

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

**March 13, 2025**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, March 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 9:00 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 Jason Bradshaw  
Designee Mary Alice Evans for Director James Tokioka (Remote)

Executive Director Dean Minakami

**Excused:** Director Carol Reimann, Vice Chair  
Director Luis Salaveria  
Director Jay Kimura

**Staff:** Linda Chow, Deputy Attorney General  
Michael Yee, Chief Planner  
Holly Osumi, Chief Financial Officer  
Albert Palmer, Development Section Chief  
Stan Fujimoto, Housing Development Specialist  
Lorna Kometani, Sales & Counseling Section Chief  
Jimmy Nguyen, Housing Finance Specialist  
Lei Ikeda, Housing Finance Specialist  
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  
Amir Boulos, Capital Markets – Standard Communities  
Craig Watase, Uahi Ridge Hui II, LP  
Dean Sakata, Uahi Ridge Hui II, LP  
Daniel Simonich, The Michaels Organization  
George Stuzen  
Henry L.

Executive Director Minakami introduced HHFDC’s new Chief Planner Michael Yee to the Board, formerly director of the County of Hawaii Planning Department.

Director Mende moved, seconded by Director Kimura, to approve the meeting minutes of February 13, 2025.

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

**II.A.  
APPROVAL OF  
MINUTES**



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

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.

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

Director Bradshaw moved, seconded by Director Sasaki, to approve staff’s recommendation presented by Housing Development Specialist Stan Fujimoto, to approve a modification to the September 12, 2024 Board approval to enable HHFDC to use up to \$5 million of the Dwelling Unit Revolving Fund (DURF) previously approved to procure a planning consultant and/or for an interim loan to the Request For Proposals (RFP) developer for pre-development expenses for the Waikiki Community Center (WCC) Mixed-Use Project (Project).

Fujimoto further stated that the Department of Land and Natural Resources (DLNR) indicated that they were not inclined to consent to the use of the General Lease to WCC as security for HHFDC’s DURF loan to the RFP developer, which would significantly delay the developer from using the DURF interim loan and completing a Hawaii Revised Statutes, Chapter 343 Environmental Assessment (EA) for the Project. Therefore, to facilitate the development process, HHFDC would like to procure a consultant to complete studies for the RFP, seek an exemption from the preparation of an EA, and if an exemption is not feasible, prepare and complete an EA prior to the issuance of an RFP.

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

Designee Evans commented on the Project already being in a housing zone of the City and County of Honolulu (City), which should be eligible for an exemption from an EA.

In response to Designee Evans, Fujimoto clarified that Waikiki is a controversial area for higher density projects. Therefore, HHFDC would like to complete the preliminary studies required for the EA exemption process and go through the exemption process to see comments received by the applicable review agencies and then decide whether HHFDC should proceed with the exemption or the EA. Furthermore, based upon the existing zoning of the property, to build a higher density project like the surrounding buildings, Fujimoto stated that the Project would need to seek an exemption from the existing zoning and address the higher density needed for the project.

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

Director Bradshaw moved, seconded by Director Mende, to approve staff’s recommendation presented by Housing Finance Specialist Jimmy Nguyen, to approve an amended Rental Housing Revolving Fund (RHRF) project award and financing structure for the Kaleimao Village Project (Project), which would allow for the RHRF to collateralize the bond portion of the transaction, pursuant to Act 235, 2024 Session Laws of Hawaii. The updated total development cost for the Project is roughly \$62.3 million, which is about \$1.5 million more than their initial budget. However, Nguyen stated that this difference was covered by an increase in Low Income Housing Tax Credit (LIHTC) equity and additional senior lender funds.

Nguyen stated that the bonds are being used as part of a public offering where tax-exempt bonds from the City, in the amount of \$30.3 million, would be sold to public investors and proceeds of the bond sale would be issued as a loan for the senior lender, allowing for a lower interest rate due to the large demand for tax-exempt bonds. However, to ensure the bond holders are made whole in the event of default, U.S.

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

Approve a Modification to the Approval of an Interim Loan from the Dwelling Unit Revolving Fund for the Proposed Waikiki Community Center Mixed-Use Project Located at 310 Paoakalani Avenue, Honolulu, Oahu, TMK No.: (1) 2-6-025: 008

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

Approve an Amended Rental Housing Revolving Fund Project Award and Financing Structure for the Kaleimao Village Project Located in Ewa Beach, Oahu, TMK No.: (1) 9-1-122: 004



Department of Housing and Urban Development (HUD) insured funding and the RHRF award allocation of approximately \$14.6 million will act as collateral to repay the bond amount. With the remaining \$15 million that is not covered by the RHRF allocation will be covered by the HUD 221(d)(4) program, which ensures lenders against losses on private loans.

