

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

June 13, 2024

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, June 13, 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>).

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 Donn Mende
Director Jason Bradshaw
Director Jay Kimura
Designee Mary Alice Evans for Director James Tokioka (remote)

Executive Director Dean Minakami (remote)

Excused: Director Sean Sasaki, Secretary
Director Luis Salaveria
Director Scott Glenn

Staff: Craig Hirai, Executive Assistant
Sandra Ching, Deputy Attorney General
Ariel McKenzie, Deputy Attorney General
Chris Woodard, Chief Planner
David Oi, Housing Finance Manager (remote)
Holly Osumi, Chief Financial Officer
Randy Chu, Development Branch Chief
Albert Palmer, Development Section Chief
Lorna Kometani, Sales and Counseling Section Chief
Lanz Dong, Real Estate Portfolio Manager
Jay Nakamura, Housing Finance Specialist
Cameron Lowry, Housing Development Specialist
Lee Miller, Property Management Specialist
Hunter Miller, Real Estate and Planning Analyst
Cynthia Nyross, Planner
Gordon Pang, Housing Information Officer
Marc Orbito, Information Technology Systems Analyst
Helmer Betiong, Information Technology Specialist
Zachary Kiyonaga, Information Technology Support
Esa Pablo, Secretary to the Board

Guests: Chico Figueiredo, Office of the Governor
Linsay Apperson, Office of the Governor
Tami Whitney, Office of the Governor
Tom Shigemoto, Kauai Housing Development Corporation
Andy Friend, Kauai Housing Development Corporation
Moe Mohanna, Highridge Costa
Brian Suess, Highridge Costa
Harrison Herzberg, Highridge Costa
Caitlin Barrow, Highridge Costa

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

Sean Choppin, Highridge Costa
Ava Goldman, Ava Goldman Associates LLC
Liz Char, Ava Goldman Associates LLC
Craig Watase, Mark Development, Inc.
Kyle Watase, Mark Development, Inc.
Chaz Wada, Mark Development, Inc.
Joelle Chiu, Ahe Group
Daniel Simonich, The Michaels Organization
Ben Dookchitra, Avalon Development
Dayna Yogi, Avalon Development
Justin Sugiyama, Cades Schutte
Crystal Schip, Settle Meyer Law
Ronald Lum, Jr., Law Office of Ronald Lum, Jr. LLC
John Pampalone, Keauhou Place
DeMont Manaole, Ho’omana Pono LLC/Hawaiian Homes beneficiary
Blossom Feiteira, Kū Pono Ka Leo O Ka ‘Āina
Chasetyn K. Hasegawa, Kū Pono Ka Leo O Ka ‘Āina /Courtyards at
Waipouli
Isabelle Reed, Kū Pono Ka Leo O Ka ‘Āina /Courtyards at Waipouli
Connye Busa, Kū Pono Ka Leo O Ka ‘Āina /Courtyards at Waipouli
Summer Yadao, Kū Pono Ka Leo O Ka ‘Āina
Kenna StormoGipson, Kū Pono Ka Leo O Ka ‘Āina
Sam Wampler, Kū Pono Ka Leo O Ka ‘Āina /Courtyards at Waipouli
Michael W. Hurst, Courtyards at Waipouli
JoAnn Yukimura, Self/Waipouli Housing Cooperatives
Claire Niheu (Moki), Kauai lessee
Rosemary Vaivao, Kekaha resident
Tano Castaneda, Hawaiian Homes Association
Leilani Beniamina Talich, Hawaiian Homes beneficiary
Renee Ing, concerned citizen of affordable housing
SGM Keith Castaneda
Tiare Kolowena
Emily Tian
Rowena
Cindy
Susan

Chair Mackler confirmed that no one was present at the remote location of Designee Mary Alice Evans.

Housing Information Officer Gordon Pang stated HHFDC’s instructions for providing testimony, stating that a testifier will be limited to three minutes, at the discretion of the presiding officer, to address matters.

Approval on this item was deferred until July 11, 2024.

