

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

July 10, 2025

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, July 10, 2025. The meeting was called to order at 9:07 a.m. by Chair Gary Mackler, 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 Jason Bradshaw, Secretary
 Director Grant Chun
 Director Luis Salaveria (Remote)
 Director James Tokioka
 Director Scott Glenn

Executive Director Dean Minakami

Excused: Director Sean Sasaki

Staff: Deputy Attorney General Klemen Urbanc
 Michael Yee, Chief Planner
 David Oi, Housing Finance Manager
 Randy Chu, Development Branch Chief
 Holly Osumi, Chief Financial Officer
 Albert Palmer, Development Section Chief
 Lorna Kometani, Sales & Counseling Section Chief
 Jay Nakamura, Housing Finance Specialist
 Jimmy Nguyen, Housing Finance Specialist
 Ryan Morita, Housing Finance Specialist
 Lei Ikeda, Housing Finance Specialist
 Cameron Lowry, Housing Development Specialist
 Gordon Pan, Housing Information Officer
 Marc Orbito, Information Technology Systems Manager
 Helmer Betiong, Information Technology Specialist
 Esa Pablo, Administrative Assistant to the Board

Guests: Chico Figueiredo, Office of the Governor
 Sara DeVries, Ahe Group
 Joe Michael, Pacific Development Group
 Connie Yu-Pampalone, Catholic Charities Hawaii
 Marnie Klein, Miller Housing
 Everett Dowling, Dowling Company
 Kipling Sheppard, Laulima Affordable Housing, LLC
 Aaron Eberhardt, EAH Housing
 Scott Settle, Settle Meyer Law
 Joelle Chu, Ahe Group
 Dave Michael, Pacific Development Group
 Mark Hashem, Aikanaha Partners LP
 Kevin Unemori, Aikanaha Partners LP
 Jack Dowling, Dowling Company Inc.

Liz Char, Kehalani Affordable LLC
Grant Chung, Lowney Architecture
Rex Kim, Kim Rex KC
Suzanne Kim
Albert Boyce
Betty Lueme

Director Bradshaw moved, seconded by Vice Chair Reimann, to approve the meeting minutes of May 8, 2025.

The motion was unanimously carried.

Director Bradshaw moved, seconded by Director Tokioka, to approve the meeting minutes of June 12, 2025.

The motion was unanimously carried.

Chair Mackler asked that the executive session meeting minutes of June 12, 2025 be distributed to the Board for review and a vote to be taken later in the meeting.

HHFDC received written testimony by the Honolulu City Council in opposition to Act 294 (2025), which restricts the Council’s ability to modify exemptions and conditions for 201H projects under Hawaii Revised Statutes, §201H-38. Executive Director Minakami stated that while the Council was consulted during the application process for the Laulima (Project), he requests that this agenda item be deferred to allow HHFDC to follow up with the City Council on their proposed conditions for the Project and will report back to the Board at its August 14, 2025 Board Meeting.

Written testimony was also received and distributed to the Board from LiUNA! and Kapolei Chamber of Commerce, expressing their support for the Project.

There being no other testimony provided by the public, agenda item III.A. was deferred to the August 14, 2025 Board of Directors Meeting.

II.A.
APPROVAL OF MINUTES
Regular Meeting
5/8/25

II.B.
APPROVAL OF MINUTES
Regular Meeting
6/12/25

II.C.
APPROVAL OF MINUTES
Executive Session
6/12/25

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) Laulima Affordable Housing, LLC and WPP Hawaii LLC, or Other Successor Entities Approved by the Executive Director, as Eligible Developers Pursuant to Section 15-307-24, Hawaii Administrative Rules; (2) The Project Proposal; and (3) Execution of Development Documents for the Approved Exemptions, for the Laulima Project Located in Honolulu, Oahu,

Director Bradshaw moved, seconded by Vice Chair Reimann, to approve staff’s recommendation presented by Development Section Chief Albert Palmer, to approve a Dwelling Unit Revolving Fund (DURF) budget of up to \$6,500,000 for the purchase of residential condominium units at the 803 Waimano (Project), intended to be conveyed through rental, sale, and/or under an implemented Rent-to-Own (RTO) Program.

