

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

**August 8, 2024**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, August 8, 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/UCJP6i8hhsS9EK769RJfT5w>).

The meeting was called to order at 9:00 a.m. by Chair Mackler. 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  
Director Scott Glenn

Executive Director Dean Minakami

Excused: Director James Tokioka  
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  
Randy Chu, Development Branch Chief  
Albert Palmer, Development Section Chief  
Lorna Kometani, Sales & Counseling Section Chief  
Lee Miller, Property Management Specialist  
Jay Nakamura, Housing Finance Specialist  
Nathan Akamu, Housing Finance Specialist  
Cameron Lowry, Housing Development Specialist  
Cynthia Nyross, Planner  
Gordon Pang, Housing Information Officer  
Helmer Betiong, Information Technology Specialist  
Jordon Yogi, HHFDC Intern  
Esa Pablo, Administrative Assistant to the Board

Guests: Chico Figueiredo, Office of the Governor  
Lindsay Apperson, Office of the Governor  
Tami Whitney, Office of the Governor  
Stanley Chang, Hawaii State Senate  
County of Hawaii  
Douglas Bigley, Ikaika Ohana  
Thomas Fischer, Ikaika Ohana  
Andy Friend, Kauai Housing Development Corporation  
Tom H. Shigemoto, Kauai Housing Development Corporation  
Liz Char, Kauai Housing Development Corporation  
Ava Goldman, Ava Goldman Associates, LLC  
Chris Flaherty, Ikenakea Development LLC  
Keegan Flaherty, Ikenakea Development LLC

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

Audrey Awaya, Pacific Housing Assistance Corporation  
 Karen Arakawa, Pacific Housing Assistance Corporation  
 Lacey Shimabukuro, Pacific Housing Assistance Corporation  
 Steven Kothenbeutel, Avalon Development Company, LLC  
 Spencer Lee, JL Capital  
 Mark Berkowitz, JL Capital  
 Tai Pa, The Michaels Organization Hawaii  
 The Michaels Organization Hawaii  
 Connie Yu-Pampalone, Catholic Charities Hawaii Development Corporation  
 Daniel Simonich, Prospac Holdings Group  
 Justin Sugiyama, Cades Schutte LLP  
 Mark Shelburne, Novogradac  
 Chris Abbott, Bank of Hawaii  
 Ivan Hou, Local 5  
 Doris Brownfield (Luciens Phone), Courtyards at Waipouli resident  
 Conny Busa (Connye's iPhone (2)), Courtyards at Waipouli resident  
 Chasetyn Hasegawa, (Chasetyn's), Courtyards at Waipouli resident  
 Isabelle Reeds, Courtyards at Waipouli resident  
 Summer Yadao, Kū Pono Ka Leo O Ka 'Āina  
 Robin Markle  
 LiuMe

Vice Chair Reimann moved, seconded by Director Mende, to approve the annual meeting minutes of July 11, 2024.

There being no questions or comments, the motion was carried unanimously.

Director Mende moved, seconded by Vice Chair Reimann to approve the regular meeting minutes of July 11, 2024.

There being no questions or comments, the motion was carried unanimously.

(Director Sasaki arrived at this time – 9:02 a.m.)

Housing Information Officer Gordon Pang announced HHFDC's instructions 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.

Chair Mackler confirmed that no one was present at the remote location of Director Sean Sasaki.

Housing Finance Manager David Oi presented the report by the 2025 Qualified Allocation Plan (QAP) Permitted Interaction Group (PIG), consisting of Chair Mackler, Vice Chair Reimann, Director Sasaki, and Director Glenn. He thanked the PIG members and participating staff for their contributions to the findings and following recommendations, summarized below.

- Adopt non-substantive changes as recommended.
- Incorporate design requirements as an appendix and guide for all applicants.
- Modify plan and cost requirements to encourage realistic cost estimates thereby reducing additional requests for resources and project delays.
- Modify developer fee calculation method to increase parity among varied project sizes and scope.