Chair Mackler called for a recess at this time due to a third-party disturbance – 9:17 a.m. and reconvened at 9:22 a.m.

Nguyen continued, stating that in the past, the Board has approved a similar publicly offered deal for the Hale Moiliili Project, where only a portion of the RHRF loan was used for collateral while the other was used to pay down direct construction costs.

Nguyen acknowledged that the developer’s consultant, Mr. Admir Boulos, was online to answer questions.

Designee Evans asked whether the City’s bond counsel approves the deal for the City and whether HHFDC’s bond counsel had a role in reviewing the deal for HHFDC. Nguyen stated that the bond counsel selected was contracted through and is strictly representing the City. However, Nguyen stated that the structure was proposed by the tax investor counsel, Mr. Wade Norris, who has been on HHFDC’s transactions involving LIHTC, which has been reviewed by Ms. Kathleen Orlandi, HHFDC’s bond counsel with Hawkins, Delafield, and Wood, LLP.

Director Mende asked what happens to the collateralized funds in the event there is no default. Nguyen responded that the RHRF funds will be used to pay down the senior loan and the HUD funds are utilized as insurance, not as a source or cash.

There being no testimony provided by the public, the motion was carried unanimously.

Nguyen stated that the For Information is to inform the Board of the reissuance of the Hula Mae Multi-Family (HMMF) Tax-Exempt Revenue Bonds to accommodate the financial conversion to permanent for the Kokua Project (Project). The Project is completely constructed but is having difficulty leasing up, despite its efforts in offering incentives for potential elderly residents. With the Project not being able to meet its initial deadline for stabilizing occupancy and financial conversion to permanent by March 1, 2025, reissuance of HMMF bonds and a senior loan extension for a period of 9 months was decided, moving the deadline to convert to December 1, 2025.

Other than a pay-down of \$6 million from the LIHTC equity at the time of the placed-in-service date and a 0.05% increase on the senior loan interest rate from 4.4% to 4.45% , no other changes have been made to the original senior loan amount of \$48.9 million by Citibank. Such modifications of the financial terms were concluded by HHFDC’s bond counsel, to conduct a Tax Equity and Fiscal Responsibility hearing.

There being no questions and testimony provided by the public, the motion was carried unanimously.

Director Bradshaw moved, seconded by Director Sasaki, to approve staff’s recommendation presented by Housing Finance Specialist Lei Ikeda, stating that the Uahi Ridge Hui II, LP (Awardee) submitted a request to increase the existing RHRF award to \$16 million for the Uahi Ridge Phase 2 (Project), of which was reevaluated and determined to remain meritorious by staff for an award inclusive of the requested increase attributed to the land, construction, and interim soft cost the Project experienced since inception.

**RECESSED**  
9:17 a.m.  
**RECONVENED**  
9:22 a.m.

**III.C.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Information  
Regarding the  
Reissuance of Hula  
Mae Multi-Family  
Tax-Exempt  
Revenue Bonds to  
Accommodate the  
Financial  
Conversion to  
Permanent for the  
Kokua Project  
Located in  
Honolulu, Oahu,  
TMK Nos.: (1) 2-  
1-010: 052 and 053  
(portion)

**III.D.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
Approve a Request  
from the Awardee  
to Amend the  
Rental Housing  
Revolving Fund



Ikedea acknowledged Project representatives, Mr. Craig Watase and Mr. Dean Sakata.

Chair Mackler asked for an update on the project development for Phases 1 and 2. Sakata stated that while challenges relating to an updated National Environmental Policy Act (NEPA) caused delays, Phase 1 is currently under construction with grading and building permits ready to issue for Phase 2.

Chair Mackler asked for public testimony. There was none.

On behalf of the Project, Sakata expressed their gratitude to HHFDC, various State departments that they worked with, the support from County of Kauai, and the local HUD office, that has helped to make the Project possible.

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

Director Mende moved, seconded by Director Bradshaw, to approve staff's recommendation presented by Real Estate & Planning Analyst Hunter Miller, to establish a lease with the County of Maui (County) and grant the County consent to sublease portions of the property to an adult day care non-profit and/or another public serving entity located at 60 Kenai Street (Property) in Lahaina, Maui.

Miller stated that in October 2024, HHFDC acquired the Property, to be incorporated in the Front Street Apartments (FSA) Redeveloped Project, which was later offered to the County at a reduced rent.

Miller summarized the key terms for an initial one-year lease of the Property to the County's Department of Management, which will later revert to a month-to-month after the initial term. He stated that if approved, the lease will commence at a to-be-determined date by written agreement between HHFDC and the County's Department of Management. All subleases will be reviewed by HHFDC and will require written approval from HHFDC's Executive Director.

