HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

June 18, 2026

MINUTES

I. CALL TO ORDER/ ROLL CALL

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) held its regular meeting on Thursday, June 18, 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).

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

Present:	Director Gary Mackler, Chair Director Sean Sasaki (remote) Director Seth Colby Designee Mary Alice Evans for Director James Tokioka Director Scott Glenn (remote) Executive Director Dean Minakami
Excused:	Director Carol Reimann, Vice Chair Director Grant Chun
Staff:	Klemen Urbanc, Deputy Attorney General Lindsey Hostetter-Takaesu, Deputy Attorney General Douglas Le, Executive Assistant Michael Yee, Chief Planner Randy Chu, Development Branch Chief Holly Osumi, Chief Financial Officer Albert Palmer, Development Section Chief Chris Sadayasu, Project Manager Vivaswan Verawudh, Project Manager Lanz Dong, Real Estate Portfolio Manager Lorna Kometani, Sales and Counseling Section Chief Loreen Kawewehi, Housing Sales Coordinator Joelle Jackson, Property Management Specialist Donna Ho, Housing Compliance Manager Tina Morita, Housing Finance Specialist Ryan Morita, Housing Finance Specialist Jay Nakamura, Housing Finance Specialist Lei Ikeda, Housing Finance Specialist Jessica Patterson, Housing Finance Specialist Layla Kilolu, Housing Planner Donna Ho, Housing Compliance Manager Kayla Valdez, Housing Compliance Specialist Rosemarie Bernardo-Grimes, Housing Information Officer Marc Orbito, Information Technology Systems Manager Helmer Betiong, Information Technology Support Specialist Zoey Kamikawa, Information Technology Intern Esa Pablo, Administrative Assistant
Guests:	Jack Dowling, Dowling Company, Inc.

Kalani Fonda, Department of Hawaiian Home Lands
Liz Char, Housing Partners LLC
Joelle Chiu, Ahe Group
Sara DeVries, Ahe Group
Dave Michael, Pacific Development Group Aikanaha
Mark Hashem, Aikanaha
Adam Thompson, Affordable Housing Partners Inc.
Martin Nguyen, Centre Urban Real Estate
Hollie Rader, Centre Urban Real Estate
Tony Wong Cam, Centre Urban Real Estate
Leilani Pulmano, Pacific Rim Land
Alicia Mazingo, Housing and Community Development Division, County of Maui
Brandon Hong, Core Tech International
Callie Condry, Micon Real Estate
Olivia Gurney, EAH Housing
Wei Fang, Double-U
Anders Lyons, Hale Mahaolu
Sharon Gi, SGI Consulting LLC

Chair Mackler confirmed that there was no one present at the remote locations of Directors Sasaki and Glenn.

Housing Information Officer Rosemarie Bernardo-Grimes read HHFDC's protocol for providing public testimony to the Board.

Chair Mackler took a moment of personal privilege to thank former director Jason Bradshaw (resigned May 20, 2026) for his service, prior to transitioning to the Land Use Commission board.

II.A. APPROVAL OF MINUTES
Regular Meeting 5/14/26

Director Colby moved, seconded by Designee Evans, to approve the regular meeting minutes of May 14, 2026.

The motion was carried unanimously.

III.A. DISCUSSION AND/OR DECISION MAKING
Adopt the Approved and Rejected List for the Rental Housing Revolving Fund Project Awards for the Fiscal Year 2026 Funding Round

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

Housing Finance Specialist Haley Jiao presented the For Action item requesting board approval for the Fiscal Year (FY) 2026 Funding Round Approved Project List for the Rental Housing Revolving Fund (RHRF) Project Awards.

Jiao stated that for FY2026 Funding Round, all 31 applications were evaluated and scored on criteria including local need, design, impact, management, and financial leverage, all scoring more than the minimum required 125 points required for eligibility, consequently, placing all applications on the RHRF Approved Project List.

Due to statutory funding rules, Jiao stated that the projects are divided into 2 priority lists and approved separately for the Board's consideration. Statutory priorities focus on federal financing projects and/or Low Income Housing Tax Credits (LIHTC) and mixed-income projects.

Once the Approved Project List for RHRF Project Awards is approved, Jiao stated that the RHRF project list remains valid until the HHFDC closes the funding round or approves a subsequent list. Listing does not guarantee funding; HHFDC may select, reject, or defer based on program interest.