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II.A.
APPROVAL OF
MINUTES
Regular
Meeting
5/9/24

II.B.
APPROVAL OF
MINUTES
Special
Meeting
5/15/24

II.C.
APPROVAL OF
MINUTES
Special
Meeting

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

There being no testimony provided by the public, Housing Finance Specialist Jimmy Nguyen presented the For Action, which seeks the authorization by the Board for the issuance, sale, and delivery of Hula Mae Multi-Family (HMMF) Bonds for the Liloa Hale Project (Project), as reflected in Resolution No. 202, in a principal amount not to exceed \$37,282,733. Closing was noted to be anticipated in July 2024.

There being no questions, the motion was carried unanimously.

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

There being no testimony provided by the public, Housing Finance Specialists Ryan Morita and Mike Doyle presented the For Action, stating that HHFDC received a total of 27 applications for Rental Housing Revolving Fund (RHRF) funding for the Fiscal Year 2024 (FY2024) Funding Round, totaling an aggregate amount of \$598,872,431. In its review, 3 of the 27 applications received were omitted – two applicants failed the Minimum Threshold requirement, and one applicant withdrew its application – decreasing the number of RHRF applicants to 24.

Morita stated that while all 24 applicants scored above the minimum 125 points required, placing them all on the RHRF Approved Project List, applicants are not guaranteed to receive funding, but also based on other factors, such as, overall feasibility, other funding requests, availability of funds, and whether it is in the best interest of the RHRF program.

Morita noted a correction to be made on page 4, under section III.H., within the Projects table. Number 5, Hale Pilina, should be stricken from the list.

Morita stated that the Project listing identified within the For Action is listed alphabetically and not in any ranking order. The RHRF Approved Project List will remain in effect until HHFDC makes awards to projects on the list or until HHFDC approves a new approved project list, whichever comes first.

There being no questions, the motion was carried unanimously.

Chair Mackler stated that he will be recusing himself from agenda items III.C., III.D., and III.E., due to a conflict of interest as a volunteered member on the Kauai Housing Development Corporation Board, who is involved in the following financing recommendations.

(Chair Mackler excused himself from the meeting at this time – 9:15 a.m.)

Vice Chair Reimann resumed the meeting as the presiding officer and asked for a motion.

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

**III.A.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve
Resolution No.
202, Authorizing
the Issuance of
Hula Mae Multi-
Family Tax-
Exempt Revenue
Bonds for the
Liloa Hale Project
Located in Kihei,
Maui, TMK No.:
(2) 2-2-002: 072
(portion)

**III.B.
DISCUSSION
AND/OR
DECISION
MAKING**
Adopt the
Approved and
Rejected List for
the Rental Housing
Revolving Fund
Project Awards for
the Fiscal Year
2024 Funding
Round

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

Doyle and Morita presented the For Action, providing an overview of the general guidelines and eligibility requirements of the Low Income Housing Tax Credit (LIHTC) program. For 2024, Doyle stated that Hawaii has just over \$4.6 million available for both Federal and State LIHTCs, in which HHFDC received six applications requesting a total aggregate amount of \$7.9 million each in Federal and State LIHTC. Based on staff's evaluation process utilizing the 2024 Qualified Allocation Plan and other factors, the following projects are being recommended for funding:

1. \$1.4 million in both annual Federal and State LIHTC for the Hanapepe Residence Lots – IIA, located in Hanapepe, Kauai. Total development cost of approximately \$29.3 million for 30 affordable single-family units, catering to families on the Department of Hawaiian Home Lands (DHHL) waitlist. The project received the highest aggregate score for rental subsidies and efficient development costs. Project completion is anticipated in the second quarter of 2026.
2. \$763,086 in both annual Federal and State LIHTC for the Kalepa 23, located in Lihue, Kauai. Total development cost of approximately \$21.1 million for the acquisition and rehabilitation of 80 affordable family and elderly units, providing support services in financial education and job training. The project scored high on project readiness and received the highest score for leveraging/efficiency of funds. Project completion is anticipated in the fourth quarter of 2025.
3. \$1.8 million in both annual Federal and State LIHTC for the 330 Kuulei Apartments, located in Kailua, Oahu. Total development cost of approximately \$31 million for 40 low income family and homeless units. The project scored highest for project readiness receiving their construction permit approval and developer and management experience. Project completion is anticipated in the fourth quarter of 2025.

