

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

**February 8, 2024**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, February 8, 2024, at 9:01 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**

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 Donn Mende  
Director Jay Kimura  
Designee Mary Alice Evans for Director James Tokioka  
Director Scott Glenn

Executive Director Dean Minakami

Excused: Director Luis Salaveria  
Director Jason Bradshaw

Staff: Craig Hirai, Executive Assistant  
Sandra Ching, Deputy Attorney General  
Chris Woodard, Chief Planner  
David Oi, Housing Finance Manager  
Holly Osumi, Chief Financial Officer  
Albert Palmer, Housing Development Specialist  
Lorna Kometani, Sales & Counseling Section Chief  
Jay Nakamura, Housing Finance Specialist  
Lanz Dong, Real Estate Portfolio Manager  
Hunter Miller, Real Estate & Planning Analyst  
Lee Miller, Property Management Specialist  
Jimmy Nguyen, Housing Finance Specialist  
Cynthia Nyross, Planner  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Technology Systems Analyst  
Helmer Betiong, Information Technology Intern  
Esa Pablo, Secretary to the Board

Guests: Hawaii State Senator Stanley Chang  
Chico Figueiredo, Office of the Governor  
Lindsay Apperson, Office of the Governor  
Tami Whitney, Office of the Governor  
Dean Sakata, Mark Development Inc.  
Chris Flaherty, Ikenakea  
Moe Mohanna, Highridge Costa  
Sam Arico, Highridge Costa  
Caitlin Barrow, Highridge Costa  
Chris Deucher, Form Partners  
Yukino Uchiyama, Munekiyo Hiraga

Albert Eberhardt, EAH  
Tom Schnell, PBR Hawaii  
Alana Pakkala, Kobayashi Group LLC  
Elton Wong, Kobayashi Group LLC  
Norman Cheng, Starn O`Toole Marcus & Fisher  
Cynthia Lallo, County of Maui  
Priya Landgraf, County of Maui  
Devon Edwards, Paramount Hotels LLC  
Matt Olson, Paramount Hotels LLC  
Kyle Asher, Paramount Hotels LLC  
Leilani Pulmano, Pacific Rim Land  
Everett Dowling, Dowling Company  
Jack Dowling, Dowling Company  
Robin Markle, Locations

Housing Information Officer Gordon Pang announced 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.

(Designee Evans arrived at this time – 9:03 a.m.)

Director Mende moved, seconded by Vice Chair Reimann, to approve the regular meeting minutes of December 14, 2023.

The motion was carried.

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

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

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

Approval of the regular meeting minutes of January 11, 2024 was deferred to the next Board of Directors Meeting.

**II.C.  
APPROVAL  
OF  
MINUTES**  
Regular  
Meeting  
1/11/24

Approval of the meeting minutes of the executive session held on January 11, 2024 was deferred to the next Board of Directors Meeting.

**II.D.  
APPROVAL  
OF  
MINUTES**  
Executive  
Session  
1/11/24

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

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue Hula Mae Multi-Family (HMMF) Bonds for the Uahi Ridge Project (Project) to August 31, 2024; and

**III.A.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve an  
Extension to  
Resolution No. 178,  
Which Provides for



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

Housing Finance Specialist Jimmy Nguyen presented the For Action. He stated that the Uahi Ridge Hui LP's request for an extension was evaluated based on progress made in three basic milestones of Site Control, Entitlements & Permits, and Financing Commitments. If deemed feasible, staff will present a subsequent resolution to the Board requesting approval for the actual issuance, sale, and delivery of bonds.

Nguyen introduced Developers Dean Sakata and Chris Flaherty to answer questions of the Board.

There being no questions, the motion was carried unanimously.

