

FOR ACTION

I. REQUEST

Approve Resolution No. 206, Authorizing 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

II. FACTS

<i>Project Name:</i>	Hale O Piikea II																				
<i>Awardee:</i>	Ikenakea Piikea II, LP																				
<i>Tax Map Key and Location:</i>	TMK No.: (2) 3-9-002: 076, (CPR Unit C) Piikea Avenue, Kihei, Maui, HI 96753																				
<i>Land Tenure:</i>	Fee-Simple Fee Owner: Krausz Kihei Two, LLC																				
<i>Project Type:</i>	New Construction																				
<i>Target Population:</i>	Elderly																				
<i>Length of Affordability:</i>	66 Years																				
<i>Affordability Restrictions:</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">1 Units @</td> <td style="text-align: right;">30%</td> <td>AMGI and Special Need Homeless</td> </tr> <tr> <td style="text-align: right;">9 Units @</td> <td style="text-align: right;">30%</td> <td>Area Median Gross Income (AMGI)</td> </tr> <tr> <td style="text-align: right;">10 Units @</td> <td style="text-align: right;">50%</td> <td>AMGI</td> </tr> <tr> <td style="text-align: right;">76 Units @</td> <td style="text-align: right;">60%</td> <td>AMGI</td> </tr> <tr> <td style="text-align: right;">1 Manager</td> <td style="text-align: right;">Unit</td> <td></td> </tr> <tr> <td colspan="3" style="border-top: 1px solid black; text-align: center;">97 Total Units</td> </tr> </table>			1 Units @	30%	AMGI and Special Need Homeless	9 Units @	30%	Area Median Gross Income (AMGI)	10 Units @	50%	AMGI	76 Units @	60%	AMGI	1 Manager	Unit		97 Total Units		
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<i>Projected Unit and Rent Mix:</i>	Units	Unit Type	Monthly Rent*																		
	2	Studio	\$558																		
	2	Studio	\$995																		
	10	Studio	\$1,213																		
	8	1-Bedroom	\$586																		
	8	1-Bedroom	\$1,054																		
	66	1-Bedroom	\$1,288																		
	1	Manager Unit	N/A																		
<i>*Rents are based on the 2024 HUD guidelines and are net of utility allowance</i>																					
<i>Estimated Completion:</i>	2025-Q4																				
<i>Type of Construction:</i>	New construction Type 3A, four story, wood framed, fire sprinklered																				

<i>Amenities and Services:</i>	Project Amenities: picnic area, community meeting room, elevators and laundry room, community garden, ground level commercial retail Unit Amenities: range, refrigerator, disposal, ceiling fans, storage & coat closet, high-speed internet access
<i>Floor Area:</i>	51,950 SF Residential Area 10,071 SF Common Area 62,021 SF Total Area
<i>Developer:</i>	Ikenakea Development LLC Contact: Christopher Flaherty 745 Fort Street, Suite 702, Honolulu, HI 96813 (209) 483-8105
<i>Consultant:</i>	NA
<i>Contractor:</i>	Moss & Associates, Hawaii Contact: Doug Rogers 737 Bishop Street, Suite 2750, Honolulu, HI 96813 (808) 295-6804
<i>Property Manager:</i>	Mark Development, Inc. Contact: Craig Watase 3165 Waialae Avenue, Suite 200, Honolulu, HI 96816 (808) 735-9099, Ext. 211

- A. On August 11, 2022, the Hawaii Housing Finance and Development Corporation (HHFDC) Board of Directors approved the following for the benefit of Hale O Piikea II (Project).
1. \$23,500,000 intended tax-exempt issuance from the Hula Mae Multi-Family (HMMF) Bond Program (Resolution No. 177); and
 2. \$1,889,230 in annual Federal Low-Income Housing Tax Credits (LIHTC) over a 10-year period and \$1,889,230 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC)
 3. A Rental Housing Revolving Fund (RHRF) Loan of up to \$14,065,000.
- B. On April 11, 2024, HHFDC Board of Directors approved requests by the Awardee to amend the funding program awards as follows:
1. \$27,500,000 tax-exempt issuance from the HMMF Bond Program (Resolution 198) (**Exhibit A**); and
 2. \$2,207,334 in annual Federal LIHTC over a 10-year period and \$2,207,334 in annual State LIHTC over a 5-year period; and
 3. Modification of the terms of the RHRF Loan (**Exhibit B**).
 - a) Increase interest rate starting year 3 from 0.125% to 0.25%
 - b) Reduce the loan term from 68 years to 54 years
 - c) Reduce the surplus cash flow payment from 100% to 75%

