

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

**June 10, 2021**

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met virtually for their regular meeting at their office, located at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, June 10, 2021, at 9:00 a.m.

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

With a quorum present, Chair Donn Mende called the meeting to order.

Those present and excused were as follows:

Present: Director Donn Mende, Chair  
Director Gary Mackler, Vice Chair  
Director Carol Reimann  
Director Sean Sasaki  
Director Kymberly Sparlin  
Designee Roderick Becker for Director Craig Hirai  
Designee Mary Alice Evans for Director Mike McCartney (arrived at 9:45 a.m.)

Executive Director Denise Iseri-Matsubara

Excused: Director Rona Fukumoto, Secretary  
Director Melvin Kahele

Staff Present: Sandra Ching, Deputy Attorney General  
Francis Keeno, Executive Assistant  
Janice Takahashi, Chief Planner  
Darren Ueki, Housing Finance Manager  
Holly Osumi, Chief Financial Officer  
Dean Minakami, Development Branch Chief  
Randy Chu, Development Section Chief  
Christopher Woodard, Real Estate Portfolio Manager  
Carianne Abara, Development Support Section Chief  
Jocelyn Iwamasa, Housing Finance Specialist  
Christopher Oakes, Housing Finance Specialist  
Nathan Akamu, Housing Finance Specialist  
Jamie Aqui, Housing Finance Specialist  
Mark Ogata, Housing Finance Specialist  
Glori Inafuku, Housing Finance Specialist  
Cheryl Kajitani, Housing Development Specialist  
Stan Fujimoto, Housing Development Specialist  
Theresa Dean, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Melissa Loy, HHFDC Corporate Controller  
Gayle Nishimoto, Project Resource Specialist  
Cosmedine Esmena, Secretary  
Marc Orbito, Information Tech Systems Analyst  
Esa Pablo, Secretary to the Board

Guests: Kuhio Lewis, Council for Native Hawaiian Advancement  
Grant Chun, Hale Mahaolu  
Kali Watson, Hawaiian Community Development Board  
Patti Barbee, Hawaiian Community Development Board  
Keith Kato, Hawaii Island Community Development Corporation  
Jeremy McComber, Hawaii Island Community Development

Corporation  
 Victor Brock, Hawaii State FCU  
 Paul Gregory, Big Island Housing Foundation  
 Karen Seddon, The Michaels Organization  
 Philip Garboden, University of Hawaii at Manoa  
 Gary Furuta, CCHDC  
 Jeff Furuta, CCHDC  
 Andrew Furuta, GSF LLC  
 Sharon Hirota, County of Hawaii  
 En Young, City and County of Honolulu  
 Lori Tshako, County of Maui Department of Housing and Human  
 Concerns  
 Adam Roversi, Kauai County Housing Agency  
 Brandon Shitagi, First Hawaiian Bank  
 Douglas Bigley, Ikaika Ohana  
 Mig Saenz, Ikaika Ohana  
 Thomas Fischer, Ikaika Ohana  
 Grant Bigley, UHC  
 Laura Aguirre, Hawaii First FCU  
 Gary Uyehara, Territorial Savings Bank  
 Colleen Meyer, Territorial Savings Bank  
 Jean Lilley, Hawaii Habitat for Humanity Association  
 Sherri Dodson, Habitat for Humanity Maui, Inc.  
 Chris Flaherty, Ho`okahua Development  
 Andrea Kailihiwa, Territorial Savings Bank  
 Reina Miyamoto, Hawaii HomeOwnership Center  
 Robert Van Tassell, Catholic Charities Hawaii  
 Nalani Kaina, Legal Aid Society of Hawaii  
 Candice Wessinger, Hawaii HomeOwnership Center  
 Kahau Mahoe-Thoene, Hawaiian Community Assets  
 Moe Mohanna, Highridge Costa  
 Keegan Flaherty, `Ikenakea Development

Director Sparlin moved, seconded by Vice Chair Mackler

That the regular meeting minutes of May 13, 2021 be approved.