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

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 195 attached as Exhibit E, which amends Resolution No. 178 by increasing the intended tax-exempt issuance of HMMF bonds for the [~~Rice Street~~] Uahi Ridge Project up to \$36,080,800 from \$34,080,000. Subject to the provisions and conditions attached as Exhibits F and H.
- B. Increase the award of annual Federal Low Income Housing Tax Credits (LIHTC) over a 10-year period to \$3,250,000 from \$2,750,000 and the award of annual State LIHTC over a 5-year period to \$3,250,000 from \$2,750,000 from the non-volume pool (4% LIHTC). Subject to the LIHTC provisions and conditions in Exhibits G and H.

Nguyen presented the For Action. He stated that the Uahi Ridge (Project) is requesting additional funding in HMMF Bonds and LIHTC allocations to accommodate the Project Budget increases attributed to construction and financing costs. Under further review, Nguyen stated that the Project's application still merits an award even with the increased Project Budget.

Nguyen noted corrections to page 4 (as noted above) of the For Action and page 2, signature page of Exhibit E, which should be changed to "SCOTT GLENN, Director" and the word "for" to be removed from the signature line of "James Kunane Tokioka".

Chair Mackler inquired about the Project's progress regarding the sewer line connection required for the Project. Mr. Dean Sakata stated that they are working through the process with the Department of Transportation (DOT).

In terms of the sewer line connection, Chair Mackler asked whether additional delays on development are anticipated. Sakata responded that further delays are possible given that it is another process to go through with the DOT.

Director Glenn affirmed that the Governor's Office is tracking the Project.

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

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 by the Executive Director, as an

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

Approve: (1) Resolution No. 195, Which Amends Resolution No. 178 by Increasing the Intended Issuance Amount of the Hula Mae Multi-Family Tax-Exempt Revenue Bonds; and (2) a Request from the Awardee to Increase the Low-Income Housing Tax Credits Reservation for the Uahi Ridge Project Located in Lihue, Kauai, TMK Nos.: (4) 3-8-005: 022, CPR 0002

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

Authorize an Application for



Eligible Developer pursuant to Section 15-307-24, Hawaii Administrative Rules (HAR);

- B. Development of the Ka Lei Momi Kapaa Project (Project) with the proposed exemptions from statutes, ordinance, and rules as recommended for approval herein, pursuant to Section 201H-38, Hawaii Revised Statutes (HRS), and pursuant to the Governor's Emergency Proclamation;
- 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 action necessary to effectuate the purposes of the For Action. Subject to stated approvals and compliance with all applicable laws, rules, regulations, and terms and conditions set forth within the For Action.

Housing Development Specialist Albert Palmer presented the For Action. Plamer stated that the Ka Lei Momi Kapaa (Project) is being developed pursuant to the Governor's Emergency Proclamation for Affordable Housing, which suspends the HRS 201H-38(a)(3) to the extent that it allows the Kauai County's Planning Department to approve the 201H exemptions as opposed to the County Council.

Mr. Sam Arico, Highridge Costa, delivered a PowerPoint presentation on the Project, briefing the Board on the Project's: (1) Development Team; (2) Resident First Approach; (3) Kapaa Homes Redevelopment; (4) Requested 201H Exemptions; and (5) Development Timeline.

There being no questions, the motion was carried unanimously.

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. The Designated Equity Units specified in Exhibit A of the For Action, shall be the maximum number of units exclusively subject to the Dwelling Unit Revolving Fund Equity Pilot Program (DEP Program) for the initial period of 30-days and prioritized for eligible buyers after the initial 30-day offering period;
- B. The respective HHFDC allocation for Designated Equity Units as indicated in Exhibit A of the For Action;
- C. HHFDC purchase of equity for Designated Equity Units contracted by qualified purchasers;
- D. Execution of any DEP Program agreement to affirm HHFDC purchase of equity in Designated Equity Units; and
- E. Authorize the Executive Director to take all action necessary to effectuate the purposes of the For Action.

There being no testimony provided by the public, Real Estate Services Section Chief Lorna Kometani presented the For Action, stating that this is in continuity of the Act 92, Session Laws of Hawaii 2023. On October 2023, this Board approved the proposed new Chapter 15-309, Hawaii Administrative Rules (Rules) to implement the provisions of Act 92 and establish the framework for the DEP Program.