There being no testimony provided by the public, Chair Mackler opened for questions by the Board.

Director Colby asked whether the Board received an in-depth briefing on the project scoring criteria and its correlation to project output. Executive Director Minakami clarified that the current review establishes a minimum eligibility threshold for funding, not a definitive project score. Projects will be formally scored against other mechanisms later in the process.

Director Colby requested a comprehensive in-depth briefing for board members on how scoring criteria influence developer applications and incentivize compliance. He observed that applicants are highly effective at optimizing their submissions to meet the current criteria ("studying for this test"), making it essential for the board to understand what behaviors and project profiles are truly being encouraged. Executive Director Minakami confirmed that could be done.

In response to Director Colby, Designee Evans noted that this is a screening phase, which verifies minimum qualifications, which all current projects successfully met. Projects utilizing U.S. Department of Housing and Urban Development (HUD) or U.S. Department of Agriculture (USDA) financing automatically meet higher criteria, placing them on the first priority Approved list.

Housing Finance Specialist Jay Nakamura further explained that the evaluation utilizes two separate scoring mechanisms depending on the project type:

- RHRF Program: Governed by its own scoring criteria under Title 15, Chapter 311 of the Hawaii Administrative Rules, to determine if applications meet the 125-point threshold (by the 40–50 points criteria). These rules also guide awards for 4% LIHTC projects.

- 9% LIHTC Program: Evaluation defers to the criteria set forth within the Qualified Allocation Plan (QAP), which the Board vetted and approved in September/October 2025 for current use.

Nakamura offered to provide the Board with a data analysis showing which specific criteria historically yield the highest points for applicants. He noted that while this information is already in the current administrative rules, a statutory process exists should the agency need to amend them.

Director Colby inquired about the Qualified Allocation Plan (QAP) process and asked how it could be amended to help. Designee Evans clarified that all QAP amendments must come before the Board for formal approval, emphasizing that the amendment mechanism is a comprehensive process involving Board members, developers, and the general public.

In reference to Sections III.G. and III.H. of the For Action, Director Colby questioned the tiering methodology for projects. Jiao explained that the first priority list consists of projects with verified federal subsidies, such as HUD, USDA, Section 8 vouchers, or Native American Housing Assistance and Self Determination Act (NAHASDA) funding. Conversely, the second priority list consists of the remaining 20 projects that lack federal subsidies or self-reviews. However, subsequent awards of LIHTC, HUD, and USDA could place remaining projects to first priority.

Director Colby inquired about the correlation between Section 8 vouchers and housing programs like LIHTC. Nakamura clarified that Project-Based Vouchers (PBVs) act as a financial enhancement for developers. By assigning vouchers directly to a project rather than an individual tenant, developers can secure more permanent financing and reduce the amount of gap financing needed for development. Nakamura further noted that while tenant-based vouchers grant mobility to individuals, PBVs remain with the project. Chair Mackler added that this structure enhances the revenue stream for a designated percentage of units (e.g., 10%), providing the stabilized cash flow necessary to attract private creditors.

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

III.B. DISCUSSION AND/OR DECISION MAKING
Approve an Award of Federal and State Low-Income Housing Tax Credits from the State's 2026 Volume Cap to: (1) Puuhona Phase III, Located in Wailuku, Maui, TMK Nos.: (2) 3-5-044: 119 to 127 and 130 to 142; and (2) 614 Wailepo, Located in Kailua, Oahu, TMK No.: (1) 4-3-059: 095

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

Housing Finance Specialist Jessica Patterson noted an amendment to Section IV., subsections A.1. and B.1., and adding a new condition under a bullet point b., that reads:

> "If applicable, provide the finalized Chapter 343 Exemption determination and the SHPD 6E Clearance letter by the earlier of (1) one year from award, or (2) as required by the closing schedule."

Patterson presented the For Action, requesting approval of awards for federal and state LIHTC from the state's 2026 volume cap for the Puuhona Phase III (Wailuku, Maui) and 614 Wailepo (Kailua, Oahu) projects.

