

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

**April 10, 2025**

**MINUTES**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, April 10, 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/UCJP6i8hhsS9EK769RJJfT5w>).

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

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 Jason Bradshaw  
Director Scott Glenn  
Designee Mary Alice Evans for Director James Tokioka

Executive Director Dean Minakami

**Excused:** Director Luis Salaveria  
Director Jay Kimura

**Staff:** Klemen Urbanc, Deputy Attorney General  
Michael Yee, Chief Planner  
David Oi, Housing Finance Manager  
Randy Chu, Development Branch Chief  
Albert Palmer, Development Section Chief  
Lorna Kometani, Sales & Counseling Section Chief  
Haley Jiao, Housing Finance Specialist  
Cheryl Bellisario, Project Manager  
Cynthia Nyross, Housing 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  
Lindsay Apperson, Office of the Governor  
Tami Whitney, Office of the Governor  
Denise Iseri-Matsubara, Catholic Charities Housing Development Corporation  
Connie Yu-Pampalone, Catholic Charities Housing Development Corporation  
Vincenzo Mola, Coastal Rim Properties  
Justin Sugiyama, Cades  
Herbert Allen, 803 Waimanu Resident  
Chris Fong, Tradewind Capital  
Scott Ishikawa  
ZSE

Chair Mackler called upon Housing Information Officer Gordon Pang to provide HHFDC’s protocol for providing testimony before the Board. Pang stated that due to a third-party disruption during the March 13, 2025 Board Meeting, all remote attendees will now need permission to speak and/or share screen by clicking on the “raise hand” icon.

Director Bradshaw moved, seconded by Director Mende, to approve the meeting minutes of March 13, 2025.

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

There being no testimony provided by the public, Vice Chair Riemann moved, seconded by Director Mende to approve staff’s recommendation presented by Housing Finance Specialist Haley Jiao, to approve Resolution No. 210, authorizing a tax-exempt issuance of up to \$58,808,173 from the Hula Mae Multi-Family (HMMF) Bond Program for the Hale Pilina Project (Project). Satisfying the HHFDC’s bond checklist requirements, Jiao stated that the financial preclosing and closing are scheduled for April 28, 2025 and April 30, 2025, respectively.

Catholic Charities Housing Development Corporation’s executive director Denise Iseri-Matsubara thanked HHFDC and the Board for their support for Catholic Charities’ first family housing project. She acknowledged and introduced Ms. Connie Yu-Pampalone, as the backbone of the Project and stated that priority will go to the Lahaina Wildfire victims for the first two years.

Chair Mackler commented on the positive financial support for the Project by the Maui County.

Vice Chair Riemann stated that she was pleased to see activity on the vacant lot, being in a prime location.

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

Director Mende moved, seconded by Director Sasaki, to approve staff’s recommendation, presented by Development Section Chief Albert Palmer, to convert up to 17 unsold affordable units to market at the 803 Waimanu For Sale Condominium Project (Project).

Mr. Herbert Allen, an 803 Waimanu resident, provided testimony in opposition to the conversion of the 17 affordable housing units to market rate. He asked that the Board defer action until all available options have been researched and explored. He referenced comments made by the Board at the September 12, 2024 Board Meeting, relating to the fiduciary responsibility of HHFDC’s resources for affordable units, the Department of Education’s (DOE’s) Housing Program, Dwelling Unit Revolving Fund (DURF) Equity Pilot (DEP) Program, and holding developers accountable to the affordability commitments made. Allen also provided information on the Hawaii Community Development Authority’s conversion of restricted units to market, Multiple Listing Service (MLS) sales data, and Hawaii Revised Statutes Chapter 514B, “Condominium Property Act.” (Written testimony was also submitted)

Since the September 12, 2024 Board Meeting, which approved the conversion of 25 affordable units at 140% of the Area Median Income (AMI), Palmer stated that 9 units have been sold and 2 are in escrow. Out of these 11 units, 10 are market units and 1 is an affordable unit, suggesting a stronger interest in the market units.

Despite the Developer’s efforts to facilitate closings for the affordable units, Palmer stated that sales rates remained low, with prospective buyers expressing reluctance to purchase the affordable units primarily due to the affordability restrictions (10-year Buyback and Shared Appreciation Equity) and purchasing a unit without parking.

**II.A.  
APPROVAL OF  
MINUTES**

Regular  
Meeting  
3/13/25

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

Approve  
Resolution No.  
210, Authorizing  
the Issuance of  
Hula Mae Multi-  
Family Tax-  
Exempt Revenue  
Bonds for the Hale  
Pilina Project  
Located in  
Kahului, Maui,  
TMK No.: (2) 3-7-  
013: 026

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

Approve  
Borrower’s  
Request to Convert  
Seventeen  
Affordable Units to  
Market Rate at the  
803 Waimanu For  
Sale Condominium  
Project, Located at  
Kakaako, Oahu,  
TMK No.: (1) 2-1-  
049: 084



Hence, the request by the developer for the conversion of 17 affordable units to market rate, resulting in a high probability of providing sufficient revenue to pay off the senior loan in a timely manner, which would ascend HHFDC to the senior lender position.

