

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

February 13, 2025

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, February 13, 2025, 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 8:59 a.m. by Chair Gary Mackler. On roll call, those present and excused were as follows:

Present: Director Gary Mackler, Chair
Director Sean Sasaki, Secretary
Director Donn Mende
Director Jay Kimura
Director Jason Bradshaw (Remote)
Director Scott Glenn
Designee Mary Alice Evans for Director James Tokioka (Remote)

Executive Director Dean Minakami

Excused: Director Carol Reimann, Vice Chair
Director Luis Salaveria

Staff: Linda Chow, Deputy Attorney General
David Oi, Housing Finance Manager
Randy Chu, Development Branch Chief
Holly Osumi, Chief Financial Officer
Albert Palmer, Development Section Chief
Cameron Lowry, Housing Development Specialist
Cynthia Nyross, Planner
Gordon Pang, Housing Information Officer
Marc Orbito, Information Technology Systems Manager
Helmer Betiong, Information Technology Specialist
Noa Burke, Information Technology Intern
Esa Pablo, Administrative Assistant to the Board

Guests: Chico Figueiredo, Office of the Governor
Tami Whitney, Office of the Governor
Lindsay Apperson, Office of the Governor
Kyla Lee, County of Hawaii
Isaiah Sato, R.M. Towill Corp.
David Tanoue, R.M. Towill Corp.
Kaeo Kane, Castle & Cooke
Garret Matsunami, Castle & Cooke
Pualani Hao, Kamehameha Schools
Anders Lyons, Hale Mahaolu
Monte Heaton, Highridge Costa
Ryan Kamo, Design Partners
Mike Goshi, Design Partners
Micah Goshi, Design Partners
Emily Tanaka, Cades Schutte

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

Attending remotely, Director Bradshaw stated that Hawaii State Teachers Association's Ann Mahi, Andrea Eshelman, and Aaron Kubo were present with him at his remote location in Washington, D.C.

Chair Mackler announced that public testimony will be allowed as each agenda item is taken for consideration. He called upon Housing Information Officer Gordon Pang to provide HHFDC's protocol for providing testimony to the Board.

(Designee Evans arrived remotely at this time – 9:02 a.m.)

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

Director Mende moved, seconded by Director Kimura, to approve the meeting minutes of January 9, 2025.

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

Chair Mackler deferred public testimony until after staff's presentation.

Director Mende moved, seconded by Director Sasaki, to approve staff's recommendation for approval of certain exemptions from statutes, ordinance, and rules pursuant to Section 201H-38, Hawaii Revised Statutes (HRS), for the proposed 1,032-unit Waiakoa Affordable Housing Project (Project), with an affordability mix set at 140% and below the area median income (AMI).

Housing Development Specialist Cameron Lowry presented the For Action, stating that while HHFDC believes the Project qualifies to be a certified affordable housing project under the Governor's Eleventh Emergency Proclamation Related to Affordable Housing (EP), certification cannot occur until a development agreement is in place.

The following corrections were noted to be made within the For Action:

- On page 2, under section II.A., location of the Project should be 756 Auahi Street, in ~~Hilo~~ Honolulu, on Oahu.
- On page 6, under section III.G., Board Approval of 201H Exemptions should be February ~~2024~~ 2025.

In reference to the 10-year Length of Affordability, Designee Evans asked whether a longer affordability period had been considered. Lowry responded no. Development Section Chief Albert Palmer stated that the length of affordability coincides with HHFDC's 10-year Buyback restriction, while HHFDC's Shared Appreciation Equity restriction does not have a time limit.

Designee Evans asked whether the single purpose entity plans to purchase the fee for the land from Kamehameha Schools. Lowry responded in the affirmative.

Director Glenn questioned the exemption for the 75-foot view corridor setback along Cooke Street. With multiple agencies commenting on the preservation of the view corridor width, why was the design done to encroach rather than avoid it. R.M. Towill Corporation's Isaiah Sato, the managing agent for the Developers, stated that the Project's podium encroaches into the view corridor approximately 35 feet above the 45 feet HCDA requirement and is designed in being cognizant of the spacing between the tower placements to find a balance between the corridors.

**II.A.
APPROVAL OF
MINUTES**

Regular
Meeting
1/9/25

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

Authorize an Application for Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, and Approve: (1) the Certification of Castle & Cooke Waiakoa, 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 Waiakoa Affordable Housing Project Located in Honolulu, Hawaii, TMK No.: (1) 2-1-053: 032

Director Glenn asked whether HCDA agreed with that exemption. Sato stated that HCDA did not provide any comments on the set back encroachment piece at HCDA's board meeting, but rather a comment on the repositioning of the corridors of which rendering was sent for visual representation.

Sato delivered a PowerPoint presentation on the Project, stating that of the 1,032 for-sale residential units, 620 units will be affordable, and 412 units will be market. He stated that the Project is part of the Kaiaulu O Kakaako Master Plan, of which will be targeted to housing Kamaaina residents in the workforce. Renderings of the encroachment were shown and explained.

Chair Mackler opened the floor for public testimony. There was none.

Chair Mackler asked whether the affordable and market units would be interspersed throughout the towers. Sato responded in the affirmative, stating that everything would be co-mingled with guests and residents sharing the lobby.

