HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

October 9, 2025

MINUTES

I. CALL TO ORDER/ ROLL CALL

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held ~~a special~~ its regular meeting on Thursday, October 9, 2025. The meeting was called to order at 9:00 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).

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 Scott Glenn Designee Mary Alice Evans for Director James Tokioka Executive Director Dean Minakami
Excused:	Director Sean Sasaki Director Grant Chun Director Luis Salaveria
Staff:	Deputy Attorney General Klemen Urbanc David Oi, Housing Finance Manager Randy Chu, Development Brach Chief Holly Osumi, Chief Financial Officer Albert Palmer, Development Section Chief Lorna Kometani, Sales & Counseling Section Chief Michael Doyle, Housing Finance Specialist Haley Jiao, Housing Finance Specialist Danielle Guthrie, Housing Finance Specialist Christina Longman, Housing Finance Specialist Jessica Patterson, Housing Finance Specialist Norman Jimeno, Jr., Project Manager Hunter Miller, Housing Development Specialist Stan Fujimoto, Housing Development Specialist Joseph Cory, Engineer David Partin, Project Coordinator & Inspector Jonathan Rapoza, Project Specialist Cynthia Nyross, Planner Gordon Pang, Housing Information Officer Marc Orbito, Information Technology Systems Manager Helmer Betiong, Information Technology Specialist Jerome Wasserman, Information Technology Intern Esa Pablo, Administrative Assistant
Guests:	Tami Whitney, Office of the Governor Casey Shoji, Senator Chang's Office David Nakamura, Mutual Housing Chris Flaherty, Ikenakea Keegan Flaherty, Ikenakea Patti Tancayo, Ikenakea Dan Simonich, The Michaels Organization

Brad Birdwell, Cloudbreak Hawaii, LLC
Richelle Taylor, Cloudbreak Hawaii, LLC
Thomas Cantwell, Cloudbreak Hawaii, LLC
Mark Unangst, Cloudbreak Hawaii, LLC
Mike Lesnever, Cloudbreak Hawaii, LLC
Peter Postlmayr, Cloudbreak Hawaii, LLC
Kathleen Orlandi, Hawkins Delafield and Wood
Alexzis Fuke, Raymond James
Brandon Hong, Core Tech International
Faith Rex, FSR Consulting
Connie Yu-Pampalone, Catholic Charities Hawaii
Makani Maeva, Ahe Group
Kenna StormoGipson, Hawaii Housing Policy

II.A. APPROVAL OF MINUTES Special Meeting 9/9/25

Designee Evans moved, seconded by Director Glenn, to approve the special meeting minutes of September 9, 2025.

The motion was carried unanimously.

II.B. APPROVAL OF MINUTES Special Meeting 10/2/25

Approval of the special meeting minutes of October 2, 2025 was deferred to the next Board of Directors Meeting.

III.A. DISCUSSION AND/OR DECISION MAKING Accept the Audited Financial Statements of the Hawaii Housing Finance and Development Corporation's Nani O Puna Project for Fiscal Years Ended June 30, 2025 and 2024

Designee Evans moved, seconded by Vice Chair Reimann to approve staff's recommendation.

There being no testimony provided by the public, Chief Financial Officer Holly Osumi presented the For Action, requesting that the Board accept the audited financial statements of the HHFDC's Nani O Puna Project for fiscal years 2025 and 2024.

Osumi noted a correction to the For Action, under section II.B., stating that Accuity LLP (Auditor), issued the audited financial statements to the U.S. Department of Agriculture (USDA) on "<u>September 29, 2025.</u>"

Osumi stated that the Auditor indicated an unmodified opinion on the fair presentation of the financial statements and there were no identified deficiencies in the internal controls that are considered material weaknesses.

Chair Mackler inquired about redevelopment plans for the Project going forward. Executive Director Minakami stated that once the USDA loan is paid off, the property can be repositioned to explore other affordable redevelopment options outside of agricultural field workers.

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

Housing Information Officer Gordon Pang was called upon to provide HHFDC's instructions for providing oral testimony and submission of written testimony to the Board as stated on the first page of the Meeting Agenda.