- C. On May 29, 2024, HHFDC submitted a request to the Department of Budget and Finance, and the Governor’s Office for preliminary approval to issue revenue bonds. The Request was approved by the Governor on June 12, 2024.
- D. Available authority under the HMMF Bond Program as of August 31, 2024, is summarized below:

HMMF Program Bond Authority	\$ 3,000,000,000
Less: Bonds Issued to Date (66)	(1,793,999,677)
Less: HMMF Pending Issuance (8)	(310,914,173)
Uncommitted HMMF Program Bond Authority	\$ 895,086,150

III. DISCUSSION

- A. The Project is a proposed 97-unit affordable rental community targeted for elderly persons earning 60% AMI and below. The Project will consist of one (1) four-story building with commercial space on the ground level and three (3) levels of residential above. The product mix includes fourteen (14) studios and eighty-two (82) one-bedroom units and one (1) manager’s unit. A total of 73 parking stalls will be available for the residents and their guests. Multiple access points to the site are from Piikea Avenue and Liloa Drive. See **Exhibit C** for Project Location, Plans & Images.
- B. The Awardee is a single asset, real estate holding company, specifically established to develop, own, and operate the Project. The General Partners are HCDB Piikea II LLC, 3 Leaf Piikea II LLC and Mark Development, Inc.
- C. The Closing Financing Structure (Source of Funds) is as follows:

Source	Interim	Permanent
Sponsor Equity	\$ -	\$ -
LIHTC Equity	2,659,730	26,597,303
HMMF Bond	27,500,000	6,320,000
RHRF	13,643,329	14,065,000
Subordinate Debt (HTF & AHP – County of Maui)	7,565,660	7,565,660
Commercial Space Owner Contribution	2,989,103	2,989,103
Deferred Developer Fee	2,803,460	198,329
Other Deferred Costs	574,113	-
Total	\$ 57,735,395	\$ 57,735,395

D. The current Budget (Use of Funds) is as follows:

Budget Item	Amount	Cost/sf	Total Cost %
Land Acquisition	\$ 5,836,000	\$ 94.10	10.11%
Construction	35,238,913	568.18	61.04%
Interim & Soft Costs	3,313,940	53.43	5.74%
Financing & Syndication Costs	4,467,920	72.04	7.74%
Developer Fee & Overhead	3,253,460	52.46	5.64%
Project Reserves	574,113	9.26	0.99%
Contingency	5,051,049	81.44	8.75%
Total	\$ 57,735,395	\$ 930.90	100%

E. The Project's estimated milestones are as follows:

1. Building Permits: Ready for Issuance
2. Loan Closing: 2024 – Q3
3. Construction Start: 2024 – Q3
4. Building Completion: 2025 – Q4
5. Placed in Service: 2026 – Q1
6. Stabilized Occupancy: 2026 – Q2

F. The Project has completed the necessary requirements for bond issuance:

1. Awardee expects the HMMF Bond issuance amount to fund over 50% of the Project's anticipated basis. This qualifies the Project to receive Federal 4% LIHTC along with the corresponding State LIHTC.
2. HHFDC conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing on July 26, 2024.
 - a) No members of the public attended
 - b) HHFDC did not receive any testimony
 - c) Meeting was adjourned at 9:47 a.m., Hawaii Standard Time
3. The Project satisfied all bond checklist requirements from HHFDC

G. Resolution No. 206 satisfies the requirement to accomplish and complete the HMMF Bond sale, attached as **Exhibit D**:

1. Authorizes the issuance, sale, and delivery of HMMF bonds in a principal amount not to exceed \$27,500,000 for the purpose of making a mortgage loan to provide financing to the Awardee for the Project; and
2. Determines and prescribes certain other matters relating thereto; and
3. Approves and authorizes related actions, and the execution and delivery of related documents and agreements.

H. Supplemental notes and analysis on the Project:

1. The Project’s ground level space will be transferred to the purchaser of commercial space, Krausz Kihei Two, LLC, upon conversion to permanent financing. Only the internal portion of the ground level space shall be owned by Krausz, the structure of the ground level remains a part of the Project.
2. Krausz will contribute \$2,989,103 as a source of funds for the Project’s on-site and off-site improvements as indicated under section III.C. (Sources of Funds) of this For Action. This contribution is supported by a Joint Development Agreement between the Awardee and Krauz, dated February 2, 2023, and other subsequent Amendments to the Agreement.
3. The aggregate total development costs of the Project increased from \$55,280,412 to \$57,735,395. Consequently, Staff re-evaluated the HMMF scoring criteria and reconfirmed the Project’s award merits inclusive of this change.