Palmer stated that the units purchased by HHFDC will be determined as part of the negotiation of the Purchase and Sale Agreement with Eight Zero Three Waimanu, LLC (Developer), but will be sufficient in value to repay the Senior loan. An example of a potential unit purchase of 20 units was discussed, and based on a closing at the end of August 2025, would provide an estimated senior loan balance of \$5,573,376 of principal, plus \$152,695 of interest. Any excess purchase price would be repaid to HHFDC.

Palmer also stated that if HHFDC were to implement an RTO program for the units purchased, potential rent rates would be approximately \$1,940 for an 80% Area Median Income (AMI) studio without parking and \$2,400 for a 100% AMI studio with parking. A portion of the rent paid by the RTO program participants would be credited towards the price they pay to purchase the unit at the end of the 5-year RTO term. That RTO conversion price would depend on HHFDC’s Net Operating Income.

Chair Mackler inquired about the control of a homeowner association and when it is transferred from a developer to homeowners. Executive Director Minakami stated that transfers of control typically happen when 75% of units have been sold.

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

Director Glenn moved, seconded by Director Chun, to approve staff’s recommendation presented by Development Branch Chief Randy Chu, to authorize the Executive Director to enter into a Memorandum of Agreement (MOA) between the HHFDC and the Hawaii Department of Transportation (HDOT) for cost sharing related to the repaving of Papahehi Place in Kuliouou, Oahu.

Chu summarized the proposed terms and conditions of the MOA, stating that if approved, HHFDC agrees to share the cost with HDOT in the repaving of Papahehi Place, including design costs, in an amount not to exceed the \$500,000 appropriation by the Legislature and will take the necessary steps to secure the release of the funds.

Director Tokioka asked if this was a City project. Chu responded in the affirmative, stating that the road was dedicated to the City.

If dedicated to the City, Director Tokioka then asked why is HHFDC paying for it.

Chu called upon State Representative Mark Hashem, who sponsored the \$500,000 appropriation for the repaving of Papahehi Place. Representative Hashem explained that there was an engineering defect that led to a landslide and subsequent condemnation of the houses in the area by which HHFDC is to undertake upon the cessation of ground movement and reconstruction of the damaged sections of Papahehi Place. He stated that a more permanent fix would be to construct retaining walls, which is estimated to be \$30,000,000 plus.

III.B. DISCUSSION AND/OR DECISION MAKING
Approve: (1) a Dwelling Unit Revolving Fund Budget; (2) Purchase of Residential Condominium Units and Negotiation and Execution of Any Required Documents Therefore, and (3) Conveyance of Purchased Units by Rental and/or Sale, Implementation of a Rent-to-Own Program, and Negotiation and Execution of Any Required Documents Therefore, for the 803 Waimanu For Sale Condominium Project Located at Kakaako, Oahu, TMK No.: (1) 2-1-049: 084

III.C. DISCUSSION AND/OR DECISION MAKING
Authorize the Executive Director to Enter into a Memorandum of Agreement Between the Hawaii Housing Finance and Development Corporation and the Hawaii Department of Transportation for Cost Sharing for the Repaving of Papahehi Place in Kuliouou, Oahu, TMK Plat Nos.: (1) 3-8-010 and 018

Director Salaveria stated that it is his understanding that once road dedication is accepted by the City, then maintenance of the road becomes the responsibility of the City.

Executive Director Minakami concurred, clarifying that reconstruction plans approved by the City noted that HHFDC will pay for the reconstruction of the damaged areas of the road once ground movement ceases. He stated that it was a commitment made by HHFDC's predecessor when the road was reconstructed.

Director Salaveria stated that he did not want HHFDC to set a precedent for other properties within HHFDC's jurisdiction dedicated to the City.

Representative Hashem stated that this is a unique situation that the State is responsible for fixing, which also includes fixing the underground infrastructure based on an agreement with the Board of Water Supply that has not been done due to the ongoing ground movement.

Director Salaveria stated for the record that HHFDC needs to document its responsibilities and potential financial exposure under the reconstruction plan agreement in the event this comes into fruition.