**II.A.  
 APPROVAL OF  
 MINUTES**

Annual Meeting  
 7/11/24

**II.B.  
 APPROVAL OF  
 MINUTES**

Regular Meeting  
 7/11/24

**III.  
 FINDINGS AND  
 RECOM-  
 MENDATIONS  
 OF THE 2025  
 QUALIFIED  
 ALLOCATION  
 PLAN  
 PERMITTED  
 INTERACTION  
 GROUP**



- Develop a structure to address past performance by development teams regarding completing projects without requesting additional resources or extensions for project closing.
- Develop applicant cost ranges for various areas of project costs.
- Remove scoring criteria for Efficiency and Leveraging and replace with new criteria and scoring method that disincentivizes the “race to the bottom.”
- Consider additional incentives for projects on State/Local Government Owned Lands.
- Simplify the point structure and calculation for the project Minimum Election Set-Asides.

Corrections were noted on pages 5 and 6 of the report, under sections II.J.f., omission of the word “in” within the fourth sentence: “In contrast, Hawaii is severely oversubscribed ~~in~~ on private activity bonds. . . .” and deletion of a duplicate entry under section III.F.

Oi stated that any discussion and/or action on the proposed recommendations will be taken at a subsequent Board of Directors meeting.

There being no testimony provided from the public, Chair Mackler proceeded to agenda item IV.A.

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

There being no testimony provided by the public, Oi presented the For Action. He stated that the Kaiaulu O Kupuohi Project (Project), an 89-family unit affordable rental housing facility for families earning 60% of the area median income (AMI) and below, was one of the structures destroyed by the Maui Wildfires on August 8, 2023. Under Section 42(j)(4)(E) of the Internal Revenue Code, if a Low Income Housing Tax Credit (LIHTC) project is destroyed by a casualty (such as a fire, flood, or other disaster), the owner can avoid recapture of tax credits if the project is restored and placed back in service within 24 months after the end of the calendar month in which the casualty occurred. The Project must be placed back in service by September 30, 2025.

Oi stated that the Maui County Fiscal Year 2025 budget appropriated approximately \$36 million in gap financing to rebuild the Project and \$3.1 million to acquire the fee simple interest in the land from A0704 Lahaina, L.P. (the current Owner). The land will be leased back by the County to the current Owner for 75 years.

HHFDC is a loss payee on the Project’s insurance policy and requests to permit the current Owner to use the funds to rebuild the Project and amend the collateral for the Rental Housing Revolving Fund loan and the senior loan from Bank of Hawaii to encumber the Project’s leasehold interest in the land.

Mr. Doug Bigley, the Project representative, commented on the discussion being on the one-year anniversary of the Maui Wildfires and stated that if approvals are received today the Project can continue with the construction to meet its deadline.

There being no questions by the Board, the motion was carried unanimously.

As a volunteered member on the Kauai Housing Development Corporation Board, Chair Mackler recused himself from the vote and called upon Vice Chair Reimann to facilitate discussion on this action item.

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

Approve an Amendment of Collateral for the Rental Housing Revolving Fund Loan for the Kaiaulu O Kupuohi Project Located in Lahaina, Maui, TMK No.: (2) 4-5-010: 047

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



(Vice Chair Reimann proceeded as the presiding officer at this time – 9:18 a.m.)

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

There being no testimony provided by the public, Oi presented the For Action. Pursuant to Act 227, Session Laws of Hawaii 2021, loans can be provided to nonprofit community development financial institutions and nonprofit housing development organizations to develop affordable for sale housing for families at or below 100% AMI. The Supplemental Appropriations Act of 2022, Act 248, appropriated \$5 million in nonrecurring general funds for the Affordable Homeownership Revolving Fund (AHRF) program. Oi stated that the Lima Ola Project (Project), a master planned community, is the first to receive an AHRF Project Award for 4 units within in Eleele, Kauai, on leasehold land owned in fee by the County of Kauai under a 99-year lease. Construction of the Project is anticipated to commence in January 2025 with completion of the Project in June 2025.

