

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

**February 12, 2026**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, February 12, 2026. 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>).

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

On roll call, those in attendance and excused were as follows:

Present: Director Gary Mackler, Chair  
Director Carol Reimann, Vice Chair  
Director Grant Chun  
Director Seth Colby  
Director Scott Glenn (remote; arrived at 9:25 a.m.)  
Designee Mary Alice Evans for Director James Tokioka

Executive Director Dean Minakami

Excused: Director Jason Bradshaw, Secretary  
Director Sean Sasaki  
Director Scott Glenn

Staff: Klemen Urbanc, Deputy Attorney General  
Lindsey Hostetter-Takaesu, Deputy Attorney General  
Michael Yee, Chief Planner  
Jay Nakamura, Acting Housing Finance Manager  
Randy Chu, Development Branch Chief  
Holly Osumi, Chief Financial Officer  
Albert Palmer, Development Section Chief  
Danielle Guthrie, Housing Finance Specialist  
Tina Morita, Housing Finance Specialist  
Michael Doyle, Housing Finance Specialist  
Lei Ikeda, Housing Finance Specialist  
Jessica Paterson, Housing Finance Specialist  
Chris Sadayasu, Project Manager  
Cheryl Bellisario, Project Manager  
Norman Jimeno, Project Manager  
Cameron Lowry, Housing Development Specialist  
Gordon Pang, Housing Information Officer  
Marc Orbito, Information Technology Systems Manager  
Helmer Betiong, Information Technology Specialist  
Esa Pablo, Administrative Assistant

Guests: Tami Whitney, Office of the Governor  
Makani Maeva, Ahe Group  
Jason Thon, Unlimited Construction Services, Inc.  
Karen Seddon, EAH Housing  
Questor Lau, EAH Housing  
Connie Yu-Pampalone, Catholic Charities of Hawaii  
Jeff May, Ward Research

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 Chun moved, seconded by Vice Chair Carol Reimann, to approve the meeting minutes of January 8, 2026.

The motion was carried by Chair Mackler, Vice Chair Reimann, Directors Chun and Colby, and Designee Evans.

There being no testimony provided by the public, Designee Evans moved, seconded by Director Chun, to approve staff's recommendation.

Housing Finance Specialist Jessica Patterson presented a request for Board approval regarding the 1142 Kinau project, identified as the final awardee of the 2025 funding round. The project will consist of 204 new residential units and 2 managers units serving individuals and families earning 30% - 80% of the Area Median Income (AMI), backed by a 66-year affordability commitment. The presentation detailed the necessity of Resolution No. 223 to establish official intent for the issuance of Hula Mae Multi-Family (HMMF) revenue bonds of up to \$64 million and the reservation of \$5,777,121 in annual Federal Low-Income Housing Tax Credits (LIHTC) over 10 years and an equal amount in annual State LIHTC over 5 years from the non-volume (4%) pool.

Staff deemed the project meritorious after a competitive scoring process and worked with Kinau Partners LP (Applicant) to optimize costs and efficiency, resulting in a reduction of the original funding request in annual Federal and State LIHTC and Rental Housing Revolving Fund (RHRF).

Developer Makani Maeva delivered a PowerPoint presentation to the Board on Ahe Group's history, project location, history, and information, status, and parking information – prioritizing housing over the need for parking (25 stalls for 206 units).

Maeva presented the project's parking strategy, emphasizing affordability and transit-oriented development. To maintain stable rents, the project will limit on-site parking to mandated accessibility stalls for seniors and individuals with disabilities. Maeva noted that avoiding traditional parking construction saves approximately \$35,000–\$50,000 per stall. By leveraging the central location and promoting alternatives—such as nearby rapid transit and subsidized Hui Car Share—the project aims to reduce the estimated \$1,400 monthly cost of car ownership for residents.