III.B. DISCUSSION AND/OR DECISION MAKING Approve a Request to Increase the Budget for the Waiahole Valley

Director Bradshaw moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Development Branch Chief Randy Chu presented the For Action, requesting an approval of an increase of $9,213,982 to the Waiahole Valley Budget for the next 5 years, to cover cost escalations for existing contracts and repairs to continue safe and effective operation and maintenance of the Waiahole Valley's infrastructure and Waiahole potable water system (Water System).

Agricultural Park and Residential Lots Subdivision Located at Waiahole, Koolaupoko, Oahu, Hawaii, TMK Nos.: (1) 4-8: Various, for Costs and Expenses Relating to Operations and Maintenance Infrastructure, and the Potable Water System

Designee Evans commented on the new water well and system being designed to meet the City and County of Honolulu's standards in preparation for dedication and asked whether HHFDC would be required to obtain a Well Construction and Pump Installation permit from the state Commission on Water Resource Management (CWRM) for a test well and any permanent pump installation. Chu responded in the affirmative on the permitting but clarified that the new well system of the Water System will be a replacement of the existing as opposed to a brand-new draw of the system.

Designee Evans asked whether the Water System was separate from the water used for the agricultural lots. Chu stated that the current Water System provides potable water that can be used for domestic use as well as agricultural use. Executive Director Minakami clarified that the HHFDC does not maintain the separate, non-potable water system, which is a legacy system from a previous owner.

Director Glenn asked for an update on resident proposals and alternative approaches to the Water System. Executive Director Minakami stated that certain residents are looking at using hydropower to provide electrical power to Waiahole Valley, however, this project would be separate from HHFDC's Water System.

Executive Director Minakami stated that staff anticipates returning to the Board again for additional funding for Waiahole Valley once expenses for lot remediation and infrastructure maintenance needs have been determined.

Designee Evans expressed her support on this matter.

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

III.C. DISCUSSION AND/OR DECISION MAKING
Approve (1) Resolution No. 218, 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 Hoonanea – Phase I at Hoopili Gateway Located in Kapolei, Oahu, TMK No. (1) 9-1-018: 012 (portion)

Designee Evans moved, seconded by Vice Chair Reimann, to approve staff's recommendation.

There being no testimony provided by the public, Housing Finance Specialist Michael Doyle presented the For Action, requesting approval of the issuance of revenue bonds of up to $58 million for the Hoonanea – Phase I at Hoopili Gateway project and a reservation of up to $5,595,000 in annual Federal Low Income Housing Tax Credits (LIHTC) over a 10-year period and the corresponding amount in State LIHTC over a 5-year period. The project will consist of 192 units (includes 1 manager's unit) targeting families earning 60% and below the Area Median Income (AMI) within the Hoopili Master Planned Community in Kapolei, Oahu. The total development cost for the Project was estimated at $114 million.

Doyle stated that Hoonanea Homes LP worked with staff in reducing its 2025 Rental Housing Revolving Fund (RHRF) request by approximately $5.3 million aimed to help preserve valuable state resources and increase the project's ability to repay the RHRF loan. Additionally, permanent capital resources for the project also included $1 million in deferred developer fee.

Mr. David Nakamura, Mutual Housing, thanked Doyle, Executive Director Minakami, Randy Chu, and Albert Palmer for their help and delivered a PowerPoint presentation on the project. He stated that this project is one of the first projects to utilize the Governor's Emergency Proclamation on Housing, which allowed the development of affordable rentals on business owned land, reducing the development timeframe by approximately 2 years. It was noted that commencement of construction is anticipated in mid-2026, with project completion in September 2028.

Chair Mackler asked what is anticipated for the second phase of the project. Nakamura stated that DR Horton deeded approximately 6 acres to Mutual Housing, which he hopes to develop the 2nd phase anticipated to consist of 154 units.

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

III.D. DISCUSSION AND/OR DECISION MAKING
Approve a Rental Housing Revolving Fund Project Award for the Hoonanea – Phase 1 at Hoopili Gateway Located in Kapolei, Oahu, TMK No.: (1) 9-1-018: 012 (portion)

Director Bradshaw moved, seconded by Vice Chair Reimann, to approve staff's recommendation.