Palmer stated that the Project has an outstanding debt of \$17.2 million. The current approved sales prices of unsold units sum to \$16.9 million. Converting 17 units to market could potentially increase the sum of sales of unsold units to \$18.4 million.

Due to HHFDC's competing priorities relating to the DURF loan and the affordability, Palmer stated that staff is seeking clarity on the Board's priorities. Approving the Developer's request would favor DURF loan recovery over affordability, while taking no action would prioritize affordability at the cost of loan recovery.

Director Bradshaw asked what 140% AMI equates to in terms of a dollar amount for a family of 4 and a family of 2 in the Honolulu area. Executive Director Minakami stated that in Honolulu, 140% of the AMI is approximately \$156,000 for a family of 2 and \$194,000 for a family of 4.

Director Bradshaw asked whether the major issue for the affordable units not being sold is due to having no parking. Coastal Rim Properties' Vincenzo Mola stated that parking stall availability is one of the primary reasons, as the Project was aiming to integrate rail transit.

If approved, Director Bradshaw asked whether the converted market units would have a parking stall. Mola responded no, stating that all 78 parking stalls in the building had been taken.

With no parking available, Director Bradshaw questioned whether sales would continue to struggle even with the conversion to market units. Mola responded no, stating that many homebuyers would rather buy a market rate studio apartment, even if it is more expensive, because it offers unrestricted ownership and the ability to adapt to their changing needs. Whereas the affordability restrictions are perceived as "handcuffs" that limit their housing options down the line.

Historically, Designee Evans commented that restrictions on a commitment, especially with the smaller studio unit types, has shown to be challenging to sell to buyers. She stated that state housing agencies are not producing projects with 2-3 bedrooms that would be more stable and suitable for growing families as opposed to having no choice but to sell to get a larger space.

Chair Mackler inquired about the Project's market timeline. Mola stated that the construction of the Project, initially planned to begin in 2017, was delayed until 2019, leading to potential issues with buyers who had previously committed. He affirmed that a significant portion (estimated around 90%) of the units had already been sold, but the delay may have caused some buyers to drop out due to changes in their financial situation or no longer meeting the affordable housing requirements. Palmer added that the pandemic may have initially been the cause of some uncertainty and delays in home purchases as well.

Chair Mackler inquired about residency requirements for the affordable units and whether the residency requirements would remain if converted to market. Mola responded in the affirmative that the affordable units have residency requirements; however, market units would not.

Without the residency requirement, Chair Mackler asked whether it would be possible for an investor to then purchase the market units in bulk. Mola responded in the affirmative.

Palmer stated that there has been an increased demand for rentals without parking than buying units without parking. He explained that one of the ways to accommodate the



market demand is to allow units to be purchased and rented outside of HHFDC's affordability restrictions.

In reference to Mr. Allen's testimony regarding the DOE's Housing Program, Director Bradshaw asked whether discussions were held with the DOE. Mola responded in the affirmative, however, noted that he did not see the marketing efforts being the issue with the Project.

Director Bradshaw commented that affordable housing, or the lack thereof, is a significant challenge for teacher recruitment and retention in Hawaii, leading many to leave for the mainland. He further stated that high cost of living and inadequate workforce housing options make it difficult for teachers or those in dual-income families, to afford to live and work in Hawaii.

Mola stated that the approach of allowing market rate sales of affordable housing units, with the condition that the new owners maintain affordable rental restrictions on the properties, aims to address the high demand for affordable housing in Hawaii.

While agreeing to the need for housing in Hawaii, Director Bradshaw expressed concern on the fact that an out of state investor could purchase the units that were intended for local residents in Hawaii.

Chair Mackler asked what the greatest resistance is – the product or the affordability restrictions/qualifications to finance the purchase. Mola responded that he felt the greatest resistance is the affordability restrictions.

Chair Mackler inquired about the DEP Program and reason for not considering it as an option for the Project. Executive Director Minakami stated that there are limitations in the budget of \$10 million, which has already been committed to other projects. However, he stated that with legislation to make the DEP Program permanent and funded, it could be a possible option for the Project.

Even with the implementation of the DEP Program, Palmer added that if no action is taken, there is not sufficient value for the unsold units to recover the outstanding debt.

Director Mende asked whether residency and affordability restrictions could be placed on the units converted to market. Mola stated that the option to sell and have the unit rented out as an affordable unit to a Hawaii resident would work. Executive Director Minakami stated that could possibly be done through a restrictive covenant.