Designee Evans expressed concern regarding the proposed parking ratio of 25 stalls for 206 units. While acknowledging the lack of minimum parking mandates, she noted that insufficient on-site parking has historically hindered lease-up rates in other low-income developments. She emphasized the significant strain on families who must search for street parking after work and inquired whether the project timeline includes a budgeted extension for a potentially slower lease-up period.

In response to Designee Evans' concern, Maeva explained that the project targets smaller households seeking a "carless" lifestyle centered on public transit. She clarified that while families requiring vehicles may seek alternative housing, on-site parking is not essential for project stability. Citing the Queen Emma project as an example, she noted that high occupancy rates can be maintained despite low parking ratios. Maeva asserted that vacancies in other developments typically stem from poor architecture or a lack of common areas rather than parking shortages. She concluded by highlighting that modern amenities, such as in-unit laundry and air conditioning, are higher priorities for the target demographic than parking availability.

Director Colby inquired about the affordability of the four 2-bedroom units designated at 80% AMI, specifically asking if this reflected market rent. Maeva clarified that while

**II.A.  
APPROVAL OF  
MINUTES**

Regular  
Meeting  
1/8/26

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

Approve: (1)  
Resolution No.  
223, 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  
1142 Kinau Project  
Located in  
Honolulu, Oahu,  
TMK No.: (1) 2-4-  
012: 029

units are designated for those up to 80% AMI, rents are typically underwritten at 60% AMI level to enhance affordability, positioning them approximately \$400 below market rents for the area.

Director Colby inquired about project risk allocation and personal guarantees. Maeva confirmed that they are personally signing for the construction loan and providing a personal guarantee to the tax credit investor. Conversion to permanent financing is contingent upon meeting occupancy tests and debt coverage covenants. Therefore, while they assume the majority of risk post-approval, HHFDC bears the risk of the RHRF loan not being repaid if cashflow targets are not met.

Director Glenn arrived remotely to the meeting at this time – 9:25 a.m.

Discussion ensued on the \$64 million tax-exempt bond allocation for the project. Director Colby asked about the State's financial exposure and comparative market costs. It was clarified that HHFDC acts as a conduit issuer and such bonds are not backed by the full faith and credit of the State of Hawaii and do not directly impact the State's general debt risk, highlighting the State's primary roles in the administration of the federal bond volume cap and ensuring project compliance with federal guidelines.

It was further clarified that while the market interest rate (taxable) is currently estimated between 7.10% and 7.40%, the project utilizes an adjusted tax-exempt rate typically calculated at approximately 80% of the market rate to account for the tax-exempt status of the income for the lender. Projects utilizing 4% LIHTC, the IRS requires the issuance of tax-exempt bonds through the State and are generally placed with a bank, which bears the primary risk, while the developer carries the interim risk. The primary purpose of accessing these tax-exempt bonds is to trigger the availability of the 4% tax credits, which allows the project to raise the necessary equity to cover construction costs that cannot be supported by rental income alone.

Director Mackler inquired about the time projection for achieving 90% stabilized occupancy. Maeva stated about 20 months.

Director Mackler stated that the construction site is tight and asked how the planning will be staged. Mr. Jason Thon, with Unlimited Construction Services, Inc. stated that the Department of Transportation was contacted to rent a nearby parcel near the post office, which will house the office staff and serve as a base for vans that will shuttle materials back and forth to the site. Crane set up process will aim to start early due to its complexity, with the goal to complete the parking area first to create an on-site space to bring in materials on an as-needed basis.

Director Colby requested that demographic data on tenants in projects be collected, expressing interest in whether HHFDC tracked such information to ensure projects are meeting intended needs. Housing Finance Specialist Michael Doyle confirmed that while HHFDC demographic tracking varies (i.e., local impact and residency, occupational trends, and compliance monitoring), post-occupancy reviews consistently show that projects serve the immediate local workforce.

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

Director Glenn confirmed that there was no one present at his remote location.

There being no testimony provided by the public, Director Chun moved, seconded by Vice Chair Reimann, to approved staff's recommendation.