There being no testimony provided by the public, Doyle presented the corresponding For Action, requesting approval of a RHRF Project Award loan of $41,945,876 to the Hoonanea at Hoopili Gateway project, with an interest rate of 0.50% for a loan term of 54 years.

In reference to III.G.6., Designee Evans asked whether the RHRF loan would be the senior loan. Doyle responded no, explaining that the RHRF loan is typically a junior mortgage, subordinate to a senior loan.

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

III.E. DISCUSSION AND/OR DECISION MAKING
Approve: (1) Resolution No. 219, 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 Leiwili Kapolei Buildings B & C Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-016: 230 (portion)

Director Bradshaw moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Doyle presented the For Action, requesting approval of Resolution No. 219, which provides for official intent with respect to the issuance of revenue bonds of up to $130 million and a reserve of up to $9,291,310 in annual Federal LIHTC over a 10-year period and the corresponding amount in State LIHTC over a 5-year period for the Leiwili Kapolei Buildings B & C project. The project will consist of 342 family units and 2 manager units for families earning up to 60% and below the AMI for a 70-year affordability commitment. The total development cost of the project is estimated at $249 million.

Doyle stated that Villages of Kapolei JV LLC worked with staff in reducing its 2025 RHRF request by approximately $4.1 million aimed to help preserve valuable state resources and increase the project's ability to repay the RHRF loan. Additionally, permanent capital resources for the project also included $2.3 million in deferred developer fee and $560,000 in deferred costs. Financial closing and construction commencement is expected by the fourth quarter of 2026.

Mr. Chris Flaherty, Ikenakea Development, delivered a PowerPoint presentation on the project and introduced Ms. Patti Tancayo, and his son Keegan Flaherty.

Director Glenn confirmed that this project is on HHFDC land. Flaherty responded in the affirmative. Executive Director Minakami stated that this is the final project within the Villages of Kapolei Master Planned Community.

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

III.F. DISCUSSION AND/OR DECISION MAKING
Approve a Rental Housing Revolving Fund Project Award for the Leiwili Kapolei Buildings B & C Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-016: 230 (portion)

Designee Evans moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Doyle presented the For Action, stating that this is the corresponding RHRF Award loan of $119,200,000 to Leiwili Kapolei Building B & C project, with an interest rate of 0.25% for a loan term of 70 years.

Designee Evans commented that she was happy to see 2- and 3-bedroom units in a family rental development.

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

Director Bradshaw moved, seconded by Vice Chair Reimann, to approve staff's recommendation.

III.G. DISCUSSION AND/OR DECISION MAKING
Approve: (1) Amendment to the Length of Affordability; and (2) Request for Extension to the Rental Housing Revolving Fund Letter of Intent for the Hale Uhiwai Nalu – Phase II Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-013: 052 (portion)

There being no testimony provided by the public, Housing Finance Specialist Haley Jiao presented the For Action, requesting approval of the amendment to the project's affordability period from 75 to 48 years to ensure consistency with the underlying ground lease and extension of the RHRF Letter of Intent (LOI) from October 31, 2025 to December 31, 2025, to accommodate the U.S. Department of Housing and Urban Development's (HUD's) anticipated firm commitment reissuance and finalize pending items. The updated development cost for the project is estimated at $16,266,197.

Jiao stated that the extension is a critical final hurdle to secure the necessary funding and move to closing. With the original HUD firm commitment expired, she stated that Cloudbreak Hawaii II, LLC (Awardee) has submitted a reapplication and received confirmation from HUD that a new firm commitment will be reissued within 60 to 120 days, with processing expected to conclude by the end of September. The HUD firm commitment is the only remaining threshold item required to proceed to closing, which is targeted for late November 2025. The Awardee has informed staff that during the federal government shutdown, HUD will continue to work on projects that have received a firm commitment.

Director Bradshaw inquired about the significant increase in the monthly rents in comparison with the rent amounts reflected within the January 9, 2025 For Action (i.e., studio unit at 100% AMI with a current monthly rent of $2,660 from $1700). Jiao stated that the rent increase amounts were based on the increases made to the 2025 HUD Affordable Rent Guidelines.

