

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

December 11, 2025

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, December 11, 2025. The meeting was called to order at 9:01 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 in attendance were as follows:

Present: Director Gary Mackler, Chair
Director Carol Reimann, Vice Chair (arrived at 9:22 a.m.)
Director Jason Bradshaw, Secretary
Director Sean Sasaki (arrived at 9:04 a.m.)
Director Grant Chun
Director Seth Colby (remote)
Director Scott Glenn
Designee Mary Alice Evans for Director James Tokioka (remote;
arrived at 9:06 a.m.)

Executive Director Dean Minakami

Staff: Klemen Urbanc, Deputy Attorney General
Lindsey Hostetter-Takaesu, Deputy Attorney General
Jay Nakamura, Acting Housing Finance Manager
Randy Chu, Development Branch Chief
Albert Palmer, Development Section Chief
Vivaswan Verawudh, Project Manager
Hunter Miller, Housing Development Specialist
Michael Doyle, Housing Finance Specialist
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: Lindsay Apperson, Office of the Governor
Tami Whitney, Office of the Governor
Jeff Ueoka, Waikapu Country Town
Daniel Simonich, The Michaels Organization
Brandon Hong, Core Tech International
Doug Bigley, Ikaika Ohana
Tom Fischer, Ikaika Ohana
Paul Fortino, Hale O'Hauoli
Chris Deuchar, Form Partners
Mark Shelburne, Novogradac

Chair Mackler confirmed that no one was present at the remote location of Director Seth Colby.

Chair Mackler welcomed and introduced Director Colby, HHFDC's new Board Member and director of the State Department of Budget and Finance.

Director Colby provided his previous work experience as the former chief economist for the State Department of Business, Economic Development & Tourism as well as a tax researcher and planning officer at the Department of Taxation. He expressed his desire to work with everyone and understand the nuances and details of potential resolutions being developed for the State.

Housing Information Officer Gordon Pang provided 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.

Director Sasaki arrived at the meeting at this time – 9:04 a.m.

Director Bradshaw moved, seconded by Director Glenn, to approve the special meeting minutes of November 20, 2025.

The motion was carried by Chair Mackler, and Directors Bradshaw, Chun, Colby, Glenn and Sasaki.

Designee Evans arrived remotely at this time – 9:06 a.m.

There being no testimony provided by the public, Director Glenn moved, seconded by Director Sasaki, to approve staff's recommendation.

Project Manager Vivaswan Verawudh presented the For Action, requesting approval of the Maui County Housing Agency's request for the establishment of a County of Maui subaccount within the Dwelling Unit Revolving Fund (DURF) for the purpose of financing regional infrastructure improvements supporting housing and transit-oriented development within the Waikapu Country Town (WCT) Backbone Infrastructure project (Project). The Project developers intend to request up to \$17 million of subaccount funds for the Project pursuant to Sections 15-307-242, 244(b), 246, and 247, Hawaii Administrative Rules (HAR), and expect to utilize bulk lot sale proceeds for repayment of the DURF loan. A separate For Action will be presented to the Board at a future date, seeking approval for the regional infrastructure loan for the Project.

Verawudh also stated that the Project is anticipated to support Aikanaha, a proposed affordable rental housing project that will consist of 212 multi-family residential workforce housing rental units for households earning up to 60% of the area median income (AMI), as well as the development of 31 rural lots, an approximately 100-unit affordable and market single-family housing project, and a dedicated site for a public school.

As of November 30, 2025, Verawudh noted that the DURF net available balance is approximately \$62.6 million.

Chair Mackler acknowledged Designee Evans in attendance and confirmed that no one was present at her remote location.

Mr. Jeff Ueoka, WCT's Attorney, on behalf of the Project, expressed his gratitude for staff's help and was available for questions.

There being no questions, the motion was carried by Chair Mackler, Directors Bradshaw, Chun, Colby, Glenn, Sasaki and Designee Evans.

Director Bradshaw moved, seconded by Director Sasaki, 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 additional use of DURF budgets and establishment of an imprest account for the operations of a Rent-to-Own

II.A.
APPROVAL OF MINUTES
Special Meeting
11/20/25

III.A.
DISCUSSION AND/OR DECISION MAKING
Approve the Establishment of a Subaccount Within the Dwelling Unit Revolving Fund for the Purpose of Financing Regional Infrastructure Improvements for the County of Maui Pursuant to Section 201H-191.5, Hawaii Revised Statutes

III.B.
DISCUSSION AND/OR DECISION MAKING
Approve: (1) Additional Uses for Dwelling Unit

(RTO) program at the 803 Waimanu for sale condominium project (Project). He highlighted key Board approvals to address the Project's financial challenges and stated that HHFDC is currently negotiating the Purchase and Sale Agreement with the developer for the purchase of 21 condominium units at the Project, which is sufficient in value to repay the senior loan balance of approximately \$5.6 million (total principal and interest as of November 24, 2025). Any excess proceeds from this transaction will go to paying the remainder DURF loan balance of approximately \$10,937,638 (total principal and interest as of October 31, 2025).