Mr. Jack Dowling, representing Dowling Company Inc., introduced Ms. Liz Char of Housing Partners LLC and Mr. Kalani Fronda, Acting Administrator for the Department of Hawaiian Home Lands (DHHL). Dowling and Fonda delivered a joint PowerPoint presentation to Board regarding the Puuhona Phase III project.

Fronda announced that DHHL is accelerating its programs to shorten beneficiary waitlists. The department has issued roughly 1,100 project leases on Maui, with several active developments in Central, South, and West Maui. In Waikapu, DHHL is building 365 lots across two projects, including the Puuhona development.

Dowling highlighted the strategic advantages of the Waikapu location. Situated roughly 1.5 miles from Wailuku Town, the site provides a centralized hub with immediate access to key schools, business centers, and healthcare facilities.

Designee Evans inquired about the Rent-to-Own option and whether rental payments made by beneficiaries during the compliance period would contribute toward the final purchase of their units. Fonda responded in the affirmative, stating that is the explicit intent of the program. After the 15-year compliance period, Fonda stated that renters will have a purchase option, with rental payments intended to contribute toward the final purchase price.

Designee Evans inquired about the allocation of NAHASDA funds. Fonda confirmed that the funds are allocated and detailed a strategic transition from traditional mortgage financing toward debt financing and option-to-purchase projects across the state. This realignment targets two critical goals, (1) offers tenants viable pathways to future property ownership while systematically improving their credit readiness; and (2) establishes a project lease structure designed to protect families by ensuring qualified successors can legally inherit the lease during unforeseen circumstances.

Director Colby questioned the anticipated demand for the 22 proposed housing units and whether demand exceeds the available supply. Fonda stated that the 2020 DHHL beneficiary survey indicates 57% of Maui beneficiaries prefer turnkey homes. Central Maui is the highest-preferred destination for turnkey housing. A third-party market study confirms strong demand for these 22 specific units. The project targets households at or below 60% AMI. Without NAHASDA, this project serves as the best alternative pathway to meet community housing needs. During Phase 1 and Phase 2 lot orientations, 300 invited individuals did not get a chance to select a home because the first 137 applicants filled the availability, though that phase targeted a different income bracket.

Director Colby inquired if multifamily units and duplexes were being considered to expand available housing inventory. Fonda clarified that DHHL is strategically planning multifamily and duplex developments along Transit-Oriented Development (TOD) corridors, with a specific focus on areas near healthcare facilities to serve elder beneficiaries. Moving forward, DHHL is shifting its strategy from immediate vertical construction to issuing project leases first, ensuring development directly aligns with the financial qualifications of the active beneficiary pool.

Director Colby questioned the decision to construct standalone single-family homes over duplexes or multifamily units. Fonda emphasized that multifamily structures reduce shared construction costs and optimize limited island land to better address high housing demands. Fonda acknowledged that while beneficiaries traditionally prefer large single-family lots, the agency must prioritize higher density in urban areas, particularly on Oahu. He noted that DHHL is currently collaborating with a developer on a high-density project in Moiliili, marking a first for this specific housing type. Future high-density initiatives will focus on TOD corridors (such as Kapolei) and areas near healthcare infrastructure. Fonda concluded by noting that rural yet central geographic areas, such as the current project site, have historically seen low demand or planning for dense, multifamily units.

Designee Evans asked whether the project required navigating the standard county or state subdivision processes, or if the Hawaii Housing Finance and Development Corporation (HHFDC) chose to exercise its unique statutory authorities (such as 201H exemptions) to bypass traditional hurdles. Fonda clarified that while HHFDC strategically utilizes its unique authorities in specific instances, navigating the standard county process is often a deliberate, strategic choice because the project ultimately requires integration with various county services.

There being no further discussion, Chair Mackler proceeded with the PowerPoint presentation for the 614 Wailepo project.

Ms. Joelle Chiu, with Ahe Group delivered a PowerPoint presentation detailing the status of the 614 Wailepo project. Ms. Sarah DeVries was introduced, and Ms. Makani Maeva was noted as being out of the country and sent her apologies. Ms. Chiu stated that project delivery is on track for the end of the current quarter. She highlighted that this marks the first LIHTC affordable housing project built in Kailua in several decades.

Director Evans asked for clarification regarding the general footprint of the project. She noted previous discussions concerning proposed apartment building plans including dedicated parking. Chiu confirmed that while the City and County of Honolulu (City) does not strictly require parking on certain projects, this specific development features a 1-to-1 parking stall to unit ratio.