The motion was carried unanimously.

Director Sparlin moved, seconded by Vice Chair Mackler

That the meeting minutes of the May 13, 2021 executive sessions be approved.

The motion was carried unanimously.

Chair Mende welcomed registered stakeholders to comment on the proposed Homeowner Assistance Fund (HAF) Program and asked that names be stated for the record.

Executive Assistant Francis Keeno stated the following oral testimony guidelines: (1) comments are to be limited to 3 minutes, subject to the Chair's discretion; and (2) neither the board, nor staff, will be required to respond to questions posed within their oral testimony provided.

Chair Mende asked that all participants remain "muted" when not speaking to avoid unnecessary interruptions.

Executive Director Denise Iseri-Matsubara provided a PowerPoint presentation (Attachment A) on the draft HAF Program, stating that this presentation is part of a requirement by the U.S. Department of the Treasury (Treasury) to receive funding from the Federal Government to serve homeowners who have fallen behind or are at

**II.A.**  
**APPROVAL**  
**OF MINUTES**  
 Regular  
 Meeting  
 5/13/2021

**II.B.**  
**APPROVAL**  
**OF MINUTES**  
 Executive  
 Sessions  
 5/13/2021

**III.A.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
 Information and  
 Discussion on the  
 State's Proposal for  
 the Homeowner  
 Assistance Fund  
 Program

risk of falling behind on their mortgage payments, property taxes, or utility payments, as a result of the COVID-19 pandemic. The Department of Budget and Finance (B&F) will provide the overall oversight, while the counties will contract nonprofit organizations to administer the program funds, with HHFDC assisting B&F with programing and managing oversight.

Executive Director Iseri-Matsubara further stated that HHFDC is working with the counties, University of Hawaii Economic Research Organization (UHERO), lenders, and financial counseling agencies in drafting the HAF plan that must be submitted to the Treasury by June 30, 2021.

Executive Director Iseri-Matsubara recognized Dr. Phil Garboden of the University of Hawaii, who has been collecting data and performing data analysis.

Based on reports from the counties on the current Emergency Rental Assistance Program, Executive Director Iseri-Matsubara informed the Board on the demand for that program exceeding 18,000 households. With a maximum payout set at \$30,000 and applicants needing to pay down arrears, only 1,400 households (less than 8 percent of the 18,000 in need) would be able to be assisted. This underscores the importance of trained financial counselors determining the most appropriate option to ensure efficient use of the limited funds.

The following eight persons representing county, counseling, lending, and legal aid entities provided oral testimony, respectively:

- Ms. Lori Tshako, County of Maui Department of Housing and Human Concerns
- Ms. Sharon Hirota, on behalf of County of Hawaii, Housing Administrator Susan Kunz
- Ms. Jean Lilley, Hawaii Habitat for Humanity
- Mr. Kuhio Lewis, Council for Native Hawaiian Advancement
- Ms. Sherrie Dodson, Maui Habitat for Humanity
- Ms. Kehaunani Mahoe, Hawaiian Community Assets/Hawaiian Community Lending
- Mr. Victor Brock, Hawaii State Federal Credit Union representing the Mortgage Bankers Association
- Ms. Nalani Fujimori Kaina, Legal Aid Society of Hawaii

Representatives from the Maui Department of Housing and Human Concerns and Hawaii Office of Housing and Community Development conveyed their willingness to administer the HAF program and spoke about the need for mortgage assistance as seen by the number of homeowners seeking, but denied, assistance under their emergency rental assistance programs.

The HUD-approved housing counseling agencies, Maui Habitat and Legal Aid Society of Hawaii, articulated the need to provide funding for community-based housing counseling and legal services.

The Community Development Financial Institutions or CDFIs, Council for Native Hawaiian Advancement, Hawaii Habitat for Humanity, and Hawaiian Community Lending, also participated in the public forum and stated that they were ready to assist homeowners with mortgage lending and loss mitigation.