Oi stated that the recommended loan terms is for a loan amount of \$1,871,313 for the construction financing of the 4 single family homes in the Project, at a 1% fixed interest rate with a maturity term of 1 year, during construction. HHFDC shall have the right to rescind the award or recapture funds if terms of the loan agreement are not fulfilled, and the award is subject to the availability of AHRF program funds.

Mr. Andy Friend, executive director of Kauai Housing Development Corporation, expressed appreciation for HHFDC's review of their application and stated that at completion of the master planned community about 550 affordable units will be available for families. He noted that out of the 620 brochures mailed out to families on Kauai by the County, 150 applicants have responded and are awaiting further review, being the only homes of affordable housing being built on the island other than housing by Habitat for Humanity.

There being no questions by the Board, the motion was approved, with Director Mackler recusing himself from the vote.

(Chair Mackler returned as the presiding officer at this time – 9:29 a.m.)

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

There being no testimony provided by the public, Finance Branch Specialist Jay Nakamura presented the For Action. Based on the progress made in the milestone areas of Site Control, Entitlements & Permits, Financing Commitments, and Schedule & Milestones, an extension to issue the Hula Mae Multi-Family (HMMF) bonds for the Hale O Piikea II (Project) is being requested to February 16, 2025. Financial closing is anticipated next quarter.

Mr. Chris Flaherty and Mr. Keegan Flaherty, with Ikenakea Development LLC, were made available for questions.

Vice Chair Reimann stated that she was glad to see this Project moving forward.

Chair Mackler inquired about updates on the Project. Mr. C. Flaherty stated that with permits received June 7, 2024, and completion of their closing checklist on July 15, 2024, the Project is poised to close.

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

Director Mende moved, seconded by Direct Glenn, to approve staff's recommendation as approved.

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Approve an Affordable Homeownership Revolving Fund Project Award for the Lima Ola Project Located in Eleele, Kauai, TMK Nos.: (4) 2-1-013: 013, 015, 017, & 019

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

Approve an Extension to Resolution No. 199, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Hale O Piikea II Project Located in Kihei, Maui, TMK No.: (2) 3-9-002: 076, CPR Unit C

**IV.D.  
DISCUSSION  
AND/OR**



There being no testimony provided by the public, Oi presented the For Action. Resolution No. 205 satisfies the requirement to accomplish and complete the HMMF Bond sale in the principal amount not to exceed \$42,165,000, for the Na Hale Mako Project. The Project's rent mix will be updated according to the approved 2024 U.S. Department of Housing and Urban Development's approved rent limits. Financial closing is anticipated in September 2024, with completion of the Project in the second quarter of 2026.

Ms. Audrey Awaya, the Project representative, thanked the Board and the County of Hawaii for approving and supporting the Project.

There being no questions by the Board, the motion was carried unanimously.

Agenda items IV.E. and IV.F. were deferred to the September 12, 2024 Board of Directors Meeting.

Director Glenn requested that the proposed rules include a rationale report to help explain what the rules do. Deputy Attorney General Sandra Ching advised that further discussions with the respective staff of the Planning, Evaluation and Compliance Branch be sought.

**DECISION MAKING**  
Approve Resolution No. 205, Authorizing the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Na Hale Mako Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-042: 022

**IV.E. DISCUSSION AND/OR DECISION MAKING**  
Approve: (1) the Repeal of Chapter 15-161 "Hula Mae Single Family Program," Hawaii Administrative Rules (HAR); and (2) the Proposed New Chapter 15-314 "Hula Mae Home Mortgage Loan Program," HAR, to Implement the Provisions of the Housing Loan and Mortgage Program Established by Subpart B of Part III, Chapter 201H, Hawaii Revised Statutes

**IV.F. DISCUSSION AND/OR DECISION MAKING**  
Approve: (1) the Repeal of Chapter 15-169 "Downpayment Loan Program," Hawaii Administrative Rules (HAR); and (2) the Proposed New Chapter 15-317 "Downpayment Loan Assistance Program," HAR, to Implement the Downpayment Loan Assistance

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

(With the previous items deferred, the meeting was recessed at this time for the next presenter – 9:45 a.m.)