Director Tokioka asked when the Kauhale Aupuni O `Kuliouou Subdivision was completed. Chu responded that the Subdivision was completed in 1982.

Director Tokioka asked whether the City was collecting property taxes since the dedication of the road. Chu responded in the affirmative.

Director Tokioka commented that the City should be participating and cost sharing as well, especially when they are collecting the property tax.

Chu stated that the City has indicated that they are not able to perform the repaving due to workload issues.

Director Tokioka stated that hopefully we can learn from this experience and avoid repeating it in the future.

Executive Director Minakami confirmed that it is HHFDC's current practice to dedicate infrastructure to the counties.

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

Director Bradshaw moved, seconded by Director Tokioka, to approve staff's recommendation presented by Housing Finance Specialist Lei Ikeda, to approve Resolution No. 213, which amends Resolution No. 207 by increasing the intended tax-exempt issuance of Hula Mae Multi-Family (HMMF) bonds for the Kuakini Heights Apartments (Project) of up to \$39,900,000 and an increased award of \$3,760,000 in Federal Low Income Housing Tax Credits (LIHTC) over a 10-year period as well as the corresponding annual State LIHTC over a 5-year period from the non-volume pool (4% LIHTC).

Ikeda stated that increases to the HMMF and LIHTC requests were primarily attributed to escalations in construction, financing and syndication, and increased contingency.

Project representatives Joelle Chu and Sara DeVries were made available for questions. Chu stated that actions were taken to mitigate the Project development costs by financial contribution received by the County of Hawaii and Seller, estimated at \$4.6 million and \$1.5 million, respectively.

Chair Mackler asked whether the Project's construction costs were locked in. Chu responded that if approved, they are ready to commence construction.

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

Approve: (1) Resolution No. 213, Which Amends Resolution No. 207 by Increasing the Intended Issuance Amount of the Hula Mae Multi-Family Tax-Exempt Revenue Bonds; and (2) Request from the Awardee to Increase the Low-Income Housing

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

With the deferral of agenda item III.A., Executive Director Minakami requested that the For Action be amended to only approve Kehalani Apartments considering that the Maluhia Project is located within the same master-planned community as the Laulima Project.

Director Chun moved, seconded by Vice Chair Reimann, to amend the For Action as follows:

Approve an award of up to \$1,800,000 in annual Federal 9% LIHTC over a 10-year period as well as the corresponding annual State 9% LIHTC over a 5-year period to the Kehalani Apartments (Project) located in Wailuku, Maui.

Housing Finance Specialist Jimmy Nguyen presented the For Action, as amended.

Chair Mackler asked whether the remaining \$1,088,856 of 9% LIHTC carryover balance could be used for a third project down the scoring order. Nguyen stated that he did not recommend consideration of the bottom three projects due to the large gap in quality from the top projects.

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

Nguyen called upon the Kehalani Apartments Project team to deliver a brief presentation on the Project. Jack Dowling, with Dowling Company Inc. introduced Project partners Kehalani Affordable LLC, Hawaii Assistant Housing Inc., Ava Goldman Associates, and Mark Development Inc. Dowling stated that financial closing and construction commencement are anticipated in the second quarter of 2026, with project completion slated for the third quarter of 2027.

This agenda item was deferred to the August 14, 2025 Board of Directors Meeting for the same reason as noted above.

Director Chun moved, seconded by Director Glenn, to approved staff's recommendation presented by Housing Finance Specialist Ryan Morita, to approve a RHRF Project Award loan of \$521,750 to Kehalani Affordable LLC for the Kehalani Apartments (Project), with an interest rate of 0.25% for a term of 42 years.

Director Salaveria asked what the remaining balance of uncommitted RHRF funds would be after awarding this Project. Housing Finance Specialist Michael Doyle stated that the balance would be approximately \$396,000,000 in uncommitted RHRF.