Kometani stated that 2599 Kapiolani LLC (Developer) proposes to offer up to 23

Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, and Approve: (1) the Certification of HCDC Hawaii Development 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 Documents for Approved Exemptions for the Ka Lei Momi Kapaa Project Located in Kapaa, Kauai, TMK Nos.: (4) 4-5-015: 007, 038, and 042

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

Approve: (1) the Hawaii Housing Finance and Development Corporation's Purchase of Equity in Designation Units within the Kuilei Place Housing Development (the Project) Located at 2599 Kapiolani Boulevard, Honolulu, Hawaii, TMK Nos.: (1) 2-7-022: 011, 015, and 031 to 049, in Accordance with Chapter 15-309, Hawaii Administrative Rules; and (2) a Set Aside of Dwelling Unit Revolving Fund Equity Pilot Program Funds for the Project



two-bedroom, 1-bath units from any of the 54 unsold units. HHFDC's equity of \$103,300 per unit amounts to a total of \$2,375,900 (out of the \$10 million allocated DURF funds under the DEP Program) for the Kuilei Place Housing Development (Project).

While the DEP Program is best applied at the start of a new housing development project, Kometani stated that application of the HHFDC affordable for-sale program guidelines were utilized in consideration of the existing Project, in which affordable and market buyers have already entered into binding purchase agreements. The Developer intends to offer the units on a first-come, first-served basis to minimize the holding period exclusively to the DEP Target Group, which are residents who: (1) own no other real property; (2) receive no gift funds; and (3) work in a profession that is facing a shortage as defined by the HHFDC.

In comparison to the total units of the October 2023 preliminary list and the January 2024 updated list within the For Action, Director Glenn asked whether the unit count was reduced because of units being sold and for the equity buydown. Kometani responded that the preliminary list came in with 3-bedroom units. Given that this is the first Project going through the DEP Program, the updated list was revised to address "Starter Units" as defined through HHFDC's development guidelines and Rules, which are geared towards studios and 1-bedrooms with a maximum of 2-bedroom, 1.5 bath units of "limited size, designed to meet the basic living capacity requirements of homebuyers with families by eliminating needless design and space amenities."

Director Glenn asked whether the Project would still have the affordable units sold outside of this effort. Kometani responded in the affirmative, explaining that the initial 30-day period for the DEP Target Group allows the developer to make the 54 unsold 2-bedroom/1.5-bath units available during that time, while providing the flexibility to sell those units to any interested affordable buyer thereafter.

Director Glenn confirmed the total amount applied for the Project as being approximately \$2.3 out of the capped amount of \$10 million, leaving funding available for additional projects. Kometani concurred.

Chair Mackler asked what the repayment terms would be for eligible buyers who utilize this subsidy. Kometani stated that there is a 30-year program term at 1% interest per year, with a shared equity component on the allocated amount. Therefore, she stated that if an eligible buyer should refinance, sell the property, or transfer their property while the DEP is in effect, HHFDC can expect the money back.

Chair Mackler asked what the Project's view is on this subsidy in terms of sales activity. Ms. Alana Kobayashi Pakkala, on behalf of the Developer, stated that there were not enough affordable units available to meet the demand of the prequalified applicants received within the 100% AMI range of which was made possible through the DEP Program.

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

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

That the HHFDC Board of Directors approve the following:

- A. Approve the execution of a Memorandum of Agreement (MOA) regarding the Haggai International Mid-Pacific Center f.k.a. the Maui Sun Hotel (Property) with the County of Maui (County);
- B. Amend the terms and conditions of the Board's November 9, 2023, approval



of the acquisition of the Property; and

C. Approve the execution of a ground lease of the Property with the County;

Each substantially on the terms described within the For Action; and

D. 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, Chief Planner Chris Woodard introduced the Property's Project Team: Special Deputy Attorney General Norm Cheng, Starn O'Toole Marcus & Fisher; Ms. Priya Landgraf, County of Maui; Mr. Devon Edwards, Matt Olson, and Kyle Asher, with Paramount Hotels; Ms. Leilani Pulmano, Pacific Rim Land; and Mr. Everett and Mr. Jack Dowling, with Dowling Company.