Chair Mackler called the meeting back to order at 9:54 a.m. and with no testimony provided by the public, Sales & Counseling Section Chief Lorna Kometani presented the For Action, stating that staff's request is to delegate authority to the Executive Director to modify the total number and type of designated dwelling units in approved Dwelling Unit Revolving Fund Equity Pilot (DEP) Program housing projects provided that the total allocation remains the same. Modifications to the total DEP allocation will still require Board approval.

A DEP Program brochure was distributed to the Board. Kometani stated that the brochure is used to promote and provide a broad overview of the DEP Program and is also made available on the HHFDC website.

Director Mende commended the work done on the DEP Program brochure. Chair Mackler concurred.

Chair Mackler confirmed that delegating authority to the Executive Director would provide staff flexibility in administering the DEP funds without Board approval. Kometani responded in the affirmative.

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

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

Kometani presented the For Action, stating that the Kuilei Place Housing Project (Project) was the first to participate in the DEP Program and since has gained interest. As a result of their marketing efforts and their promotion of the DEP Program, an additional 5 DEP units (\$103,300 each) and a \$516,500 allocation of funds are being requested to address the shortage of units for prospective affordable applicants in the queue. The proposed total allocation for the Project is now \$2,892,400 in DEP Program funding.

There being no questions by the Board, the motion was carried unanimously.

Director Mende moved, seconded by Director Glenn, to approved staff's recommendation.

Mr. Ivan Hou, Local 5, shared his concerns on the DEP Program, which he felt supported developers to rely on taxpayer incentives to make otherwise undesirable

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

Approve Delegated  
Authority to the  
Executive Director  
to Modify  
Designated  
Dwelling Unit  
Revolving Fund  
Equity Pilot  
Program Units in  
Approved Housing  
Projects Provided  
the Total  
Allocation  
Remains the Same

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

Approve an  
Amendment of the  
Dwelling Unit  
Revolving Fund  
Equity Pilot (DEP)  
Program  
Allocation and  
Quantity of  
Designated DEP  
Units for the Kuilei  
Place Housing  
Project Located at  
2599 Kapiolani  
Boulevard,  
Honolulu, Hawaii,  
TMK Nos.: (1) 2-  
7-022: 011, 015, &  
031 to 049

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



units barely palatable, being a form of a “race to the bottom” in terms of producing quality housing units. He stated that he hoped this was a lesson for housing agencies when considering building exemptions and waivers for developers, and that in future developments, state and city agencies would consider this as the developers’ failure and inability to sell their affordable units.

Kometani presented the For Action. She stated that JL Avalon Capbridge, LLC (Developer) proposes to apply up to 26 out of the total 64 available unsold units at the Flats at Sky Ala Moana Project (Project) to the DEP Program, totaling \$1,696,350 in HHFDC DURF equity, estimated to close within 45-60 days. The 26 units are subject to the City and County of Honolulu’s Affordable Housing Rules of maximum income limits, adjusted 10-year occupancy restriction, and repurchase option. The DEP Program will provide a commitment of funds for a period of six months from the re-offering date to the public. Unused funds at the end of the re-offering period may be evaluated for redistribution to maximize limited program funds and increase the supply of housing units.

Mr. Spencer Lee and Mr. Mark Berkowitz, representatives of the Developer, delivered a PowerPoint presentation, providing an overview of the Project and utilization of DEP funding for the proposed 26 units with an option to purchase parking.