I. Final bond issuance is subject to (i) availability of volume cap and (ii) approval by the Department of Budget and Finance, and the Governor.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 206, which authorizes a tax-exempt issuance of up to \$27,500,000 from the HMMF Bond Program, subject to the provisions and conditions detailed therein;
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Attachments: Exhibit A – For Action (LIHTC/HMMF Increase), dated April 11, 2024 (w/out Exhibits)
 Exhibit B – For Action (RHRF Amend Terms), dated April 11, 2024 (w/out Exhibits)
 Exhibit C – Project Location, Plans & Images
 Exhibit D – Resolution 206

Prepared by: Jimmy Nguyen, Finance Specialist I JN
 Reviewed by: Jay Nakamura, Finance Specialist II JN
 Reviewed by: David Oi, Finance Manager DO
 Reviewed by: Craig K. Hirai, Executive Assistant CH

Approved by the Board of Directors as

Circulated Amended

On September 12, 2024

For Action – September 12, 2024


Finance Branch

Page 5 of 5

Please take necessary action.

Tom C. [Signature]

Executive Director

Reviewed and Approved by the Executive Director: 
 April 11, 2024

FOR ACTION

I. REQUEST

Approve: (1) Resolution No. 199, Which Amends Resolution No. 177 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 Hale O Pi'ikea II Project Located in Kihei, Maui, TMK No.: (2) 3-9-002: 076, CPR Unit C

II. FACTS

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<i>Awardee:</i>	'Ikenākea Pi'ikea II, LP																				
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<i>Estimated Completion:</i>	2025-Q4																				
<i>Type of Construction:</i>	New construction Type 3A, four story, wood framed, fire sprinklered																				

EXHIBIT A

<i>Amenities and Services:</i>	Project Amenities: picnic area, community meeting room, elevators and laundry room, community garden, commercial retail Unit Amenities: range, refrigerator, disposal, ceiling fans, storage & coat closet, high-speed internet access.
<i>Floor Area:</i>	51,950 SF Residential Area 10,071 SF Common Area 62,021 SF Total Area
<i>Developer:</i>	‘Ikenākea Development LLC Contact: Christopher Flaherty 1188 Bishop Street, Suite 907, Honolulu, HI 96813 (209) 483-8105
<i>Consultant:</i>	NA
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- A. On August 11, 2022, the Hawaii Housing Finance and Development Corporation (HHFDC) Board of Directors approved the following for the benefit of Hale O Pi‘ikea II (Project).
1. \$23,500,000 intended tax-exempt issuance from the Hula Mae Multi-Family (HMMF) Bond Program (Resolution No. 177); and
 2. \$1,889,230 in annual Federal Low-Income Housing Tax Credits (LIHTC) over a 10-year period and \$1,889,230 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC)
 3. A Rental Housing Revolving Fund (RHRF) Loan of up to \$14,065,000.
- B. On February 27, 2024, ‘Ikenākea Pi‘ikea II, LP (Awardee) submitted a request to increase the existing HMMF and LIHTC awards as follows:
1. \$27,500,000 intended tax-exempt issuance from the HMMF Bond Program; and
 2. \$2,207,334 in annual Federal LIHTC over a 10-year period and \$2,207,334 in annual State LIHTC over a 5-year period
 3. Modify the terms of the RHRF Loan. A separate For Action is being presented to the HHFDC Board requesting approval for this item.
- C. The Project was reevaluated alongside the 2022 Funding Round applications and found to be meritorious for an award from HHFDC’s funding programs, inclusive of the requested increases.
- D. The available authority under the HMMF Bond Program as of March 31, 2024, is summarized below:

EXHIBIT A

HMMF Program Bond Authority	\$ 3,000,000,000
Less: Bonds Issued to Date (63)	1,635,483,523
Less: HMMF Pending Issuance (10)	404,922,154
Uncommitted HMMF Program Bond Authority	\$ 959,594,323

III. DISCUSSION

- A. The Project is a proposed 97-unit affordable rental community targeted for elderly residents earning 60% AMI and below. The Project will consist of one (1) four-story building with commercial space on the ground level and three (3) levels of residential above. The product mix includes fourteen (14) studios and eighty-two (82) one-bedroom units and a one-bedroom manager's unit. A total of 73 parking stalls will be available for the residents and their guests. Multiple access points to the site are from Pi'ikea Avenue and Liloa Drive. See **Exhibit A** for the Financing Summary/Analysis and **Exhibit B** for the Project Location, Plans & Images.
- B. The Awardee is a single asset, real estate holding company, specifically established to develop, own, and operate the Project. The General Partners are HCDB Pi'ikea II LLC, 3 Leaf Pi'ikea II LLC and Mark Development, Inc.
- C. The updated Financing Structure (Source of Funds) is as follows:

Source	Interim	Permanent
Sponsor Equity	\$ 0	\$ 0
LIHTC Equity	2,659,625	26,596,256
HMMF Bond	27,500,000	6,320,000
RHRF	13,640,197	14,065,000
Grant (County of Maui AHF)	6,178,067	6,178,067
Subordinate Debt (HTF)	1,387,593	1,387,593
Commercial Site Sale	548,000	548,000
Deferred Developer Fee	2,803,460	185,496
Other Deferred Costs	563,470	0
Total	\$ 55,280,412	\$ 55,280,412

- D. The updated Budget (Use of Funds) is as follows:

Budget Item	Amount	Cost/sf	Total Cost %
Land Acquisition	\$ 6,384,000	\$ 102.93	11.55%
Construction	35,238,913	568.18	63.75%
Interim & Soft Costs	3,313,940	53.43	5.99%
Financing & Syndication Costs	4,464,683	71.99	8.08%
Developer Fee & Overhead	3,253,460	52.46	5.89%
Project Reserves	563,470	9.09	1.02%
Contingency	2,061,946	33.25	3.73%
Total	\$ 55,280,412	\$ 891.32	100%

EXHIBIT A

E. The Project's estimated milestones are as follows:

1. Building Permits: 2024 – Q2
2. Loan Closing: 2024 – Q3
3. Construction Start: 2024 – Q3
4. Building Completion: 2025 – Q4
5. Stabilized Occupancy: 2026 – Q2

F. The Project's request for the additional resources outlined in Section II.B. and summarized in Section III.C. is sufficient to accommodate the updated Project Budget described in Section III.D. A table summarizing these changes is attached as **Exhibit C**. The Awardee's request for additional resources (without attachments) is included as **Exhibit D**.




1. The Total Project Budget increase of \$11,102,925 (25.13%) is primarily attributed to increases in construction and financing costs.
2. Site Construction increased by \$4,377,145 (79.58%) due in part to unforeseen additional sitework including a drainage detention basin, County right-of-way improvements, retaining walls and hard rock excavation.
3. Vertical Construction increased by \$3,678,225 (19.80%) and is attributed to inflationary increases in labor and material costs since the original award in 2022.
4. Financing and Syndication costs increased by \$2,146,101 (92.56%) due to higher interest rates and higher fees commensurate with the increase in loan principal.
5. The cost increases are being mitigated by additional equity from the increase in LIHTC, a larger senior permanent loan and additional funding sources from the County of Maui Affordable Housing Fund and HUD Housing Trust Fund. The developer is also holding its fee at the same amount from the original award.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 199 attached as **Exhibit E**, which amends Resolution No. 177 by increasing the intended tax-exempt issuance of HMMF bonds for the Hale O Pi'ikea II Project up to \$27,500,000 from \$23,500,000.
 1. Subject to the provisions and conditions attached as **Exhibits F and H**.
- B. Increase the award of annual Federal LIHTC over a 10-year period to \$2,207,334 from \$1,889,230 and the award of annual State LIHTC over a 5-year period to \$2,207,334 from \$1,889,230 from the non-volume pool (4% LIHTC).
 1. Subject to the LIHTC provisions and conditions in **Exhibits G and H**.
- C. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

- Attachments:
- Exhibit A – Financing Summary/Analysis
 - Exhibit B – Project Location, Plans & Images
 - Exhibit C – Comparison Table of Sources and Uses
 - Exhibit D – Awardee Request for Increase dated February 27, 2024
 - Exhibit E – Inducement Resolution No. 199
 - Exhibit F – Resolution No. 199 Provisions and Conditions
 - Exhibit G – Low-Income Housing Tax Credit Provisions and Conditions
 - Exhibit H – Provisions and Conditions applicable to both Inducement Resolution No. 199 and Low-Income Housing Tax Credits
 - Exhibit I – Submittal Form and Requirements for IRS Form 8609 (subject to update and change)

Prepared by: Jay Nakamura, Finance Specialist II 
Reviewed by: David Oi, Finance Manager 
Reviewed by: Craig K. Hirai, Executive Assistant 

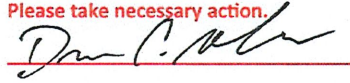
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
On April 11, 2024

Finance Branch

Please take necessary action.