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

Director Mende moved, seconded by Director Sasaki, to approve staff's recommendation to approve Hale Mahaolu as the eligible developer and recipient of up to \$5.5 million in a Dwelling Unit Revolving Fund (DURF) interim pre-development loan contemplated at the January 9, 2025 Board Meeting, or other successor entity approved by the Executive Director and project plans proposed for the Front Street Apartments Redevelopment Project (Project).

Development Section Chief Albert Palmer presented the For Action, stating that the project proposal involves the redevelopment of the Project and surrounding adjacent parcels acquired and being considered by HHFDC. He stated that the Project is anticipated to be developed in two phases containing a total of 192 units. However, due to the significant need for housing in Lahaina following the 2023 Wildfire, Palmer stated that a higher density is being further explored pending funding, infrastructure availability, and permit reviews. Furthermore, pursuant to the Governor's 20th Emergency Proclamation pertaining to the Wildfires (EP), Palmer noted that the Board is allowed to take immediate action that will help expedite the Project and address the community's needs.

While preparation of an environmental assessment exemption notice is being contemplated, Palmer stated that further discussions with the Maui Planning Department on the suspension of HRS, Chapter 205A, relating to coastal zone management are to follow.

Chair Mackler opened the floor for public testimony. There was none.

Executive Director Minakami stressed that HHFDC is working with the design team on the project design to increase density to determine best options for the greatest number of units to address Lahaina's housing needs on a short timeline.

Director Glenn inquired about the original affordability mix of the Front Street Apartments (FSA) before the 2023 Wildfire. Executive Minakami stated that prior to the fire, the FSA was a Low Income Housing Tax Credit (LIHTC) project, which requires AMI levels of 60% and below.

Director Mende asked whether existing tenants would be priority to receive the same AMI levels of 60% and below, with the contemplated increased density addressing workforce housing of 140% AMI and below. Executive Director Minakami responded that existing tenants would get priority, with additional units made available for other Lahaina residents, followed by the general public. He also stated that affordability

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

Approve: (1) the Certification of Hale Mahaolu 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) Negotiation and Execution of Development Documents, Regulatory Agreements, Rights of Entry, Leases, Mortgage Consents, and Other Related Project Documents, and to Undertake any Actions Related Thereto; (4) Subdivision and/or Consolidation of Parcels, and/or Creation of a Condominium Property Regime; and (5) Grant and Approval of Such Easements as May be Necessary for the Front Street

restrictions on the units have raised concerns by the community and would need to factor in those who would now, not qualify, based on working multiple jobs to pay their current market rents that are not sustainable.

Hale Mahaolu Executive Director Anders Lyons expressed his gratitude and appreciation for the Board's consideration and working relationship with HHFDC staff, looking forward to the development of the Project.

Chair Mackler stated that he looked forward to seeing the Project come to fruition and appreciated the consideration of increased density that will be utilized long term for those in the area.

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

Executive Director Minakami called upon Planner Cynthia Nyross to provide a legislative update to the Board. Nyross highlighted the following set of bills within the Governor's package:

- HB1008, SB1327: streamlines the historic review process for affordable housing projects by requiring the Department of Land and Natural Resources to decide on a project's effect on various factors.
- HB1009, SB1328: would allow HHFDC to make changes to the new Dwelling Unit Revolving Fund Equity Program, established in the 2023 Legislative Session, to purchase equity in units of certain for-sale housing developments, bringing down the sales price that eligible buyers pay. Changes include allowing gift funds and permanency of the program for eligible buyers.
- HB1010, SB1329: creates a Tier 2 subaccount within the Rental Housing Revolving Fund to finance projects outside of the first priority, without the need for legislation. While both bills have died, HB432 has similarities and has passed the Housing Committee.

Nyross stated that HHFDC has submitted 104 testimonies for House and Senate bills, of which are headed to the Ways and Means Committee and Finance Committee. She stated that a mandatory 5-day recess begins February 20, 2025.

Executive Director Minakami updated the Board on the following:

- The 803 Waimanu project sold 10 units since July 2024 and received a 6-month DURF extension, contingent upon sale goals being met and additional sales training for the sales team.
- A community meeting for the Front Street Apartments Redevelopment Project was held on January 29, 2025 received a greater turnout and support by the community than expected.
- HHFDC continues its efforts in reaching an agreement with the members of the Waiahole-Waikane Community Association in hopes to avoid arbitration hearings scheduled for the second week of March 2025.

Chair Mackler inquired about the Iwilei Infrastructure Master Plan and asked what the next steps after the Environmental Impact Statement processing and development review are. Executive Director Minakami stated that HHFDC is looking to contract a third party to help in coordinating the infrastructure improvements needed for the various developments with landowners, and to also work with the developers, City, and the State on a financing plan.

Apartments
Redevelopment
Project at 1056
Front Street
Located in
Lahaina, Maui,
TMK Nos.: (2) 4-
5-003: 013 and 014

IV. REPORT BY THE EXECUTIVE DIRECTOR

There being no further discussion or business on the agenda, Director Mende moved, seconded by Director Glenn to adjourn the meeting at 9:48 a.m.

V.
ADJOURNMENT
9:48 a.m.

The motion was carried unanimously.



SEAN SASAKI
Secretary