Director Colby raised concerns regarding the project's high per-unit cost ($976,000 vs. $876,000 for the prior single-family project), noting that General Excise Tax (GET) construction exemptions push one-bedroom unit costs over $1,000,000. He asked for the reasoning of the high costs. Ms. DeVries clarified that the high figures reflect the accounting presentation required to demonstrate City grant support for scoring purposes. She noted the land acquisition expense is completely offset by the City's grant, netting out to zero with no actual acquisition cost to the project. DeVries suggested recalculating per-unit figures net of acquisition costs to present a more accurate, "right-sized" representation of actual expenses.

Director Colby expressed strong reservations about the high costs, emphasizing that LIHTC and RHRF resources are limited and require strict management. He noted that these public funds could potentially fund more projects, such as single-family homes, for lower costs in areas like Maui or Kaneohe.

Director Colby requested a separate, detailed briefing on the construction cost breakdown to identify cost drivers and debate the necessity of funding projects in Kailua versus more affordable regions prior to a vote on funding allocations.

Director Colby proposed an amendment to the motion, requesting a follow-up discussion regarding project costs, comparative market data, and the variables driving the above-average estimates. Designee Evans seconded the motion.

Director Glenn requested clarification regarding the scope of the proposed amendment. Chair Mackler clarified that the amendment would separate the project under discussion for a follow-up debate, leaving the previous project under the original motion.

A vote was taken, and the amended motion was carried unanimously.

Chair Mackler then called for a vote on the main motion, as amended, which also carried unanimously.

Director Scott Glenn requested background material for the next meeting regarding project cost breakouts. He highlighted the need to understand the variance between total construction costs and total development costs, specifically noting how construction costs fluctuate between 60% and 75% of total budgets across different project types and islands. Director Glenn noted that this analysis aligns with Director Colby's focus on minimizing the gap between construction and development costs to ensure the judicious use of state tax dollars.

III.C. DISCUSSION AND/OR DECISION MAKING
Approve a Rental Housing Revolving Fund Project Award for the 614 Wailepo Project Located in Kailua, Oahu, TMK No.: (1) 4-3-059: 095

Due to the discussion, Chair Mackler stated that agenda item III.C. will be deferred to the July 9, 2026 Board of Directors Meeting.

III.D. DISCUSSION AND/OR DECISION MAKING
Approve the Commencement of the Fiscal Year 2027 Application Cycle for the Rental Housing

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

There being no public testimony provided by the public, Housing Finance Specialist Tina Morita presented the For Action on behalf of Finance Branch Manager Mike Doyle, requesting approval to commence the FY2027 application cycle for the Mixed-Income Rental Project (MIRP) Pilot Program. Morita stated that this request is driven by Act 159 and Act 250 of the 2025 Session Laws of Hawaii, which established a subaccount for mixed-income projects, provided funding, and mandated a separate application process for the RHRF.

Designee Evans inquired whether the applications for the legislative initiative include "for sale" units or if they are exclusively "rental" units. Executive Director Minakami confirmed that the current scope is for rental units only.

Revolving Fund Mixed-Income Rental Project Pilot Program

Chair Mackler asked if rehabilitation and adaptive reuse projects qualify for the MIRP. Morita clarified that projects must create new rental units to be eligible. For example, converting commercial space into residential housing qualifies, but standard rehabilitation without adding new units does not.

Director Colby asked whether scoring prioritizes TOD projects. Morita confirmed that TOD projects are one of the criteria priorities listed.

Staff offered to schedule a separate discussion regarding scoring weights. Director Colby concurred and requested that the documentation be transmitted via email.

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

III.E. DISCUSSION AND/OR DECISION MAKING
Approve an Extension to the Hula Mae Multi-Family Bond Issuance and Rental Housing Revolving Fund Letter of Intent for the Aikanaha Residences Project Located in Wailuku, Maui, TMK No.: (2) 3-5-002: 003 (portion)

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

There being no testimony provided by the public, Housing Information Specialist Lei Ikeda presented the For Action, requesting approval for a 12-month extension to the Hula Mae Multi-Family (HMMF) Bonds issuance and RHRF loan Letter of Intent (LOI) to July 10, 2027 for the Aikanaha Project.