Vice Chair Reimann moved, seconded by Director Mende, to convene in executive session, pursuant to Section 92-5(a)(3), Hawaii Revised Statutes (HRS), to deliberate the authority of persons designated by the board to conduct negotiations to acquire public property or during the conduct of such negotiations, and Section 92-5(a)(4), HRS, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, as it relates to this matter.

The motion was carried unanimously.

Chair Mackler announced that the Board will convene in executive session immediately after a brief recess (9:49 a.m. – 9:59 a.m.).

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The meeting was reconvened at 10:41 a.m.

Chair Mackler summarized the Board's discussion in executive session regarding the amended terms and conditions of the acquisition of the Property and execution of a Memorandum of Agreement and ground lease with the County of Maui.

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

Chair Mackler thanked Woodard and his team for all their work with the Property. Further gratitude was expressed by Executive Director Minakami, Woodard, and the Project Team.

Executive Director Minakami, along with Planner Cynthia Nyross provided an overview of the following key administrative bills, stating that about 160 bills affecting housing issues are currently being monitored.

- HB2357/SB3046: repeals the HHFDC's Homebuyers' Club Program, which is obsolete.
- HB2358/SB3047: exempts affordable housing projects within the State urban land use district or up to 15 acres of land in the State agricultural land use district from current environmental assessment requirements, which addresses the lengthy entitlement process for affordable housing.
- HCR8/SCR6: seeks Legislature approval for the dedication of Kukuia roadway to the County of Maui. The concurrent resolutions have not yet been referred to any committees.
- HB2549/SB2836: establishes the interagency council for Maui Housing

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 (the Property); (2) Amended Terms and Conditions of the Previously Approved Acquisition of the Property; and (3) the Execution of a Ground Lease of the Property with the County

**EXECUTIVE SESSION**  
10:00 a.m.

**RECONVENED**  
10:41 a.m.

**IV. REPORT BY THE EXECUTIVE DIRECTOR**

Recovery. The increased coordination will help streamline the permanent housing recovery process, to be headed by HHFDC's executive director.

- HB1760/SB2339: is a bond recycling program designed to preserve and recycle prior years' tax-exempt private activity bonds volume cap to further support and expand affordable housing development in the State.
- HB2292/SB2833: appropriates funds to HHFDC for one project manager III position to aid the development affordable options in the State.
- HB1800: appropriates \$50 million in DURF and \$200 million in RHRF for fiscal years 2024 – 2025.

Executive Director Minakami stated that the Board may contact him on any questions they may have on Legislation bills and reported on the following.

- Under the Hawaii Fire Relief Housing Program, HHFDC is working with FEMA and the Department of Human Services on potential sites in Leialii for future housing projects.
- News about a potential permanent landfill being considered by the County of Maui in Leialii is being investigated, of which HHFDC was not consulted.
- Funding for the Mortgage Credit Certificate Program is being reauthorized, being one of the few programs offered for homeownership for first-time homebuyers.
- Consolidated applications are due February 16, 2024.
- Legislation at the congressional level to reduce the bond test from 50% to 30% is being tracked.
- HHFDC will be reaching out to 11 Waiahole lessees that remain in opposition to HHFDC's offer, in finding another arbitrator. The American Arbitration Association's fees were found to be high, opening at \$35,000, which would be split between HHFDC and the Waiahole lessees.

There being no further business on the agenda, Director Mende moved, seconded by Director Sasaki to adjourn the meeting at 10:53 a.m.

The motion was carried unanimously.

  
SEAN SASAKI  
Secretary

**V.**  
**ADJOURNMENT**  
10:53 a.m.