Mola added that another reason for the conversion to market is to quickly meet the loan-to-value ratio of the 75% requirement to secure lender financing.

Discussion ensued on whether action should be deferred to explore further options.

Designee Evans expressed favor towards converting the affordable units to market rate units due to past approval of similar scenarios. With the desire for immediate occupancy, and concerns about long-term financial constraints associated with high interest rates, she expressed that waiting for potentially beneficial changes is unlikely, as high interest rates could trap buyers with the affordability restriction obligations.

Chair Mackler asked whether removing the affordability restrictions but keeping the AMI of up to 140% for Hawaii residents would be a possible solution. Palmer responded in the affirmative, stating that he believed that it has been done before.

Executive Director Minakami suggested that the Board defer action to allow staff to have further discussions on additional options and return to the Board next month with a proposal.

Director Glenn requested that staff also provide an update on: (1) the affirmative steps taken from this meeting until the May meeting; (2) all marketing and targeting efforts with the DOE; (3) professions contacted and examined; and (4) as well as other affordability adjustments that could be made (e.g., such as going from a 10-year Buyback to a 5-year Buyback).

Director Mende withdrew his motion on the table, and Director Sasaki seconded.

The motion was withdrawn.

Director Mende then motioned, seconded by Director Sasaki, to defer action to the next Board of Directors Meeting on May 8, 2025, to allow further deliberation between HHFDC staff and the Developer, to effectively engage in available options for the Board's consideration.

The motion was carried unanimously.

Chair Mackler proceeded to the Report by the Executive Director.

Executive Director Minakami called upon Planner Cynthia Nyross to report on the following legislative activities and bills.

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

- Governor's Message (GM) 736, relating to the Senate House Committee hearing for consideration and confirmation to the HHFDC Board of Directors, Gubernatorial Nominee, Mr. Grant Chun, for a term to expire June 30, 2029. Testimony in support has been submitted.
- HHFDC has submitted 230 testimonies thus far, in comparison to last year of 167 testimonies.
- Conference Committee hearings will begin on Monday, April 14, 2025, for the next two weeks. HHFDC is down to 25 bills out of the 108 bills tracked.
- Senate Bill (SB)79 streamlines the historic preservation review process for affordable housing projects by requiring the Department of Land and Natural Resources to determine the project's effect on various factors.
- SB1229 makes changes to the DEP Program established in 2023, which allows HHFDC to purchase equity in for sale housing development projects, lowering the price to be paid by the eligible buyer of a unit.
- SB71 creates a mixed-income subaccount under the Rental Housing Revolving Fund (RHRF) to allow HHFDC to finance projects outside Tier 1 first priority, without the need for legislation. This allows HHFDC to provide housing for the "missing middle" demographic.

Nyross stated that HHFDC is tracking 11 Resolutions, with the following two highlighted.

- Senate Concurrent Resolution (SCR)124 establishes a taskforce for SPEED (Simplifying Permitting for Enhanced Economic Development) to identify actions needed to expedite, facilitate, and coordinate State and Intergovernmental permit processes. HHFDC is a member of this task force.
- SCR60 urges HHFDC to develop a plan to produce sufficient housing to meet the State's demand.



Executive Director Minakami reported on the following:

- Together with developers, convened by Speaker of the House Nadine Nakamura, meetings were held to discuss ways the HHFDC could improve the RHRF Tier 2 Program. The demand for the program is contingent upon the appropriated funds received.
- In 2022, the Water Commission approved the Ota well construction with conditions that would make the development of the well infeasible. HHFDC continues to work with the Water Commission and Natural Energy Laboratory of Hawaii Authority (NELHA) to resolve challenges and proceed with development of the well to provide water for Kamakana Villages.
- A request to amend HHFDC's lease agreement with the County of Maui for the Hale O Laie Project (formerly known as the Haggai International Mid-Pacific Institute) will be presented at the May 8, 2025 Board of Directors Meeting.
- The Board will be kept apprised on HHFDC's initiatives via "For Information" reports regarding aligning award timelines with the Legislative cycle; taking a more active role in acquisitions of land; exploring alternative financing models for affordable housing; revising affordability restrictions on for sale projects; and conducting a demand survey for state employees.

Designee Evans thanked staff for looking into HHFDC's affordable restrictions model used, of which outcomes could be utilized accordingly by other housing agencies, such as the Hawaii Community Development Authority, to help address similar concerns and issues in terms of achieving sales in a reasonable timeframe.

Chair Mackler thanked Executive Director Minakami and Nyross for their work through the Legislative Session, commenting on the positive impact as a result from the Executive Directors' participation in over 40 legislative hearings mentioned within the Executive Director Activities Report.

There being no questions or further business on the agenda, Director Mende moved, seconded by Vice Chair Reimann to adjourn the meeting at 10:11 a.m.

The motion was carried unanimously.



---

SEAN SASAKI  
Secretary

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