Executive Director

Reviewed and Approved by Executive Director: 
 April 11, 2024

FOR ACTION

I. REQUEST

Approve a Request from the Awardee to Amend the Rental Housing Revolving Fund Award Loan Terms for the Hale O Pi'ikea II Project Located in Kihei, Maui, TMK No.: (2) 3-9-002: 076, CPR Unit C

II. FACTS

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EXHIBIT B

<i>Floor Area:</i>	51,950 SF Residential Area 10,071 SF Common Area 62,021 SF Total Area
<i>Developer:</i>	'Ikenākea Development LLC Contact: Christopher Flaherty 1188 Bishop Street, Suite 907, Honolulu, HI 96813 (209) 483-8105
<i>Consultant:</i>	NA
<i>Contractor:</i>	Moss & Associates, Hawaii Contact: Matthew Jun 737 Bishop Street, Suite 2750, Honolulu, HI 96813 (808) 295-6804
<i>Property Manager:</i>	Mark Development, Inc. Contact: Craig Watase 3165 Waiālae Avenue, Suite 200, Honolulu, HI 96816 (808) 735-9099, Ext. 211

- A. The Rental Housing Revolving Fund (RHRF) Project Award program provides "Equity Gap" low-interest loans to qualified owners and developers constructing, acquiring, or rehabilitating affordable rental housing units. (NOTE: Pursuant to Act 237, Session Laws of Hawaii 2015, the Rental Housing Trust Fund was reclassified as a Rental Housing Revolving Fund, effective July 14, 2015.)
- B. On August 11, 2022, the Hawaii Housing Finance and Development Corporation (HHFDC) Board of Directors approved the following for the benefit of Hale O Pi'ikea II (Project).
 - 1. A RHRF Loan of up to \$14,065,000.
- C. On February 27, 2024, 'Ikenākea Pi'ikea II, LP (Awardee) submitted a request to amend the terms of the RHRF Loan as follows:
 - 1. Increase the interest rate from 0.125% to 0.25%;
 - 2. Reduce the percentage of net cash flow payment from 100% to 75%; and
 - 3. Reduce the loan term from 68 years to 54 years.
- D. Staff has reviewed the request and find the amendments to be reasonable. The Project's updated multiyear cashflow demonstrates payoff of the RHRF loan balance in year 52 of operation and within its affordable commitment period of 66 years.

III. DISCUSSION

- A. The Project is a proposed 97-unit affordable rental community targeted for elderly residents earning 60% AML and below. The Project will consist of one (1) four-story building with commercial space on the ground level and three (3) levels of residential above. The product mix includes fourteen (14) studios and eighty-two (82) one-bedroom units and a one-bedroom manager's unit. A total of 73 parking stalls will be available for the residents and their guests. Multiple access points to the site are from Pi'ikea Avenue and Liloa Drive. See Exhibit A for the Financing Summary/Analysis and Exhibit B for the Project Location, Plans & Images.

EXHIBIT B

- B. The Awardee is a single asset, real estate holding company, specifically established to develop, own, and operate the Project. The General Partners are HCDB Pi'ikea II LLC, 3 Leaf Pi'ikea II LLC and Mark Development, Inc.
- C. The Financing Structure (Source of Funds) is as follows:

Source	Interim	Permanent
Sponsor Equity	\$ 0	\$ 0
LIHTC Equity	2,659,625	26,596,256
HMMF Bond	27,500,000	6,320,000
RIRF	13,640,197	14,065,000
Grant (County of Maui AHF)	6,178,067	6,178,067
Subordinate Debt (HTF)	1,387,593	1,387,593
Commercial Site Sale	548,000	548,000
Deferred Developer Fee	2,803,460	185,496
Other Deferred Costs	563,470	0
Total	\$ 55,280,412	\$ 55,280,412

- D. The Budget (Use of Funds) is as follows:

Budget Item	Amount	Cost/sf	Total Cost %
Land Acquisition	\$ 6,384,000	\$ 102.93	11.55%
Construction	35,238,913	568.18	63.75%
Interim & Soft Costs	3,313,940	53.43	5.99%
Financing & Syndication Costs	4,464,683	71.99	8.08%
Developer Fee & Overhead	3,253,460	52.46	5.89%
Project Reserves	563,470	9.09	1.02%
Contingency	2,061,946	33.25	3.73%
Total	\$ 55,280,412	\$ 891.32	100%

- E. The Project's milestones are as follows:

1. Building Permits: 2024 – Q2
2. Loan Closing: 2024 – Q3
3. Construction Start: 2024 – Q3
4. Building Completion: 2025 – Q4
5. Stabilized Occupancy: 2026 – Q2

- F. Project's Existing Loan Terms:

1. Loan Amount: \$14,065,000
2. Interest Rate: Years 1-2: 0.00%
After Year 2: 0.125%
3. Origination Fee: 0.5% of Loan Amount
4. Term/Maturity: 2 Years (Interim/Construction Phase)
66 Years (Permanent Phase)
68 Years (Loan Term)