Director Glenn asked whether written confirmation was received or affirmed with HUD directly. Jiao clarified that a written email from the development team was received and not from HUD directly.

In reference to Exhibit B, Extension Request Letter dated September 15, 2025, Chair Mackler asked whether the firm commitment was received at the end of September 2025 as stated within the letter. Jiao stated that the Awardee will received confirmation that HUD will reissue a firm commitment once HHFDC's Board approval is received for the project's RHRF extension.

Chair Mackler pointed out that the For Action states that this is the final request for extension for the Awardee. Based on staff's assessment, Jiao stated that the negotiation delays were beyond the Awardee's control and is now demonstrating significant progress, justifying the approval for extension.

Awardee representatives Mr. Brad Birdwell and Ms.Richelle Taylor were called upon to speak on Director Bradshaw's question on the rent increase.

Birdwell stated that their organization provides housing for veterans, including those who are formerly and actively homeless, and who generally fall within the 100% Area Median Income (AMI) group. To ensure financial stability (i.e., transition costs from Nova Electric to Hawaiian Electric), the organization has had to increase rents across the board.

Chair Mackler asked whether VASH vouchers will be utilized for veteran residents and to what extent. Taylor responded in the affirmative that majority of the veterans in the community have VASH vouchers. She stated that by increasing the income limit for affordable rental units as stated within the HUD affordable rent guidelines, more veterans with higher incomes can qualify for housing assistance that would otherwise not qualify.

Birdwell spoke on the delays being due to negotiations held between HUD and the U.S. Department of Veterans Affairs (VA). He stated that if the RHRF extension is approved, the signing ceremony to execute the Enhanced Use Lease (EUL) would be held on Monday, October 13, 2025. Without the extension approval, Birdwell stated that they would end up in violation of their agreements with the VA on the EUL. He further stated that closing is anticipated before Thanksgiving and assured that even with the government shutdown, HUD has authorized work on projects that are scheduled to close, of which the project qualifies.

In reference to the transition of the Navy electric to Hawaiian Electric increasing costs, Designee Evans stated that the Hawaii Community Development Authority (HCDA) has received funding from the State and Navy to create a new transmission system. She asked for clarification on where the project's additional cost arises in that transition. Taylor explained that the project is currently off enterprise. Charges are being incurred based on the amount of power pulled from enterprise to the specific project lot. Full integration is not in the foreseeable future for the current construction timeline, however, she stated that the cost for the development needed to fully connect to the enterprise system has been built into the project's budget. While the current expectation is that these specific development costs, though budgeted for, will not be excessively high, Taylor stated that there is hope that circumstances can change with the HCDA aligning with the project's future needs, potentially reducing or altering these costs.

Designee Evans asked whether the information received was from Hawaiian Electric or HCDA. Taylor responded that information was received by both.

Being a federal holiday, Director Glenn questioned the signing date of Monday, October 13. Mr. Peter Postlmay clarified that the VA moved the signing to Monday, October 20, 2025 in their conference call held this morning.

While he expressed support and desire for a long-running pre-development project to finally move into the construction phase, Chair Mackler commented on the patience and extensive efforts by the Board and staff to assist the project, largely due to the beneficiaries they serve.

On behalf of all our veterans, Birdwell expressed their gratitude for the Board's patience and partnership with HHFDC.

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

RECESSED 10:18 a.m.
RECONVENED 10:35 a.m.

Chair Mackler called for a recess at 10:18 a.m. and reconvened the meeting at 10:35 a.m.

III.H. DISCUSSION AND/OR DECISION MAKING Approve Resolution No. 220, Authorizing the Issuance, Sale and Delivery of Hawaii Housing Finance and Development Corporation Hale Kamaaina Single-Family Mortgage Purchase Revenue Bonds, 2025 Series A and Approval of a 38th Supplemental Trust Indenture,

Designee Evans moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Housing Finance Manager David Oi presented the For Action, requesting the adoption of Resolution No. 220, which effectuates the sale and delivery of the Hale Kamaaina Single-Family Mortgage Purchase Bonds (formerly known as the Hula Mae Single Family Single Family Mortgage program), 2025 Series A, along with the documents including the 38th Supplemental Trust Indenture Bond Purchase Agreement, Official Statement, Continuing Disclosure Agreement, and other actions necessary to complete the Bond Sale.