Once the units are acquired, Miller stated that HHFDC will set up an RTO Program with a 5-year rental period. The annual operating expenses, which include management fee, repairs and maintenance, utilities, Association of Unit Owners fees, and a contingency, are estimated to be \$12,000 a month and \$144,000 per year. Upon full lease up of the RTO Program, the estimated annual rent revenue will be approximately \$380,000. The estimated annual net operating income for full program occupancy during the initial 5-year rental period is approximately \$237,000, based on revenue and operating expense estimates.

Staff have not finalized the rental rates, unit prices, or total credits households will receive at the end of the rental period. However, Miller stated that staff estimates that participants will receive around 20% credit towards the final purchase price per units.

HHFDC will procure a property manager to manage operations and rental of the purchased units, the cost for which is estimated to be approximately 10% of rent collections. Miller stated that to cover unexpected expenses incurred in the early months of operation, it is recommended that the imprest account funding for the Project is set at a level equal to three times the monthly budgeted operating expenses, or \$36,000.

Director Glenn expressed his gratitude for the work and efforts by staff to get the Project to this point.

In response to Chair Mackler's inquiry regarding the evaluation of the association of owners' financial position, Branch Section Chief Albert Palmer stated that the estimated monthly operating cost includes a buffer to accommodate potential increases in the association fees.

Designee Evans asked how many of the units in the RTO program have parking and how many without parking. Miller responded that just one unit at 100% AMI will have parking, with the remaining 20 units with no parking.

There being no further discussion, the motion was carried by Chair Mackler, Directors Bradshaw, Chun, Colby, Glenn, Sasaki, and Designee Evans.

Chair Mackler proceeded to the Report of the Executive Director and noted that written testimony was received by the Board and opened for testimony by the public.

Director Reimann arrived at the meeting at this time – 9:22 a.m.

A handout was distributed to the Board by Messrs. Doug Bigley, Paul Fortino, and Tom Fischer, who providing testimony on the need for transparency and equitable process in scoring project proposals with the Qualified Allocation Plan guidelines, expressing their feeling of being "targeted" given their high scoring and allocation rejection for their Kaiaulu O Kapiolani project, emphasizing the importance of the HHFDC's mission driving its metrics, rather than the metrics defining the mission.

Based on previous history, Chair Mackler stated for the record that due to the numerous extensions previously granted to the developer's previous requests with the support of the executive director and staff, he did not believe that their project was being unfairly

Revolving Fund Budget(s); and (2) the Establishment of an Imprest Account for Operations at the 803 Waimanu For Sale Condominium Project Located in Kakaako, Oahu, TMK No.: (1) 2-1-049: 084

IV. REPORT BY THE EXECUTIVE DIRECTOR

"targeted." Going forward, he stated that he hoped further discussions with staff could pave a path forward to bringing the project back to the Board.

In response to Chair Mackler's comment, Bigley responded that it was not possible.

Executive Director Minakami reported on the following:

- Front Street Apartments – aims to become a mixed-income rental project by securing Community Development Block Grant Disaster Recovery (CDBG-DR) funds through the County of Maui, supporting households earning more than 60% AMI and below, to house a range of displaced survivors, as well as those of higher income. The CDBG-DR amount from the County and the project's 201H application for exemptions are anticipated next year in 2026.
- Hale Kamaaina Single-Family Mortgage program – for borrowers using government loans (Housing Finance Agency, Veterans Affairs, and U.S. Department of Agriculture loans), rates are set at 5.4% and 5.7% for conventional loans, with the option of the Down Payment Assistance component that allows borrowers to get up to 4% of their loan amount, increasing the primary mortgage rate by a quarter percent.
- Tier 2 Funding Round is anticipated in the first quarter of 2026.
- HHFDC is being considered for an Innovation award from the University of Utah School of Business for the DURF Equity Pilot Program. Executive Director Minakami recognized and thanked Sales & Counseling Section Chief Lorna Kometani and team for getting projects signed up.
- In response to Bigley's testimony, Executive Director Minakami explained that while Kaiaulu O Kapiolani scored well on the QAP, 4% Low Income Housing Tax Credit projects are also scored against other criteria set forth within the Rental Housing Trust Fund program and tax-exempt Bond program, such as cost, which the Kaiaulu O Kapiolani project came in around \$1.14 million per unit. While HHFDC does not set strict limits on cost per unit, he stated that there needs to be a "line" drawn when the cost becomes extremely high compared to other projects competing for the same limited financing. However, Executive Director Minakami expressed HHFDC's openness to collaborating with Ikaika Ohana to find a way to move the project forward.

There being no further business on the agenda, Director Bradshaw moved, seconded by Vice Chair Reimann to adjourn the meeting at 9:39 a.m.

The motion was carried unanimously.

V.
ADJOURNMENT
9:39 a.m.



JASON BRADSHAW
Secretary