EXHIBIT B

- 5. Repayment: Years 1-2: No Payments
After Year 2: 100% of Available Cash Flow after payment of expenses, senior debt service and other recognized expenses.
- 6. Collateral: Junior Mortgage on the Project Site

G. Project's Amended Loan Terms:

- 1. Loan Amount: \$14,065,000
- 2. Interest Rate: Years 1-2: 0.00%
After Year 2: 0.25%
- 3. Origination Fee: 0.5% of Loan Amount
- 4. Term/Maturity: 2 Years (Interim/Construction Phase)
52 Years (Permanent Phase)
54 Years (Loan Term)
- 5. Repayment: Years 1-2: No Payments
After Year 2: 75% of Available Cash Flow after payment of expenses, senior debt service and other recognized expenses.
- 6. Collateral: Junior Mortgage on the Project Site
- 7. Other Terms:
 - a) The Project's Loan-to-Value (LTV) ratio shall not exceed 100% of the RHRF loan and all other debt senior to the RHRF loan.
 - b) No disbursement of Developer Fee until satisfactory completion of the Project.
 - c) The RHRF Project Award is subject to the availability of funds.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following:

- A. Amendment of the RHRF Project Award for 'Ikenākea Pi'ikea II, LP, for the benefit of the Hale O Pi'ikea II project, to the terms and conditions prescribed in Section III.G. of this For Action and in the RHRF Preliminary Commitment Letter (Exhibit D), 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.
 - 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 Awardee request for Project Award funds.
 - 3. Completion of all documentation necessary and required to secure the release of RHRF funds.
 - 4. Certification of the Awardee to comply with all applicable statutory and Program requirements, including, but not limited to, Chapters 343, 103D,

EXHIBIT B

and 104, and §103-50, Hawaii Revised Statutes, 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 Awardee's Consolidated Application and in this For Action.
 6. Availability of RHRF program funds.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Attachments: Exhibit A – Financing Summary/Analysis
Exhibit B – Project Location, Plans and Images
Exhibit C – RHRF Preliminary Commitment Letter (draft)

Prepared by: Jay Nakamura, Finance Specialist II jn
Reviewed by: David Oi, Finance Manager DO
Reviewed by: Craig K. Hirai, Executive Assistant KH

Approved by the Board of Directors as

Circulated Amended

On April 11, 2024

 Finance Branch

Please take necessary action

 [Signature]

Executive Director

PROJECT LOCATION, PLANS & IMAGES

Hale O Piikea II
TMK No.: (2) 3-9-002: 076, CPR Unit C
Piikea Avenue and Liloa Drive
Kihei, Maui 96753