Oi stated that the estimated Bond amount of the 2025 Series A bonds is $30 million, which is subject to change based on market conditions at the time of prices and value of underlying mortgage-backed securities (MBS). Bond proceeds are to be utilized to fund eligible mortgage loans with the premium on a portion of the term bonds utilized to fund a portion of the down payment assistance (DPA) for homebuyers. Cash reserves currently held under the Trust Indenture will fund the remaining portion of approximately $2.7 million for the DPA, cost of issuance, capitalized interest on the Bonds.

Bond Purchase Agreement, Official Statement, Continuing Disclosure Agreement, and Related Documents

Raymond James' representatives Mr. Raymond James, Ms. Alexzis Fuke and Mr. Mark O'Brien were introduced and made available for questions.

With the Federal Reserve reducing the federal funds rate a quarter point last month, Designee Evans asked the reason for making the issuance now as opposed to the end of the first federal quarter. Oi and Fuke stated that while there was consideration for delaying until after the Federal Reserve's October 2025 meeting, they believe that the current market conditions, influenced by factors such as the success of other Housing Finance Agencies and favorable market alignment, present an optimal opportunity to proceed with the sale.

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

III.I. DISCUSSION AND/OR DECISION MAKING

Approve the Program Year 2026 Allocation Plan for the U.S. Department of Housing and Urban Development's National Housing Trust Fund Program

Director Bradshaw moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Housing Finance Specialist Christina Longman presented the For Action, requesting approval of the Program Year (PY) 2026 Housing Trust Fund Allocation Plan, which runs from July 1, 2026 to June 30, 2027.

Longman stated that the State of Hawaii (State) receives about $3 million in National Housing Trust Fund (HTF) funding annually, which is administered by HHFDC. HHFDC is required to submit board approval for HTF Allocation Plans to HUD annually, describing how the funds will be distributed and used. A portion of the HTF funds is used for administrative costs with the remainder allocated to the City and County of Honolulu (City) and neighboring counties on a rotating basis for eligible projects. For Program Year 2026 (PY2026), the HTF Allocation Plan proposes the following changes.

- The City and the County of Maui will accept the next rotation of HTF program funds, each receiving approximately $1,425,000 less 5% for HHFDC administration costs.

- Update the HTF maximum per-unit subsidy limits from the 2023 Public Housing Total Development Cost (TDC) limits to the most recently available TDC limits.

- Amend the maximum developer fee limits to follow the guidelines of associated funding sources, if applicable.

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

III.J. DISCUSSION AND/OR DECISION MAKING

Approve: (1) the Repeal of Chapter 15-302, "Rent-to-Own Program," Hawaii Administrative Rules (HAR); and (2) the Proposed New Chapter 15-316 "Rent-to-Own Program," HAR, to Implement the

Designee Evans moved, seconded by Vice Chair Reimann, to approve staff's recommendation.

There being no testimony provided by the public, Planner Cynthia Nyross presented the For Action, requesting approval for the proposed simultaneous repeal of Chapter 15-302, Hawaii Administrative Rules (HAR), "Rent-to-Own Program," and adoption of the new Chapter 15-316, "Rent-to-Own Program," which incorporates current program requirements, update statutory references, administrative fees, and replaces the fixed option period with language that references the governing statute.
Sales & Counseling Section Chief Lorna Kometani was available for questions.

Director Bradshaw asked the reason for the program not being implemented for a decade and now being reconsidered. Executive Director Minakami stated that he is unaware of the reason it was not utilized in the past, however, staff are now looking at the RTO Program to repurchase existing projects as well as new projects, addressing the gap for renters and homebuyers who do not qualify for or are not served by HHFDC's standard programs. He stated that while the Legislature has expressed interest for HHFDC doing leasehold housing, the RTO Program appears to be a more feasible option.