Patterson presented the corresponding For Action for the 1142 Kinau Project, stating that the initial award of \$43.5 million was adjusted to \$40 million following collaboration with the applicant, Kinau Partners LP. Loan terms were further modified to ensure the timely repayment of RHRF funds.

Chair Mackler inquired about the RHRF loan amount for the project, noting calculations estimate to approximately \$194,000 per unit. Doyle stated that the estimated \$194,000 per unit amount is below the typical range for 2025 new construction projects, where the average request is approximately \$250,000 per unit and the average awarded amount is just over \$200,000 per unit.

Project Located in Honolulu, Oahu, TMK No.: (1) 2-4-012: 029

Director Colby asked to confirm the total RHRF Funds to the State was approximately \$139 million. Executive Director Minakami clarified that \$139 million includes cash infusions. The current total net balance is negative \$96,745,535.

Director Colby asked when the \$40 million RHRF request for the project will be disbursed. Executive Director Minakami stated in the fourth quarter of 2026.

Director Colby inquired about HHFDC's plan once there are no RHRF funds. Executive Director Minakami stated that HHFDC then relies on infusions from the conveyance taxes and the legislature. Doyle added that plans to have projects move forward without RHRF are being explored.

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

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

There being no testimony provided by the public, Housing Finance Specialist Lei Ikeda presented the For Action, to approve an after-the-fact action to extend the Hula Mae Multi-Family (HMMF) bond issuance and Rental Housing Revolving Fund (RHRF) Letter of Intent (LOI) deadlines to June 12, 2026, for the Kuakini Heights Apartments project, as requested by the Awardee, Kuakini Heights Housing Partners LP.

Designee Evans asked the reason for the extension. Maeva stated that the project was originally awarded in September 2024. Under the original terms, the financial closing was required by September 2025. She further explained that delays with building permits, which has since been obtained, and appointment of Bond counsel resulted in the "after-the-fact" extension necessary to align the legal and financial closing with the current progress.

Chair Gary Mackler inquired about the project's total development cost. Maeva clarified that the project's total cost has reached approximately \$700,000 per unit, with construction costs specifically escalating from \$69 million to \$76 million. Maeva explained that while the primary reason for returning to the board was to meet the 50% test threshold under the old federal requirement, the subsequent enactment of the One Big Beautiful Bill Act lowered the 50% test requirement to 25%, making the additional bonds unnecessary.

Director Colby inquired if receiving HHFDC funding provided a priority status in the permitting process. Maeva clarified that HHFDC funding does not accelerate the permitting process, as the high volume of priority of affordable housing projects cancels out any individual speed advantage. Maeva stated that while permitting success relies on plan completeness and diligent follow-up at the county level, securing permits beforehand improves a project's readiness score for HHFDC support.

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

At the request of EAH, Inc., this action item was withdrawn from the February 12, 2026 HHFDC Meeting Agenda.

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

Approve an After-The-Fact Extension to the Hula Mae Multi-Family Bond Issuance and Rental Housing Revolving Fund Letter of Intent for the Kuakini Heights Apartments Project Located in Kailua-Kona, Hawaii, TMK No.: (3) 7-5-003: 007

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

Approve a Request to Amend the Project Target Population for the

**III.E.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve a  
Marketing Plan  
and Budget for the  
Hale Kamaaina  
Mortgage Program

Chair Mackler proceeded to agenda item III.E.