RECESSED 10:25 a.m.
RECONVENED 10:26 a.m.

Director Glenn stepped away at 10:25 a.m. Due to a loss of quorum, the board recessed and reconvened at 10:26 a.m.

Mr. Dave Michael and Mr. Mark Hashem, on behalf of Pacific Development Group, were introduced and made available for questions.

Designee Evans requested the reasoning for the extension. Michael explained that the primary driver is the County of Maui building permit process, which is currently undergoing its second round of plan review comments. He noted that the project otherwise remains on schedule for its original delivery timeline and the budget is unchanged.

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

RECESSED 10:27 a.m.
RECONVENED 10:35 a.m.

Chair Mackler called a recess at 10:27 a.m. and reconvened the meeting at 10:35 a.m.

III.F. DISCUSSION AND/OR

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

Housing Compliance Specialist Kayla Valdez presented the For Action, proposing approval for a 30-year term ground lease of 34 Kulalani Drive to the County of Maui. Ms. Valdez noted that the project involves utilizing a previously vacant site, which was formally removed from the Department of Health portfolio in 2026, to provide community-based housing for mental health consumers or domestic violence survivors.

DECISION MAKING
Approve the Establishment of a Ground Lease with the County of Maui, Located at 34 Kulalani Drive, Kula, Maui, TMK No.: (2) 2-3-022: 033

Valdez then introduced Ms. Alicia Mazingo, representing the Housing and Community Development Division with the County of Maui.

There being no testimony provided by the public, Chair Mackler opened the floor for questions by the Board.

Designee Evans asked if the County is willing to lease the vacant property on an "as-is" basis and would undertake any improvements that may be needed to make it suitable for the proposed uses. Mazingo stated that she will need to confirm the details with the managing director; however, it is her understanding that the County is willing to accept the property "as is" and support required redevelopment.

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

III.G. DISCUSSION AND/OR DECISION MAKING
Approve: (1) a Dwelling Unit Revolving Fund Budget of up to $5,000,000 for Predevelopment Expenses; and (2) Activities Relating to Leasehold Development for the East Kapolei Transit-Oriented Development Project Located in Ewa, Oahu, Hawaii TMK Nos.: (1) 9-1-016: 008; 9-1-017: 096 (por.), 097, 098 (por.), 099, 163, 193 (por.) and 9-1-018: 008, 014 and 015 (por.); Kualakai Parkway Right-of-Way (ROW) (por.); and Farrington Highway ROW (por.)

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

Project Manager Vivaswan Verawudh presented the For Action, requesting approval of a Dwelling Unit Revolving Fund budget of up to $5 million for the predevelopment expenses of the East Kapolei TOD project, relating to the planning, development, acquisition, and ownership of the project.

Designee Evans noted her strong support for the project, recalling the Department of Land and Natural Resources' (DLNR's) previous request to use part of the property for revenue-generating industrial purposes. She inquired whether the current action allows DLNR to retain that designation. Verawudh confirmed that generated revenues would go to DLNR. She stated that HHFDC is actively coordinating with DLNR on retaining an alternative that allows for industrial use, alongside another alternative featuring a high-density industrial-residential mix.

Chair Mackler asked if this was the first TOD project moving forward along the main transit line. Executive Director Minakami stated that there are other large TOD projects proceeding on state-owned lands such as the Stadium redevelopment, but that the East Kapolei site is one of the largest contiguous, state-owned tracts available for development along the rail line. He added that the project is a substantial undertaking with significant potential for residential unit generation.

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

III.H. DISCUSSION AND/OR DECISION MAKING

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

Approve: (1) the Certification of Cardinal Waikiki Beach LLC, or Other Successor Entity Approved by the Executive Director, as an Eligible Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; and (2) a Dwelling Unit Revolving Fund Interim Loan, for the Cardinal O Waikiki Affordable Rental Project Located in Waikiki, Oahu, Hawaii, TMK No.: (1) 2-6-028: 029

There being no testimony provided by the public, Project Manager Chris Sadayasu noted a correction to the title, which should read: "Approve: (1) the certification of Cardinal [~~O~~] Waikiki Beach LLC, or other successor . . . ."