The Mortgage Bankers Association also attended the public meeting and provided comments on the income charts and the savings depletion requirement being proposed in the draft plan. Mr. Victor Brock stated the following:

- On Exhibit A of the For Action, page 11, Use of Funds – “To repay arrears that accrued before January 21, 2021,” it was suggested that the 2020 Area Median Income table be utilized as opposed to using both 2020 and 2021 tables for arrearages that have already accrued by January 2021. Furthermore, being harder to assess what one’s total income will be for 2021

when the program is anticipated to roll out in July/August 2021.

- On Exhibit A of the For Action, page 12, Eligibility, second to the last bullet point – “Do not have other resources (e.g. savings, rental income, etc.) available to cover mortgage payments,” the resource examples should be clearly defined as to whether those assets include retirement funds, such as IRA’s, 401k, or exclusive of those assets. If asset depletion is required, many will be ineligible for this type of assistance should retirement funds/savings be included.

In response to Brock’s comments, Executive Director Iseri-Matsubara expressed gratitude and noted that the narrowing down of eligibility is due to the limited funds available as well as the feedback received from the lending institutions. However, comments will be explored.

Written testimony submitted by Ms. Nalani Fujimori Kaina, recommended that a statewide platform be used in order to leverage the administrative cost of the program with locally based organizations delivering services in an accessible and uniform way.

There being no further discussion, Chair Mende proceeded to agenda item III.B.

Housing Development Specialists Albert Palmer and Theresa Dean delivered a PowerPoint presentation to the Board, providing an overview of the Kahului Emergency Housing project (Project), before and after pictures of the Project, and a blessing video clip. Palmer stated that under the Governor’s Emergency Proclamation, the HHFDC and the County of Maui were able to enter into a Memorandum of Understanding (MOU) to renovate/refurbish the existing structures of the former Maui Community College student housing to complete Phases I (renovation) and II (planning and entitlements) to service the homeless population. HHFDC staff will execute the second amendment to the MOU to extend the natural expiration date of June 6, 2021 for an additional 12 months. The encumbered \$5 million in Dwelling Unit Revolving Fund (DURF) appropriated through Act 40, Session Laws of Hawaii 2019, are expected to be fully expended for the renovation and entitlement process by September 2021.

There being no questions, Chair Mende proceeded to agenda item III.C.

Housing Finance Specialist Jocelyn Iwamasa presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following:

- A. A change in the affordability restrictions for the Papa`aloa Elderly Housing project (Project) from 20 units at or below 50 percent area median gross income (AMGI) to 18 units at or below 50 percent AMGI and 2 units at market rate.
  1. All other terms and conditions of the Federal and State Low Income Housing Tax Credits (LIHTC) reservation approved by the HHFDC Board of Directors on July 9, 2020, remain the same.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Vice Chair Mackler moved, seconded by Director Reimann

That staff’s recommendation be approved.

Iwamasa stated that the change will prevent the displacement of two existing tenants who have household incomes over 50 percent AMGI and have difficulty securing

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

Update on the Construction of the Kahului Emergency Housing Project for the Use as an Affordable Family Rental Housing Project Targeting Homeless Families, Located in Kahului, Maui, TMK No.: (2) 3-8-007: 117 (portion)

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

Approve a Change in the Affordability Restrictions of the Papa`aloa Elderly Housing Project Located in Papa`aloa, Hawaii, TMK No.: (3) 3-5-003: 049

rental housing that is adapted for tenants who use a wheelchair. Furthermore, the Project has secured Project Based Section 8 Vouchers for all 20 units, with an exception for the two existing tenants that are at or below 70 percent to receive assistance. Thereafter, replacement tenants of those two units would be subject to the 50 percent AMGI by the Section 8 Voucher program.

Iwamasa opened for questions, along with Mr. Keith Kato and its development team, on behalf of the Project.