Provisions of the Rent-to-Own Program Established by Subpart H of Part III, Chapter 201H, Hawaii Revised Statutes

In reference to section III.E. of the For Action, Designee Evans asked for the reason why a participant would be required to vacate as opposed to continue renting if they were not able to purchase at the 5-year point. Kometani stated that the participant renting the unit would be under an agreement that includes a pre-established purchase price set at the 5-year mark. While consideration to extend the agreement could be explored, Kometani explained that it may also necessitate an updated purchase price. However, she further stated that during the renting period, HHFDC would help to ensure a participant is ready to purchase. Executive Director Minakami added that transitioning a property from a rental project or a condominium with mixed rental and owner-occupied can be challenging if it does not occur in a practical timeframe (i.e., Condominium Association (HOA) establishment and operation).

In characterizing the program, Director Glenn emphasized the importance of accuracy in describing the key threshold point as qualifying for or obtaining a mortgage. Following Designee Evan's comment, he asked whether there would be flexibility in the program to accommodate the bank or lender should an unforeseen event outside an applicant's control happen at the time of closing within the 5-year period (i.e., government shutdown). Kometani responded in the affirmative, stating that all those various factors need to be considered for the program to be successful.

Kometani noted a correction on page 1 of the For Action, under section III.A. which should read: "An applicant may begin the process by obtaining an application from <u>the corporation</u>, a private realtor or property manager contracted to handle the rent-to-own program on HHFDC's behalf."

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

III.K. DISCUSSION AND/OR DECISION MAKING
Approve the Proposed Amendment to the and Compilation of Chapter 15-321 "Affordable Homeownership Revolving Fund Program," Hawaii Administrative Rules, Pursuant to Act 312, Session Laws of Hawaii 2025

Designee Evans moved, seconded by Vice Chair Reimann, to approve staff's recommendation.

There being no testimony provided by the public, Nyross presented the For Action, requesting approval of the proposed amendments to and compilation of Chapter 15-321, "Affordable Homeownership Revolving Fund Program," HAR. Proposed amendments conformed to Act 312, SLH 2025 provisions and authorizes HHFDC to provide loans through funds administered by certified nonprofit community development financial institutions and nonprofit development organizations for the development of affordable homeownership housing projects, and allows the Affordable Homeownership Revolving Fund to be used as matching funds to mobilize philanthropic, private, or other public sources of capital.

Oi was made available for questions.

To date, Chair Mackler asked whether there were any loans issued through this program. Oi responded no and stated that 2 applications were received, of which one is currently under review. A recommendation for the Board's consideration is anticipated to be made soon.

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

III.L. DISCUSSION AND/OR DECISION MAKING
Approve the Proposed New Chapter 15-322

Designee Evans moved, seconded by Director Glenn, to approve staff's recommendation.

There being no testimony provided by the public, Nyross presented the For Action, requesting approval of the proposed new Chapter 15-322 "Rental Housing Revolving Fund Capacity Loan Program for Community Development Financial Institutions," HAR, creating a standalone program to provide financing to community development financial institutions (CDFIs) to increase access to capital for the preservation, rehabilitation, and development of affordable rental housing in Hawaii.

"Rental Housing Revolving Fund Capacity Loan Program for Community Development Financial Institutions," Hawaii Administrative Rules

Oi was made available for questions.

Designee Evans asked who certifies the CDFIs. Oi stated that CDFIs are certified by the U.S. Department of the Treasury's CDFI Fund, which is a national certification process. Oi stated that HHFDC has been in discussions with a few CDFIs regarding this program.

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

III.M. DISCUSSION AND/OR DECISION MAKING
Approve the Proposed Amendment to and Compilation of Chapter 15-307 "State Assisted Land and Housing Development Program," Hawaii Administrative Rules, Pursuant to Act 38, Session Laws of Hawaii 2024, and to Amend Fees and Make Technical, Non-Substantive Corrections

Vice Chair Reimann moved, seconded by Director Bradshaw to approve staff's recommendation.