Tax Credits
Reservation for the
Kuakini Heights
Apartments Project
Located in Kailua-
Kona, Hawaii,
TMK No.: (3) 7-5-
003: 007

**III.E.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve an Award
of Federal and
State Low-Income
Housing Tax
Credits from the
State's 2025
Volume Cap to:
(1) Maluhia
Located in
Kapolei, Oahu,
TMK No.: (1) 9-1-
015: 081 (portion);
and (2) Kehalani
Apartments
Located in
Wailuku, Maui,
TMK No.: (2) 3-5-
001: 063, CPR 006

**III.F.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve a Rental
Housing
Revolving Fund
Project Award for
Maluhia Located
in Kapolei, Oahu,
TMK No.: (1) 9-1-
015; 081 (portion)

**III.G.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve a Rental
Housing
Revolving Fund
Project Award for
Kehalani
Apartments

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

Vice Chair Reimann moved, seconded by Director Tokioka, to approve staff’s recommendation presented by Housing Finance Specialist Michael Doyle, to approve Resolution No. 214, which provides for official intent with respect to the issuance of revenue bonds of up to \$66,000,000 (correction noted below) and a LIHTC reservation of up to \$4,544,834 in annual Federal LIHTC over a 10-year period as well as the corresponding annual State LIHTC over a 5-year period for the benefit of the Aikanaha Residences (Project).

Doyle noted a correction on page 6 of the For Action, fifth paragraph under section IV.A., which should read:

“Resolution No. 214, attached as **Exhibit C**, which provides for official intent with respect to the issuance of revenue bonds up to ~~\$34,500,000~~ \$66,000,000 for the Aikanaha Residences Project (Project), subject to the provisions and conditions recommended in **Exhibit E** and **Exhibit F**.”

Pacific Development Group’s Dave Michael delivered a PowerPoint presentation to the Board. Project team members Mark Hashem, Kevin Unemori, and Grant Chang were introduced. The Pacific Development Group’s history of affordable housing developments, Project location, and unit mix were noted.

Chair Mackler inquired about the lengthy timeline estimated for Building Permits being due to the subdivision. Michael clarified that they are expecting about 12 months for building permit issuance, which is in conjunction with the subdivision schedule.

Vice Chair Reimann asked whether a traffic plan was completed to address the congestion in the area, being surrounded by a lot of housing and schools. Michael stated that there is an overall traffic plan that is being completed by the sellers.

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

Director Tokioka was excused at 10:19 a.m. He thanked the Chair and the Executive Director for all their hard work.

Director Bradshaw moved, seconded by Director Chun, to approved staff’s recommendation presented by Doyle, to approve the corresponding RHRF Project Award loan of \$47,058,236 to Aikanaha Partners LP for the Aikanaha Residences Project (Project), with an interest rate of 0.25% for a term of 55 years.

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

Chair Mackler called for a recess at 10:23 a.m. Director Bradshaw was also excused at this time.

The meeting was reconvened at 10:35 a.m.

Located in
Wailuku, Maui,
TMK No.: (2) 3-5-
001: 063, CPR 006

**III.H.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve: (1)
Resolution No.
214, Which
Provides for
Official Intent with
Respect to the
Issuance of Hula
Mae Multi-Family
Tax-Exempt
Revenue Bonds;
and (2)
Reservation of
Low-Income
Housing Tax
Credits for the
Aikanaha
Residences Project
Located in
Wailuku, Maui,
TMK No.: (2) 3-6-
002: 003 (portion)

**III.I.
DISCUSSION
AND/OR
DECISION
MAKING**
Approve a Rental
Housing
Revolving Fund
Project Award for
the Aikanaha
Residences Project
Located in
Wailuku, Maui,
TMK No.: (2) 3-6-
002: 003 (portion)

RECESSED
10:23 a.m.
RECONVENED
10:35 a.m.

Director Glenn moved, seconded by Director Chung, to approve the executive session meeting minutes of June 12, 2025.

The motion was unanimously carried.

Executive Director Minakami presented the For Information on HHFDC’s initiatives for Fiscal Year (FY) 2026. He stated that while HHFDC’s existing programs are currently effective in producing affordable housing units, ongoing adjustments in its operations and programs are needed to address economic shifts, policy changes, and housing development and preservation challenges. Discussion was as follows.

1. Long-term Financing Plan for State-Sponsored LIHTC Projects

Executive Director Minakami stated that at least 26 state projects are anticipated to apply for financing in the upcoming years. Based on current financing metrics, expected requests are estimated to be over \$1.7 billion in private activity bonds (PAB) and at least \$2 billion in RHRF funds. To meet financing demands for state-sponsored projects, the following strategies are being considered.