Sadayasu presented the For Action, requesting approval for a $5 million DURF interim loan to finance the 32-unit Cardinal O Waikiki Affordable Rental project. The applicant, Cardinal Waikiki Beach LLC, is a joint venture planning to build in Honolulu with a 30-year affordability commitment.

Mr. Martin Nguyen, with Centre Urban Real Estate, introduced Mr. Tony Wong Cam and Ms. Hollie Rader, and delivered a PowerPoint presentation on the project. Nguyen emphasized his local roots and commitment to addressing the current housing crisis. He introduced the "Cardinal" strategy, explaining that the name derives from the Latin word for "hinge," symbolizing a mechanism to open doors for housing solutions.

Nguyen thanked Development Section Chief Albert Palmer, Development Branch Chief Randy Chu, and Executive Director Dean Minakami for their patience and help throughout the process.

Designee Evans raised concern regarding the project's location in Waikiki, noting its proximity to sea level and vulnerability to high-tide flooding (e.g., during full moons). She requested clarification on provisions made for safeguarding critical project infrastructure against sea-level rise and flooding. Nguyen confirmed that flood resilience was a primary planning consideration, detailing action taken in conducting a topographical survey and geotechnical analysis; elevation of all residential units starting on the second floor, utilizing the ground floor strictly for parking; and collaborating closely with the Department of Planning and Permitting and the Honolulu Fire Department to ensure long-term resiliency, addressing specific risks like emergency pump operations during power outages.

Director Colby expressed strong support for the project, praising its "zoning by right" status and its potential as a fast, cost-effective model. He emphasized that the state should set parameters but allow innovative developers to experiment rather than over-engineering projects at the state level.

Director Colby inquired about the minimum affordability period associated with the RHRF. He noted that while the current action item specifies a 30-year minimum, standard RHRF guidelines traditionally require a longer period. Nguyen stated that in previous discussions with Doyle, the baseline affordability period requirement is 5 years, plus the term of the MIRP (e.g., a 30-year MIRP term requires 35 years of affordability). He further stated that unlike standard balloon payments at maturity, the MIRP should ideally be fully amortized and paid back through cash flow over the entirety of the term. Current project underwriting targets a 39 to 40-year payback period at a 2% interest rate using cash flow alone to achieve a zero principal balance by year 40. Due to the extended 40-year repayment schedule, Nguyen stated that the project will require a 45-year affordability period.

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

III.I. DISCUSSION AND/OR DECISION MAKING

Approve an Additional Amendment of the

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

There being no testimony provided by the public, Sales and Counseling Section Chief Lorna Kometani noted a correction to strike IV.D. under the Recommendation within the For Action.

Dwelling Unit Revolving Fund Equity Pilot (DEP) Program Allocation and Quantity of Designated DEP Units for the Kuilei Place Housing Project Located at 2599 Kapiolani Boulevard, Honolulu, Hawaii, TMK Nos.: (1) 2-7-022: 011, 015, and 031 to 049

Kometani presented the For Action, seeking approval for a $516,500 allocation to designate 5 additional 2-bedroom, 1-bath units under HHFDC's DURF Equity Pilot (DEP) Program, with HHFDC equity totaling approximately 15-16% of the developer's sales price.

Established by Act 92, 2023, Kometani stated that the program reduces loan amounts for the Kuilei project to assist eligible, non-homeowning professionals, including healthcare workers, law enforcement, and specific Honolulu City employees.

Chair Mackler inquired about the DEP program's extended sunset date via Senate Bill 2069 and its application to TOD project locations. Kometani clarified that only one board-approved project is currently positioned to utilize the remaining slots, and no other eligible projects are known.

Chair Mackler noted that restricting the program strictly to TOD zones creates a regulatory barrier for Oahu projects outside those areas. To preserve entry-level homeownership opportunities, he suggested seeking a legislative fix next session to establish a community preference or allow program flexibility in non-TOD areas.

Executive Director Minakami agreed to work on the proposal. He noted that HHFDC previously proposed making the program permanent, but the TOD restriction was introduced late in the legislative process during the conference committee, leaving little time to counter the amendment.