There being no testimony provided by the public, Housing Development Specialist Hunter Miller presented the For Action requesting approval of the proposed amendments to and compilation of Chapter 15-307, "State Assisted Land and Housing Development Program," HAR, pursuant to Act 38, SLH 2024, implementing a new fee schedule. Furthermore, proposed amendments also provides the framework for the 201H-38 exemptions expedited approval process, providing HHFDC with the ability to grant DURF loans to assist affordable housing development.

Development Section Chief Albert Palmer was also made available for questions.

Designee Evans asked for examples of projects that would be able to utilize the alternate pathway as opposed to the current. Palmer described a specific pathway under 201H-38 exemptions, stating that the projects could qualify if they are restricted to owner-occupancy for qualified residents for the lifetime of the project in lieu of meeting affordability commitments. If other programs are utilized, compliance with program requirements are still needed.

Chair Mackler asked whether the state's definition of a "qualified resident" can have an income limit, even if other programs with income limits are not used. Executive Director Minakami explained that a "qualified resident," would need to be a local resident of the state who will occupy the property as their principal residence and not own other qualifying properties; having no investor units allowed.

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

III.N. DISCUSSION AND/OR DECISION MAKING
Information on the Hawaii Housing Finance and Development Corporation (HHFDC) Dwelling Unit Revolving Fund Equity Pilot Program for Eligible Buyers in HHFDC Approved Housing Development Projects

Kometani presented the For Information, providing an update on the 5-year pilot Dwelling Unit Revolving Fund (DURF) Equity Pilot (DEP) Program created by Act 92, by the Legislature, in 2023 and identified under Chapter 15-309, HAR, as of January 15, 2024.

To date, Kometani stated that the DEP Program has approved an allocation of 56 DEP designated units in 4 housing development projects with equity amounts ranging from 10% to 20% of the purchase price, totaling $5,224,131 in DEP funding. The balance of DEP funds totaling $4,775,869 will be shared by two affordable housing projects -the Kahuina Project and Waiakoa Affordable Housing Project – approved under HHFDC's 201H exemption program.

Chair Mackler asked whether the projected balance amount of $4,775,869 for the remaining Kahuina and Waiakoa projects would deplete the $10 million appropriated funding. Kometani responded in the affirmative.

Chair Mackler commented on the success of the DEP Program. Kometani concurred.

In reference to Exhibit A, under The Park on Keeaumoku, Kometani noted that the reduction in DEP units was an administrative change by the HHFDC to reallocate funds due to a lack of eligible buyers for the project. Due to the reallocation of funds, Lima Ola Workforce Housing and Kaulu by Gentry were able to be approved last month.

IV. REPORT BY THE EXECUTIVE DIRECTOR

Executive Director Minakami reported on the following:

The County of Maui has expended all of the $10 million for their Homeownership Assistance Fund Program, helping Maui homeowners to rehabilitate their homes.

Created by Act 123, the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force was created to address permitting challenges, of which both HHFDC and Mary Alice Evans, representing the Office of Planning and Sustainable Development serves on. The Task Force held its first meeting this month and has formed three Permitted Interaction Groups relating to (1) building permits; (2) Chapter 6E, State of Hawaii Historic Preservation Division compliance; and (3) wastewater system.

A Request for Qualifications (RFQ) was issued to partner with developers in acquiring shovel-ready lands to develop affordable housing quickly. Fifteen applications in response to the RFQ were received and is currently under review.

The grand opening for the Lima Ola Single Family Housing Phase I and 2 was held this month.

Hawaii Housing Policy's Kenna StormoGipson asked to provide an update on the relocation plan budget for residents at the Courtyards at Waipouli project. StormoGipson stated that a letter was received from HUD's Office of Native American Programs, dated September 11, 2025, confirming that the relocation plan was not sufficient based on Kauai rental prices and should be taken up with the Department of Hawaiian Home Lands (DHHL). Since April 2025, StormoGipson stated that no information or response has been received from DHHL's representative for the relocation plan.

V. ADJOURNMENT
11:20 a.m.

There being no further business on the agenda, Director Bradshaw moved, seconded by Director Glenn to adjourn the meeting at 11:20 a.m.

The motion was carried unanimously.

for [signature]
JASON BRADSHAW
Secretary