- Set-aside for State projects – an annual amount of PAB and RHRF funds would be reserved for state projects proposed by state agencies, such as, but not limited to HHFDC, Hawaii Public Housing Authority, Department of Hawaiian Home Lands.
- Direct appropriations – HHFDC would seek project-specific appropriations from the Legislature.

2. Sync Consolidated Applications with the Legislature – Adjusting the awards over a 3 to 4-year timeline, requiring coordination with other funding sources that could affect developer readiness, tax-exempt bond schedules, and LIHTC-related federal reporting, including Internal Revenue Service Form 8610 allocations and forwarding commitments.

3. Alternative Financing Models for State Housing Projects

- Rent-to-Own – HHFDC would finance the design and construction of rental housing projects, providing tenants with the option to purchase their unit at a predetermined price and would allow renters to build equity to aid in the purchase of a unit to encourage homeownership. Funds would revolve when units are sold to the tenants, which could be used for future projects.
- Leasehold Condominium – the State would finance the design and construction of leasehold units for sale (in leasehold) to homebuyers, allowing funds to revolve upon sale of units and commercial financing may be leveraged to reduce the amount of state financing required.

4. For-Sale Regulations – staff is exploring alternative methods of preserving long-term affordability, one of which would allow affordable unit prices to increase annually based upon real property appreciation rates or an indexed inflation rate. Also, it allows homeowners to gain equity in the units.

Director Glenn asked for staff to consider how this may work with the Deed Restriction program that has been circulating for legislation. Executive Director Minakami concurred, stating that HHFDC is looking into that.

5. Permanent Supportive Housing (PSH) – Different from emergency or temporary housing that provides housing and services on a temporary basis.

**II.C.
APPROVAL OF
MINUTES**

Executive
Session
6/12/25

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

Information on the
Hawaii Housing
Finance and
Development
Corporation
Initiatives for
Fiscal Year 2026

The challenge with PSH would be the multiple agencies and funding streams that would be required for development and services on an ongoing basis.

Director Chun asked whether PSH would refer to housing where all occupants need some type of social service. Executive Director Minakami stated that it could be that supportive housing units are integrated into larger housing units with different models. For example, Hale Mahaolu provides services to residents as it becomes necessary over time.

Director Chun stated that the reality is that the need for support occurs at different points in people's lifetimes and therefore, the model considered should be adaptable and available when needed, rather than being a mandatory prerequisite for them to be there in the first place.

5. Property Acquisitions – HHFDC is working with a broker on available properties. An RFP will be issued in securing a developer in helping to repurpose and develop projects. All acquisitions will be brought to the Board for consideration.
7. Government Employee Housing – HHFDC is working on an RFP to procure a vendor to provide information on AMI target groups and sites and units to consider when planning and designing projects. Presentation on the survey to the Board is anticipated at the end of the year.

There being no further discussion, Chair Mackler proceeded to the Report by the Executive Director.

Executive Director Minakami reported on the following.

- HHFDC's Single Family Mortgage and Downpayment Assistance programs is anticipated to be up in November 2025, helping homeowners to qualify for higher mortgages to affordable homes along with downpayment assistance.
- The Commission on Water Resource Management (CWRM) continues to work on an Adaptive Management Plan that sets a path for the approval of a well construction permit for the Ota Well anticipated by the end of this year.
- Designing for the Front Street Apartments Redevelopment project is ongoing and may be eligible for Community Development Block Grant – Disaster Recovery Funds (CDBG-DR).
- HHFDC is working with the Office of Resilience and Recovery on potential workforce housing at the Kilohana site, of which CDBG-DR funding may also be available.

There being no questions or further business on the agenda, Vice Chair Reimann moved, seconded by Director Chun to adjourn the meeting at 10:58 a.m.

The motion was carried unanimously.



JASON BRADSHAW
Secretary

**IV.
REPORT
BY THE
EXECUTIVE
DIRECTOR**

**V.
ADJOURNMENT
10:58 a.m.**