Chair Mackler stated that he believes the DEP Program provides a dual benefit for both the developer in terms of unit sales, as well as buyers in providing a subsidy for families to have the opportunity to qualify and participate in homeownership.

Kometani alluded to the option to purchase parking, stating that historically, units with parking have sold quicker, of which the DEP program could cover and reduce the actual sales price of a unit.

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

Chair Mackler asked for a motion to go into executive session.

Vice Chair Reimann moved, seconded by Director Mende, to convene in executive session pursuant to Section 92-5(a)(2), Hawaii Revised Statutes, as it relates to the evaluation of the Executive Director, where consideration of matters affecting privacy will be involved.

The motion was carried unanimously.

(The Board convened in executive session at this time – 10:22 a.m.)

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Chair Mackler reconvened the meeting in regular session at 10:47 a.m., stating that the Board discussed a salary increase for the HHFDC Executive Director.

Director Glenn moved, seconded by Director Mende, that the HHFDC Board approve an increase to the salary of the HHFDC Executive Director to \$177,780, pursuant to Chapter 201H, Hawaii Revised Statutes, retroactively effective to July 1, 2024.

Chair Mackler commented on Mr. Dean Minakami’s overall exceptional management abilities and dedication to the mission of HHFDC, facilitating affordable housing opportunities through the implementation of the various financing programs, acquisition and rehabilitation of projects, and meeting the demands of legislation, as both in the interim and the executive director, of which he believes merits the salary increase.

Approve: (1) the Hawaii Housing Finance and Development Corporation’s Purchase of Equity in Designated Units within The Flats at Sky Ala Moana Project (the Project) Located at 1390 Ala Moana Boulevard, Honolulu, Hawaii, TMK No.: (1) 2-3-016: 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

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

Approve an Increase to the Salary of the Hawaii Housing Finance and Development Corporation Executive Director, Pursuant to Chapter 201H, Hawaii Revised Statutes

Vice Chair Reimann concurred and thanked Minakami on behalf of the residents of Maui in his recovery efforts with the aftermath of the Maui wildfires.

Minakami thanked the Board and acknowledged the HHFDC staff as being part of the reason he was able to accomplish all that he has thus far.

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

Chair Mackler opened for public testimony on this item.

Ms. Summer Yadao, Kū Pono Ka Leo O Ka 'Āina, provided testimony on the overall preservation of affordable housing for the local working community.

There being no further testimony provided by the public, Executive Director Minakami highlighted the following:

- HHFDC is actively working with the various law enforcement departments to resolve the situation with its Execution of Writ of Possession for Lots 48 and 49 within the Waiahole Valley Subdivision.
- There are 15 survivor households living at the Hale O Laie project, as well as 6 mental health counselors and 20 Department of Education teachers.
- Over 900 units are being built statewide, both temporary and permanent housing.
- HHFDC is working with the counties on the Special Management Area (SMA) Permitting process for multifamily and commercial projects.

Regarding SMA permits, Chair Mackler inquired about a waiver for state owned lands for redevelopment. Executive Director Minakami stated that such options are being explored.

Additional testimony was taken by Courtyards at Waipouli residents Ms. Doris Brownfield, Ms. Connie Busa, and Mr. Chasetyn Hasegawa, who testified in opposition to the Department of Hawaiian Home Lands' plans to acquire the project, avoiding displacement of current residents.

In response to Brownfield's comments on the Courtyards at Waipouli being permanently taken off the agenda, Chair Mackler clarified that there is no action being taken on the Courtyards at Waipouli, nor is it on the agenda. He further explained that it was one of the various projects that have applied for financing in the 2024 consolidation application funding round, which is listed within the Finance Branch Status Report.

There being no further business on the agenda, Director Glenn moved, seconded by Vice Chair Reimann to adjourn the meeting at 11:18 a.m.

The motion was carried unanimously.



SEAN SASAKI  
Secretary

**V.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

**VI.  
ADJOURNMENT  
11:18 a.m.**