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

There being no testimony provided by the public, Housing Finance Specialist Danielle Guthrie presented and noted the following corrections to the For Action:

1. Page 1, under section III.B., the first sentence should read: "HHFDC has received feedback from both the ~~[realtor]~~ real estate community and lending community that the Program rates are not significantly lower than the average market rate, which has been fluctuating between 6.36% and 6.01% for conventional loans."
2. Replacement of Exhibit A in its entirety, with corrections pertaining to:
  - Eliminate lender incentive and reallocate funds to homebuyer incentives
  - Eliminate realtor incentive and reallocate funds to homebuyer incentives
  - Increase to the number of homebuyer incentives from 25 to 35
  - Revise the use of homebuyer incentive funds from appraisal and escrow fees to closing costs, prepaids, and reserves.
  - Replace the term realtor with real estate agency or real estate community as applicable throughout

Designee Evans inquired about the elimination of the various incentives to lenders and realtors. Guthrie explained that due to feedback received at a meeting held on February 6, 2026, such incentives to lenders and realtors could pose a Real Estate Settlement Procedures Act violation and therefore, funding was reallocated toward homebuyer incentives instead.

Executive Director Minakami noted that while banks may require 20% down to get competitive rates, this program is designed for those who only have about 5% to put down. The program accepts lower credit scores compared to the scores required by conventional lenders for their best advertised rates. The program offers rates that remain competitive with market leaders (i.e., 5.25%) but without the strict "fine print" hurdles of traditional banks. He further noted that because the program has been dormant for 10+ years, it requires extra effort for lenders to reintegrate this non-conventional loan type into their systems.

Director Colby asked what the overall budget for the program is. Guthrie stated that the program has a total authorization of \$160 million, with an initial bond issuance of \$30 million.

Designee Evans asked how the mortgage rates are determined. Guthrie stated that the mortgage rate is dictated by the bond price at the time of sale. Once a rate is set for a specific funding tranche, it remains fixed until those funds are exhausted. Executive Director Minakami explained that first \$30 million tranche was intentionally limited to "test the waters" and avoid getting stuck with high rates, as the market is anticipated to decline. Subsequent issuances will have different rates based on the bond market at those specific times.

Director Colby questioned the long-term viability of the program, suggesting that the agency establish clear metrics and goal posts to determine if the program is working or if they are simply chasing a failing initiative.

In response to Director Colby's question about long-term viability, Guthrie explained that the initial metrics are based on the number of loan reservations, of which HHFDC has not received any. To address this, HHFDC is working to ensure lenders fully understand these program nuances so they can accurately conduct outreach and homebuyer education courses. While lender-side education is ongoing, there is a recognized need for paid marketing to reach homebuyers directly. Increased public awareness will encourage homebuyers to approach their lenders, creating a dual-sided push (from both the State and the consumer) to utilize the program. Executive Director Minakami further stated that the program offers a low FICO score minimum of 660 to qualify for competitive interest rates. Additionally, the standard 20% down payment is not required.

Director Colby inquired about the anticipated timeline to determine whether this is a viable program. Executive Director Minakami responded in a couple of months.

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

Director Glenn was excused at this time – 10:17 a.m.

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

There being no testimony provided by the public, Development Branch Chief Randy Chu presented the For Action, requesting approval to transfer the maintenance, operation, and dedication of the Villages of Kapolei (VOK) infrastructure to the City and County of Honolulu (City), with the inclusion of a \$60 million Dwelling Unit Revolving Fund (DURF) budget to be paid to the City over a 10-year period pursuant to the 2026 Memorandum of Agreement (MOA).

Designee Evans confirmed that the \$60 million allocated over the 10-year period essentially equals the operational costs that the HHFDC would have incurred if the transfer did not occur. Chu responded in the affirmative.

Designee Evans asked whether the VOK is substantially built out. Chu responded in the affirmative, stating that the Northwest Corner is the last sizable lot remaining for development.

Designee Evans asked whether the Northwest Corner would remain with HHFDC even if the transfer goes through. Chu responded in the affirmative, stating that some portions will be leased to the developer and others for sale. Once completed the developer would be on the hook to maintain any common areas on-site.

The financial structure was discussed to involve \$10 million for the first 2 years, followed by a declining payment scale. Executive Director Minakami stated that the goal of the MOA is to transfer VOK infrastructure ownership and future maintenance responsibilities to the City, which is expected to save HHFDC approximately \$10 million annually in infrastructure costs.