In response to Designee Evans, Miller confirmed that the property will be incorporated in the FSA Redevelopment Project and the current structure will be demolished.

There being no further discussion and testimony provided by the public, the motion was carried unanimously.

Director Bradshaw moved, seconded by Director Sasaki, to approve staff's recommendation presented by Sales & Counseling Section Chief Lorna Kometani, to amend and clarify verification of eligible purchaser requirements prior to close of sale and to correct typographical errors referencing guidelines to determine HHFDC's repurchase price under Chapter 15-308 "State Assisted Sales and Lease Program," Hawaii Administrative Rules.

Kometani summarized the substantive amendments, stating that the amended draft rules would clarify that recertification would only apply when there are status changes to the identity of the eligible purchaser and property ownership as opposed to being income and household based; and corrects the reference to guidelines used to determine HHFDC's repurchase price to 15-308-85. She stated that failure to adopt the requested amendments may result in developers incurring additional costs for marketing and selling units that become vacant by a purchaser who no longer meets eligibility requirements and compliance with Section 201H-47(a), Hawaii Revised Statutes on HHFDC's repurchase price.

Designee Evans expressed her support for the clarification on recertification, which she felt allowed flexibility for purchasers to become homeowners with a benefit, who would otherwise have an unintended disincentive to improve their fiscal sustainability.

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

Approve: (1) the  
Establishment of a  
Lease with the  
County of Maui;  
and (2) Consent to  
Sublease the  
Property to an  
Adult Day Care  
Non-Profit and/or  
Another Public  
Serving Entity,  
Located at 60  
Kenai Street,  
Lahaina, Maui,  
TMK No.: (2) 4-5-  
003: 014

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

Approve Proposed  
Amendments to  
and Compilation of  
Chapter 15-308  
"State Assisted  
Sales and Lease  
Program," Hawaii  
Administrative  
Rules to Provide  
Clarification to  
Status Changes  
Prior to Close of  
Sale and Make  
Technical  
Amendments



Executive Director Minakami stated that purpose of clarification was to provide fairness for eligible purchasers as well as increase staff efficiency on not having to recertify affordable units.

Chair Mackler asked for public testimony. There was none.

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

Executive Director Minakami reported on the following:

- In reference to Exhibit C, House and Senate Bills Related to Housing, there is a third less of bills than at the start of the Legislative Session.
- HHFDC's Writ of Possession was successfully executed on February 13, 2025 for Waiahole Lots 48 & 49. The premises have been secured and is to be cleared of remaining belongings and obstructions left behind from previous occupants before site can be leased out.
- A settlement with the 10 remaining agricultural lessees has been attained. Objectives considered in reaching the settlement, which entails prolonging existing rent amounts for a period before implementing the negotiated rents of the other agricultural lessees, were the foregone rent as compared to the anticipated cost of arbitration, the relative risk to the State by proceeding with arbitration, and having all agricultural leases generally consistent to aid lease rent renegotiations in 2038.
- Consolidated applications for the 2025 funding round were due on February 14, 2025, in which HHFDC received a record of 35 applications, being an approximately 20% increase from the past year. Requested funding amounts for Rental Housing Revolving Fund (RHRF) were \$1.1 billion (approximately increasing from a median request of \$160,000 to \$270,000 per unit) primarily due to construction costs, anticipated tariffs, and increased insurance costs and interest rates. \$1.7 billion in requests for Private Activity Bonds (PAB) were also received. While the increased volume in applications is positive, Executive Director Minakami expressed the concern of not being able to address the demand.

Director Bradshaw asked whether tariffs are expected to have a big impact on affordable housing in terms of construction (i.e., lumber, exported supplies). Executive Director responded in the affirmative, stating that HHFDC anticipates seeing an increase in developers coming back to adjust their budgets and request for more PAB, LIHTC, and RHRF financing.

Chair Mackler stated that someone from the public would like to provide public testimony via telephone related to Waiahole Valley, in part of the Report of the Executive Director.

Ms. Leilehua K. Kane, Sr. provided testimony on her concerns about the installation of water meters in Waiahole Valley requested by HHFDC. She asked for accommodation to tap into another viable water source and/or possible recommendation for an installation company. She stated that she will be sending a letter of her request to HHFDC and requested that HHFDC's response be in writing.

#### **IV. REPORT BY THE EXECUTIVE DIRECTOR**



There being no further discussion or business on the agenda, Director Bradshaw moved, seconded by Director Sasaki to adjourn the meeting at 10:11 a.m.

The motion was carried unanimously.

**V.**  
**ADJOURNMENT**  
10:11 a.m.



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SEAN SASAKI  
Secretary