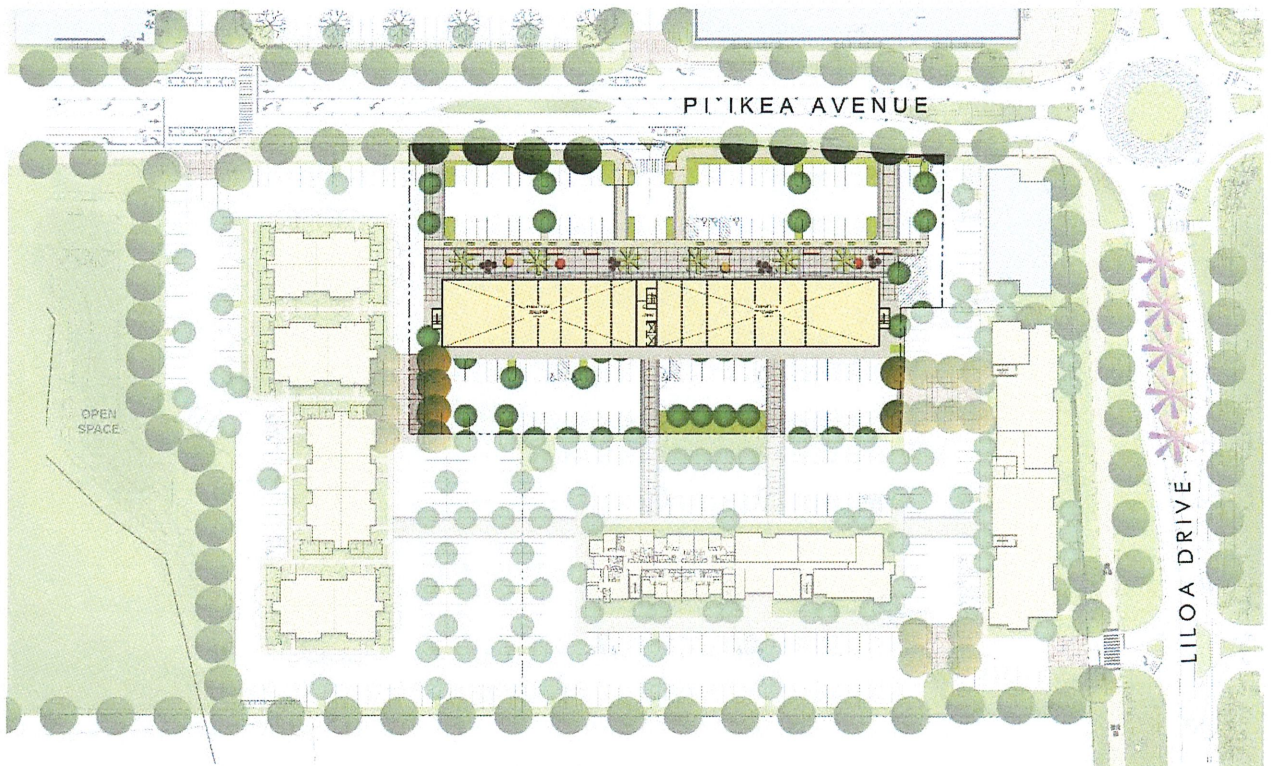


EXHIBIT C



FRONT ELEVATION



REAR ELEVATION

PHASE 2
HALE O PI'IKEA II
 Hawaiian Community Development Board

EXTERIOR ELEVATIONS
 FEBRUARY 17, 2021

SCALE 1/8" = 1'-0"



PHASE 2
HALE O PI'IKEA II
 Hawaiian Community Development Board

CONCEPT RENDERING
 FEBRUARY 17, 2021



EXHIBIT C



Aerial photo of entire Hale O Pi'ikea project site and ongoing construction with Phase I.

EXHIBIT C

RESOLUTION NO. 206

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A REVENUE NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED TWENTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$27,500,000) FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING TO 'IKENĀKEA PI'IKEA II, LP, A HAWAII LIMITED PARTNERSHIP, FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT; DETERMINING AND PRESCRIBING CERTAIN OTHER MATTERS RELATING THERETO AND APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND AGREEMENTS.

WHEREAS, Part III of Chapter 39 and Part III of Chapter 201H, Hawaii Revised Statutes, as amended (collectively, the "Act"), authorize the Hawaii Housing Finance and Development Corporation, a public body and a body corporate and politic of the State of Hawaii (the "Corporation") to issue a note to provide moneys to make mortgage loans available to assist in providing affordable housing;

WHEREAS, 'Ikenākea Pi'ikea II, LP, a Hawaii limited partnership (the "Borrower"), has applied to the Corporation for a mortgage loan (the "Loan") to assist it or another entity formed for the purpose of acquiring, constructing and equipping a multifamily rental housing development located in the County of Maui, Hawaii and known as Hale O Pi'ikea II (the "Project");

WHEREAS, in order to provide moneys to make the Loan to the Borrower to assist the Borrower in acquiring, constructing and equipping the Project, the Board of Directors of the Corporation has determined to authorize the issuance of its revenue note in an aggregate principal amount not to exceed Twenty Seven Million Five Hundred Thousand Dollars (\$27,500,000) (the "Note"), and to pledge the revenues from the repayment of the Loan to the repayment of the Note;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hawaii Housing Finance and Development Corporation as follows:

Section 1. Finding and Determination. It is hereby found and determined that it is necessary and desirable for the Corporation to provide the Loan through the issuance and sale of the Note in order to assist the Borrower in acquiring, constructing, and equipping the Project.

Section 2. Authorization of the Note. In order to provide moneys with which to make the Loan there is hereby authorized the issuance of a Note in one or more series or subseries known as the Corporation's "Multifamily Housing Revenue Governmental Lender Note (Hale O Pi'ikea Phase II Project) Series 2024" (herein referred to as the "Note"). The Note shall be issued pursuant to the Act in an aggregate principal amount not to exceed Twenty Seven Million Five Hundred Thousand Dollars (\$27,500,000).

The Note shall have a final maturity not exceeding 35 years from its date of issuance. Principal of and interest on the Note shall be payable in lawful money of the United States of America at the principal office of the Agent (hereinafter referred to).

4893-3005-7810.3

EXHIBIT D

In accordance with and subject to the provisions of this resolution, the Executive Director or Interim Executive Director is hereby authorized to determine the form, dated date, interest rate or rates (which shall not exceed the maximum interest rate permitted by applicable law) or manner of determining the interest rate or rates from time to time, interest payment dates, due dates for principal, prepayment provisions and all other details of the Note, subject to such specific limitations as are provided in this resolution and applicable law.