Doyle stated that the 2024 LIHTC allocation will support the development of approximately 150 affordable housing units across Hawaii. These projects will address critical needs and are expected to make a significant impact on its communities. Projects will continue to be monitored by HHFDC to ensure compliance and successful implementation.

PowerPoint presentations on the recommended projects were delivered by Mr. Kyle Watase for the Hanapepe Residence Lots – IIA Project, Ms. Ava Goldmann for the Kalepa 23 Project, and Ms. Joelle Chiu for the 330 Kuulei Apartments Project, respectively.

There being no questions by the Board, Vice Chair Reimann opened for public testimony.

- Mr. DeMont Manaole, co-manager of Ho'omana Pono LLC, testified in support of DHHL's possible acquisition of the Courtyards at Waipouli (which was not eligible to receive 9% LIHTC for the 2024 Funding Round by HHFDC). He asked that the Board defer action on the project, to allow Hawaiian Home beneficiaries the opportunity to speak on the matter. He further stated that he felt it was unfair for DHHL to be "villainized" when residents were notified a year ago.
- Ms. Blossom Feiteira, Kū Pono Ka Leo O Ka 'Āina (KPKOA), distributed two handouts (Meet Our Provisional and Advisory Board Members and an article titled, "DHHL Is Finding It's Not So Easy To Just Buy An Apartment Building For Families On the Homelands Waitlist") to the Board and testified in opposition of DHHL acquiring the Courtyards at Waipouli and the LIHTC Rent-to-Own program for the Hanapepe Residence Lots IIA. She asked that

Approve an Award of Federal and State Low-Income Housing Tax Credits from the State's 2024 Volume Cap to: (1) Hanapepe Residence Lots – IIA Located in Hanapepe, Kauai, TMK Nos.: (4) 1-8-007: 018 (portion) & 021 (portion); (2) Kalepa 23 Located in Lihue, Kauai, TMK Nos.: (4) 3-8-002: 023 & 024; and (3) 330 Kuulei Apartments Located in Kailua, Oahu, TMK No.: (1) 4-3-054: 007

DHHL and the developer of Hanapepe Residence Lots IIA consult with the Hawaiian Homes beneficiaries on Kauai through community meetings to allow them the opportunity to speak to their concerns and questions.

- Ms. JoAnn Yukimura, Waipouli Housing Cooperative, provided written testimony and testified in support of staff's recommendation that did not award a 9% LIHTC allocation to be granted to DHHL for the Courtyards at Waipouli Project. She stated that while she commends DHHL's chair Kali Watson's innovative efforts to diversify the housing options for beneficiaries, she did not agree that this was the best way to address DHHL's goal for homeownership. She suggested that the Waipouli Housing Cooperative purchase the project, allowing existing workforce tenants to continue living there as well as create future housing ownership opportunities for beneficiaries and Kauai residents alike, becoming a working model for cooperative housing on Kauai and in the State of Hawaii. She urged that the Board hold a special briefing on limited equity housing to help in addressing Hawaii's affordable housing crisis and effectively provide affordable housing for present and future generations.
- Mr. Craig Watase, Mark Development Inc., testified in support of the LIHTC Rent-to-Own program for the Hanapepe Residence Lots IIA Project. He stated that Mark Development Inc. was the first to utilize the program on Hawaiian Home Lands. He stated that under the program they were successful in demonstrating that families earning 60% and 50% of the AMI could become homeowners, who would not otherwise qualify for a mortgage.
- Courtyards at Waipouli residents Mr. Chasetyn Hasegawa, Ms. Isabella Reed, Ms. Connye Busa, and concerned citizen Ms. Renee Ing, testified in opposition of DHHL's attempt to acquire the Courtyards at Waipouli. They expressed concern of possible eviction and DHHL's untimely notification of a potential sale. Hasegawa asked that resources be placed into something that can help everyone, stating that there are a lot of other places in which development of housing for Hawaiian Homes beneficiaries could occur. Ing stated that the model of a limited equity co-op sets up financing that assures affordability, and if structured right, can be affordable in perpetuity.
- Ms. Summer Yado, KPKOA, provided testimony in opposition of the LIHTC Rent-to-Own program for the Hanapepe Residence Lots IIA Project. She stated that at previous DHHL meetings, residents and beneficiaries expressed that the program was not so great, in that kupuna would need to wait 15 years to have an option to purchase. She encouraged the need for more viable solutions, such as a cooperative model, to further avoid emigration in Hawaii.
- Kauai residents Ms. Claire Niheu, Ms. Rosemary Vaivao, Ms. Tano Castaneda, and Ms. Leilani Beniamina Talich, testified in opposition of the LIHTC Rent-to-Own program for the Hanapepe Residence Lots IIA Project. They requested that DHHL consult with the residents and beneficiaries before any decision is made.