III.J. DISCUSSION AND/OR DECISION MAKING

Approve: (1) the Hawaii Housing Finance and Development Corporation's Purchase of Equity in Designated Two-bedroom, One-and-a-half bathroom Units within the Kuilei Place Housing Project Located at 2599 Kapiolani Boulevard, Honolulu, Hawaii, TMK Nos.: (1) 2-7-022: 011, 015, and 031 to 049; and (2) Set Aside Additional Dwelling Unit Revolving Fund Equity Pilot Program Funds for the Project

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

There being no testimony provided by the public, Kometani stated that this For Action seeks approval for the addition of 11 unsold, 2-bedroom, 1.5-bath units to the Kuilei Place project, which consists of 1,005 mixed-market and affordable units. The request includes utilizing DEP funds to support these specific units, which were not part of previous designated unit considerations, with an HHFDC equity amount ranging from $69,700 to $70,400 per unit.

There being no questions by the Board, the motion was carried unanimously.

III.K. DISCUSSION AND/OR DECISION MAKING

Chair Mackler declared a conflict of interest regarding the proposed funding for the Lima Ola Workforce Housing Development project for the reason that he serves as an unpaid volunteer board member for the project's developer, the Kauai Housing

Development Corporation. Having exactly five members present, he noted that his recusal would result in a lack of quorum to vote on that specific project.

The item was divided to isolate the conflicted project. Chair Mackler requested a motion to amend the agenda title and recommendation to only consider and vote upon the second project under Agenda Item III.K. The amended text would read:

"Approve an Amendment of the Dwelling Unit Revolving Fund Equity Pilot (DEP) Program Allocation and Quantity of Designated DEP Units for the [~~(1) Lima Ola Workforce Housing Development Located in Eleele, Kauai, TMK Nos.: (4) 2-1-013: 030 to 039; and (2)~~] Kaulu by Gentry Housing Development Located in the Hawaii Community Development Authority's Kalaeola Community Development Authority's Kalaeola Community Development District, Kapolei, Oahu, TMK Nos.: (1) 9-1-013: 197, 198, and 199."

Director Glenn moved, seconded by Director Colby, to approve the motion, as amended.

The motion was carried unanimously.

Housing Sales Coordinator Loreen Kawewehi presented the For Action, requesting an additional $288,000 for 4 units in the Kaulu by Gentry Development. This brings the total DURF Equity Pilot (DEP) Program funding to 8 units and $535,000.

Kawewehi stated that the project is a 390-unit community in Kapolei, Oahu, currently offering two- and three-bedroom townhouses. She noted that upcoming legislative changes under Senate Bill 2069 will make the development ineligible for future additional DEP units.

Designee Evans stated for the record her support for the Kaulu by Gentry housing development project. She clarified that while she sits on the Hawaii Community Development Authority's board, she holds no financial stocks or personal interest in Gentry.

Chair Mackler deferred action on the Lima Ola Workforce Housing Development until July to ensure a quorum of directors.

Designee Evans noted that restrictions under Senate Bill 2069 will become effective immediately upon the governor's signature.

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

Approve an Amendment of the Dwelling Unit Revolving Fund Equity Pilot (DEP) Program Allocation and Quantity of Designated DEP Units for the (1) Lima Ola Workforce Housing Development Located in Eleele, Kauai, TMK Nos.: (4) 2-1-013: 030 to 039; and (2) Kaulu by Gentry Housing Development Located in the Hawaii Community Development Authority's Kalaeola Community Development District, Kapolei, Oahu, TMK Nos.: (1) 9-1-013: 197, 198, and 199

IV. REPORT BY THE EXECUTIVE DIRECTOR

Executive Director Minakami reported on the following:

- The Hale Kamaaina Mortgage Loan Program has progressed favorably, mitigating earlier concerns regarding loan reservations. To support this sustained growth, a proposal will be submitted to the Board of Directors seeking authorization to deploy indenture funds for interim mortgage financing. Staff remain engaged with bond counsel to schedule the upcoming tranche of bond issuances.
- The SPEED (Simplifying Permitting for Enhanced Economic Development) Task Force tackles housing and capital project delays by identifying building barriers. HHFDC will support this effort through the Water and Wells permitting and District Boundary Amendment interaction groups.

There being no further business on the agenda, Director Colby moved, seconded by Designee Evans to adjourn the meeting at 11:36 a.m.

The motion was carried unanimously.

V. ADJOURNMENT
11:36 a.m.

SEAN SASAKI
Secretary