The Note shall be a special obligation of the Corporation and shall be payable as to principal and interest, and the obligations of the Corporation under the Pledge and Assignment (as hereinafter defined) shall be paid and satisfied, solely from the rents, revenues, receipts and other assets derived from or related to the Loan, as more fully provided in the Pledge and Assignment. The Note shall not be a general or moral obligation of the State of Hawaii or the Corporation or a charge on the general fund of the State and the full faith and credit of the State of Hawaii or the Corporation is not pledged to the payment of the principal and interest thereon. Neither the Note nor any of the Corporation's agreements or obligations with respect to the Note shall be construed to constitute a debt of the State of Hawaii or any political subdivision or body corporate and politic thereof, within the meaning of any Constitutional or statutory debt limitation. The Note shall contain a recital that it is issued pursuant to the Act.

Section 3. Execution and Form of Note. The Note shall be lithographed or engraved, shall bear the signature of the Chairperson or Executive Director, Interim Executive Director or Executive Assistant and Secretary and shall be sealed with the seal or a lithographed or engraved facsimile seal of the Corporation and shall be countersigned with a lithographed or engraved facsimile signature of the Director of Finance of the State of Hawaii; provided, however, the Executive Director, Interim Executive Director or Executive Assistant may, with the approval of the Governor of the State, provide for the Note to be issued in typewritten, printed or other reproduced form and that the signature of the Director of Finance may be a manual signature.

Section 4. Sale of Note. The Executive Director, Interim Executive Director or Executive Assistant is authorized to enter into a contract with Bank of Hawaii providing for the sale of the Note, upon such terms and conditions as the Executive Director or Interim Executive Director determines, with the approval of the Governor.

Section 5. Approval of Pledge and Assignment, Agency Agreement and Loan Agreement. To provide for the details of and to prescribe the terms and conditions upon which the Note is to be issued and secured, the covenants of the Corporation with the owners of the Note and the terms and conditions upon which the Loan to be financed with proceeds of the Note is to be made, the Executive Director, Interim Executive Director or Executive Assistant is hereby authorized and directed to execute and deliver a Pledge and Assignment between the Corporation and Bank of Hawaii or another entity approved by the Director of Finance, as "Agent" together with a Memorandum of Pledge and Assignment (herein, the "Pledge and Assignment"), an Agency Agreement between the Corporation and the Agent, (herein, the "Agency Agreement") and a Loan Agreement between the Agent, as agent for the Corporation, and the Borrower (the "Loan Agreement"). Such Pledge and Assignment, Agency Agreement and Loan Agreement shall be in substantially the forms thereof presented at this meeting, in each case with such changes as the Executive Director, Interim Executive Director or Executive Assistant may approve, his or her execution thereof to constitute conclusive evidence of his or her approval of all such changes.

The foregoing authorization shall be effective at such time as the Executive Director, Interim Executive Director or Executive Assistant shall appoint Bank of Hawaii to act as Agent pursuant to the Agency Agreement.

Section 6. Approval of Regulatory Agreement. To establish the regulations concerning the development, use and operation of the Project by the Borrower, the Executive Director, Interim Executive Director or Executive Assistant is hereby authorized and directed to execute and deliver a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") by and among the Corporation, the Agent and the Borrower in substantially the form of such Agreement presented at this meeting with such changes as the Executive Director, Interim Executive Director or Executive Assistant may approve, his or her execution thereof to constitute conclusive evidence of his or her approval of all such changes.

Section 7. Prior Actions Ratified and Confirmed. The actions of the officers of the Corporation in doing any and all acts necessary in connection with the issuance and sale of the Note and the making of the Loan are hereby ratified and confirmed.

Section 8. Further Actions Authorized. The proper officers, agents and employees of the Corporation are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such documents as may be necessary in connection with the issuance and sale of the Note and the making of the Loan, including impressing the seal of the Corporation on any document or instrument and attesting the same.

Section 9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining provisions of this resolution.

Section 11. Effective Date. This resolution shall, upon the approval of the provisions and covenants thereof and of the Pledge and Assignment and the Agency Agreement by the Governor of the State, be thereupon filed in the office of the Director of Finance together with (a) an opinion of the Attorney General of the State as to certain matters relating to the Note and (b) an executed copy of the Pledge and Assignment and the Agency Agreement. This Resolution shall take effect upon such filing.

Section 12. The undersigned hereby certify that the foregoing Resolution was duly adopted by the Directors of the Hawaii Housing Finance and Development Corporation on September 12, 2024.

GARY MACKLER, Chair

CAROL REIMANN, Vice Chair

SEAN SASAKI, Secretary

JASON BRADSHAW, Director

DONN MENDE, Director

JAY KIMURA, Director

LUIS SALAVERIA, Director

JAMES KUNANE TOKIOKA, Director

SCOTT GLENN, Director