There being no further testimony provided by the public, Vice Chair Reimann called for a recess at 10:28 a.m.

RECESSED
10:28 a.m.

The meeting was reconvened at 10:44 a.m., at which time Vice Chair Reimann thanked everyone for their testimony provided. She stated that while the Board will be taking a vote on agenda item III.C., there are many more steps that need to be considered and met before a project can proceed and close. She encouraged developers to better communicate with beneficiaries and the community to address their questions and ensure concerns are heard.

RECONVENED
10:44 a.m.

There being no further discussions or questions by the Board, the motion was carried, with Chair Mackler recusing himself from the vote as noted above.

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

Morita presented the For Action, stating that the Kalepa 23 Project is requesting a RHRF Project Award loan in the amount of \$1 million for a loan term of 37 years at a 0.5% Interest Rate after year 2, subject to the authorization and approval by the Governor and other terms as stated within staff's recommendation of the For Action.

There being no testimony and questions by the Board, the motion was carried, with Chair Mackler recusing himself from the vote as noted above.

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

Morita presented the For Action, stating that the 330 Kuulei Project is requesting a RHRF Project Award loan in the amount of \$5.7 million for a loan term of 57 years at a 0.25% Interest Rate after year 3, subject to the authorization and approval by the Governor and other terms as stated within staff's recommendation of the For Action.

Morita noted a correction on page 5 of the For Action, under section IV. B. of staff's recommendation, omitting the word "Interim," to read as follows: "Authorize the Executive Director to undertake all tasks necessary to effectuate the purpose of this For Action."

There being no testimony and questions by the Board, the motion was carried, with Chair Mackler recusing himself from the vote as noted above.

(Chair Mackler re-entered the meeting at this time – 10:53 a.m.)

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

Sales and Counseling Section Chief Lorna Kometani presented the For Action, stating that the request before the Board is to replace 3 units that were a part of the original 25 designated Dwelling Unit Revolving Fund Equity Pilot (DEP) Program units approved by the Board last month, which were inadvertently contracted for sale by the developer. The replacement unit prices are lower, resulting in a \$1,697,945 DEP Program equity allocation, a difference of \$10,070.

Kometani also noted a correction on page 1 of the For Action, under section II.B., which should read: "On May 24, 2024, the Modea sales broker informed HHFDC of the inadvertent sale of three of the designated DEP units"

Kometani further stated that the DEP Program rules are being reviewed to ensure that lending requirements for the buyer's first mortgage loan are met.

Director Kimura asked how this occurred. After last month's Board approval, Kometani stated that there was a misunderstanding between the developer and sales team as to which units were designated. The developer has agreed to sell no more of the designated units until they have launched later this month.

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

Executive Director Dean Minakami remotely reported on the following from the National Council of State Housing Agencies Conference in Atlanta, Georgia.

