulations, and such other terms and conditions as may be required by the Executive Director.

There being no testimony provided by the public, Housing Development Specialist Albert Palmer presented the For Action. Palmer stated that HCDC Mayor Wright LLC (Developer) submitted a request to HHFDC in November 2023, for approval of certain exemptions from statutes, ordinances, and rules for the Mayor Wright Homes Redevelopment (Project) pursuant to Section 201H-38, HRS and the Third Proclamation relating to housing issued by the Governor. Pursuant to Section 11-200.1-11, HAR, HHFDC determined that the Project is exempt from additional environmental review and notice was published in The Environmental Notice on December 23, 2023. Comments received by the community pertained primarily to the construction timeline, relocation process, temporary units during construction, income qualification and return process to the new Project, unit designed features, and amenities, parking availability, ADA accessibility, and neighboring Department of Education schools.

Designee Evans asked if the demolition of the towers would allow for relocation of existing tenants. Mr. Moe Mohanna, Highridge Costa, stated that about 164 existing units will be affected with relocation handled by a third-party company towards the end of this calendar year. Based on family size, Tenant Protection Vouchers (TPV) will be provided to existing tenants to be relocated to another property or another HPHA property at the same rent amount paid at public housing assessed by their income with first right of return. The TPV is mobile and will follow the tenant to their relocation with moving expenses covered.

Regarding Tower C, Chair Mackler stated that while he likes the idea of serving the gap group, he questioned whether HHFDC's 10-year buyback and shared appreciation program restrictions were appropriate for the leasehold sale option. Executive Director Minakami stated that staff will investigate the matter.

Mohanna recognized HHFDC staff for their leadership and hard work towards the affordable housing initiative with HPHA.

Executive Director Minakami commended Housing Development Specialists Albert Palmer and Michele Leong for their hard work and dedication to meet the deadline.

There being no further discussion, the motion was carried.

Woodard provided a brief update on the possible acquisition of the Haggai International Mid-Pacific Center. He stated that at the November 9, 2023 Board Meeting, the Board approved a sales amount of \$34.5 million, which is lower than the contracted price within the Purchase and Sales Agreement (PSA) of \$37.7 million, due to deficiencies uncovered in due diligence of maintenance and repairs. The closing deadline has been extended under the PSA to the end of the month, anticipated to be done by February 21, 2024.

Chair Mackler asked if discussion needed to take place in executive session. Woodard responded in the negative.



Woodard continued, stating that HHFDC is working with HIEMA to ascertain the reimbursement amount to Haggai for housing first responders and with the County of Maui on a Memorandum of Agreement (MOA) to enter a ground lease of 75 years prior to closing, with project renovations to convert to permanent housing within three years, targeting households up to 80%, 100%, and 120% of the AMI.

Lipoa Street, Kihei,  
Maui, TMK No.:  
(2) 3-9-002: 084

Should the Board agree to proceed with the acquisition at the contracted sales price and with a credit in the amount of the HIEMA payment due to Haggai, Director Mende when would HHFDC get paid. Woodard stated that it is his understanding that payment would follow completion of all documentation being worked on by HIEMA.

Executive Director Minakami added that confirmation is needed on the terms of the sale agreement with Haggai and the MOA with the County of Maui before HHFDC will purchase the property.

Chair Mackler asked when approval of the MOA by the County Council can be anticipated. Executive Director Minakami stated that approval is anticipated in February 2024 at the soonest.

Designee Evans asked who will own the building. Executive Director Minakami responded that the County of Maui will own it. Woodard further clarified that HHFDC will own the land, with the County of Maui owning the building for a term of 75 years. The County of Maui will sublease the premises to the selected developer, who will own, operate, and improve the property.

Director Glenn inquired about the timeline in terms of housing solutions. Woodard stated that April 2025 is when the leasehold sale to the developer was anticipated to close under the projected timeline for an RFP by HHFDC, as previously contemplated.

There being no further discussion, the motion was carried.

Executive Director Minakami stated that the Fire Relief Housing Program was successful in housing over 600 people and was transitioned to the Council of Native Hawaiian Advancement in late December 2023.


**IV.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

Executive Director Minakami also stated that HHFDC's focus for Legislation is on securing funding for all financing programs, assist in the housing needs for West Maui, as well as addressing operational and staffing needs of HHFDC.

There being no further business on the agenda, Director Donn Mende moved, seconded by Vice Chair Reimann to adjourn the meeting at 11:30 a.m.

**V.  
ADJOURNMENT  
11:30 a.m.**

The motion was carried unanimously.

  
SEAN SASAKI  
Secretary