Designee Evans asked about the estimated amount of property taxes collected by the City since inception of the VOK. Chu stated that the City has been collecting property taxes on all the residential units that have been in place since the late 1980s. His understating is that the major purpose of property taxes is to maintain the infrastructure.

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

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

Approve: (1) the Hawaii Housing Finance and Development Corporation's Transfer of the Villages of Kapolei Infrastructure Maintenance, Operation, and Dedication to the City and County of Honolulu; and (2) a Dwelling Unit Revolving Fund Budget of \$60,000,000 to Effectuate the Terms of the Transfer

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

There being no testimony provided by the public, Executive Director Minakami presented the For Action, which requests the Board's support on Senate Bill (SB) 2338 and House Bill (HB) 1714, authorizing the HHFDC Board Chair to submit testimony on behalf of the Board.

Executive Director Minakami stated that proposed 2026 legislation relating to SB2338 and HB1714, seeks to align HHFDC's leadership structure and compensation with the Hawaii Public Housing Authority. Key changes include increasing the executive director's salary, retitling the executive assistant to deputy executive director with a 95% salary cap, and granting the agency autonomy in personnel management.

Designee Evans expressed her support, specifically regarding the autonomy on personnel matters.

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

Chief Planner Michael Yee introduced Mr. Jeff May, from Ward Research, to present the findings of the 2025 State of Hawaii Employees Housing Report (2025 Report), which was commissioned to better understand the current housing situation of state employees and gauge interest in a potential employee housing program, as well as provide insight into the design and construction of future employee housing, established under Act 166 (2025).

May delivered a PowerPoint presentation on the findings, recruitment and retention drivers, and housing preferences of the 2025 Report, leveraging data from 5,662 survey respondents.

Director Colby expressed concern that housing plans fail to account for the housing ladder and resident life cycles, relying too heavily on static survey data. He contended for policies that support transitioning from renting to homeownership, avoiding situations that lock residents into housing meant for single, younger individuals.

Executive Director Minakami noted that this is the first step in implementing Act 166, which mandates the development of a government employee housing program. Meanwhile, data regarding preferences, potential income levels, and supportable rents has been gathered. The next steps include identifying the proper site, building typology, and financing structure.

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

Executive Director Minakami reported on the following:

- Efforts to promote the Hale Kamaaina Mortgage Program continue. This morning, he will feature the program in a Living 808 segment to further raise awareness.
- He commended the new legislative team's work—Chief Planner Michael Yee, Real Estate Planning Analyst Marci Tran, and Housing Planning Manager Dean Watase—in preparing testimony and tracking over 130 bills, with the agency leading on 40 bills.
- Key legislative initiatives highlighted:
  - Amending the DPA statute to revise the 5% buyer contribution requirement.

**III.G.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Discussion and  
Action on  
Companion Bills,  
Relating to  
Housing: Senate  
Bill 2338 and  
House Bill 1714,  
Proposing to  
Revise Personnel  
and Compensation  
Policies

**III.H.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Information on the  
2025 State of  
Hawaii Employee  
Housing Report

**IV.  
REPORT  
BY THE  
EXECUTIVE  
DIRECTOR**

- Making the Dwelling Unit Revolving Fund Equity Pilot Program permanent.
- Authorizing the transfer of funds from the Rental Housing Revolving Fund to the mixed-income subaccount.
- Increasing flexibility in the administration of the Rent-To-Own program.
- Advancing a workforce housing bill that eliminates the 10-year buyback and shared appreciation restrictions.

There being no further business on the agenda, Director Chun moved, seconded by Vice Chair Reimann to adjourn the meeting at 11:02 a.m.

The motion was carried unanimously.

V.  
**ADJOURNMENT**  
11:02 a.m.

  
\_\_\_\_\_  
JASON BRADSHAW  
Secretary