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

Approve a Rental Housing Revolving Fund Project Award for Kalepa 23 Project Located in Lihue, Kauai, TMK Nos.: (4) 3-8-002: 023 & 024

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

Approve a Rental Housing Revolving Fund Project Award for the 330 Kuulei Apartments Located in Kailua, Oahu, TMK No.: (1) 4-3-054: 007

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

Approve an Amendment of the Designated Hawaii Housing Finance and Development Corporation's Dwelling Unit Revolving Fund Equity Pilot Program Units for the Modea Project Located at 168 Queen Street, Honolulu, Hawaii, TMK No.: (1) 2-1-014: 001

**IV.
REPORT
BY THE
EXECUTIVE
DIRECTOR**

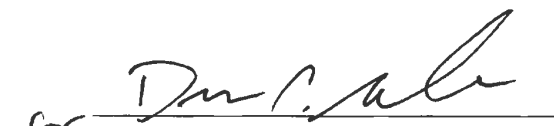
- Thanked the Board and staff for the two Special Board Meetings that were held in May 2024, in addition to its Regular May 9, 2024 Board Meeting, to help move forward the HPHA School Street Redevelopment Phase 1A Project and Hale Moiliili Project.
- The Hale ‘O La‘ie project (formerly known as the Haggai Institute) has been ready for occupancy for about a month. However, Maui wildfire survivor tenant protocols are being finalized in collaboration with HHFDC, Department of Human Services, and other agencies on an application to be utilized for all State projects servicing survivors anticipated next week.
- Discussions with various parties to promote more 60% to 120% AMI mixed-income rental projects that do not use LIHTC were held. The Board’s input and/or suggestions on the matter were welcomed.
- Commencement of HHFDC’s Strategic Planning focuses on a 2 to 3-year action plan on the agency’s activities for new initiatives or changes to existing programs, in collaboration with the Board.

Planner Cynthia Nyross provided a legislative update on bills that were signed into law by the Governor, who has until June 25, 2024, to inform the Legislature on any bills he intends to veto.

- HB2790 (Act 29) – requires HHFDC to report to the Legislature on the Hula Mae Single Family Program.
- SB2133 (Act 34) – allows HHFDC to issue bonds to help finance regional state infrastructure projects on State lands.
- HB1760 (Act 35) – enables Private Activity Bonds recycling for qualified projects which will provide an additional possible source of financing for workforce rental housing.
- HB2090 (Act 37) – allows for the adaptive reuse of existing commercial buildings for residential housing.
- SB3202 (Act 39) – promotes high density residential development on the limited lands suitable for that development. In its final form, the bill requires each county to allow at least two accessory dwelling units on certain residential zoned lands, unless alternative actions specified in the bill are taken.
- SB2337 (Act 45) – allows counties to issue bonds for mixed-use projects that are expected to include substantial housing components, such as the City & County of Honolulu’s Iwilei Skyline Station.
- Nyross stated that she will keep the Board apprised on HB1800 (Budget Bill), which has not yet been signed by the Governor.

There being no questions or further business on the agenda, Director Mende moved, seconded by Chair Mackler to adjourn the meeting at 11:03 a.m.

The motion was carried unanimously.

for 
SEAN SASAKI
Secretary

V.
ADJOURNMENT
11:03 a.m.

JOSH GREEN, M.D.
GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

In reply, refer to:

24:OED-21

June 13, 2024

TO: The Hawaii Housing Finance and Development Corporation
Board of Directors

FROM: Sean Sasaki
Board Secretary

SUBJECT: Delegation of Authority Letter

Dear Chair Mackler and Members of the Board:

By means of this letter, I, Sean Sasaki, the Hawaii Housing Finance and Development Corporation (HHFDC) Board Secretary, hereby delegate (pursuant to the Bylaws of the HHFDC, Section 6) all board secretarial duties to the Executive Director, Dean Minakami, in my absence on June 13, 2024.

Sincerely,

Sean Sasaki

Sean Sasaki
Board Secretary