As a board member of one of the related parties, Chair Mende recused himself from the vote.

Vice Chair Mackler commended Kato on a well thought-out accommodation for the situation.

Deputy Attorney General Sandra Ching acknowledged Designee Mary Alice Evans and asked that all board members keep their cameras on for the purposes of recording votes taken.

There being no questions, the motion was carried.

Housing Finance Specialist Mark Ogata presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue Hula Mae Multi-Family (HMMF) Bonds for the Kaiaulu O Kapiolani project (Project) to June 30, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Mackler moved, seconded by Director Reimann

That staff's recommendation be approved.

Ogata stated that this is the second extension for the Project, consisting of 64 family units at or below 30 – 60 percent AMGI. Based on the progress made on site control, zoning approvals, and financing commitments, staff recommends an extension to coincide with the Project's Rental Housing Revolving Fund (RHRF) Letter of Intent (LOI) expiration.

Ogata opened for questions, along with Mr. Doug Bigley and the development team.

There being no questions, the motion was carried unanimously.

Ogata presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to RHRF LOI for the Kaiaulu O Kapiolani project (Project) to June 30, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Reimann moved, seconded by Vice Chair Mackler

That staff's recommendation be approved.

Ogata stated that this is the third extension for the Project and opened for questions,

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

Approve an Extension to Resolution No. 136, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Kaiaulu O Kapiolani Project Located in Hilo, Hawaii, TMK Nos.: (3) 2-4-025: 048, 053, and 080

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

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent (LOI) for the Kaiaulu O Kapiolani Project Located in Hilo, Hawaii, TMK Nos.: (3) 2-4-025: 048, 053, and 080

along with the development team.

There being no questions, the motion was carried unanimously.

Housing Finance Specialist Jamie AQUI presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Increase the award of annual Federal 4% LIHTC over a 10-year period to \$1,677,961 from \$999,234 and the award of annual State 4% LIHTC over a 5-year period to \$1,677,961 from \$999,234.
  - 1. Subject to the provisions and conditions in Exhibits D & E; and
  - 2. All other terms and conditions of the Federal and State LIHTC reservation approved by the HHFDC Board of Directors on December 12, 2019, remain the same.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Sparlin moved, seconded by Vice Chair Mackler

That staff's recommendation be approved.

The \$9,002,745.00 project budget increase was attributed to higher construction costs, project reserves, and contingency. The higher costs are being absorbed by the increased LIHTC equity, HMMF Bonds, and Deferred Developer Fee.

AQUI noted that Ho`okahua Moiliili, LP (Applicant) is eligible for the new minimum 4% credit floor rate and an authorized HMMF Bond issuance approved up to \$22 million compared to the budgeted use of \$21.34 million.

AQUI opened for questions, along with Mr. Chris Flaherty and Mr. Kali Watson, on behalf of the development team.

Vice Chair Mackler asked whether the Project was on track with the estimated construction timeline to get the building permits in July 2021 and to start construction of the Project in September 2021. Flaherty responded in the affirmative.

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

AQUI presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue HMMF Bonds for the Hale Makana O Moiliili Project (Project) to June 30, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Vice Chair Mackler moved, seconded by Director Reimann

That staff's recommendation be approved.

Based on the progress made on site control, zoning approvals, and financing commitments, AQUI stated that the subject For Action requests a 12-month extension to issue bonds for the Project as a precautionary measure due to the approval of the

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

Approve a Request from the Developer to Increase the Low Income Housing Tax Credit Reservation for the Hale Makana O Moiliili Project Located in Honolulu, Oahu, TMK Nos.: (1) 2-7-007: 016 and 051

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

Approve an Extension to Resolution No. 134, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Hale Makana O Moiliili Project Located in Honolulu, Oahu, TMK Nos.: (1) 2-7-007: 016 and

building permits. The Project anticipates closing in August 2021.

051

Aqui opened for questions, along with the development team.

There being no questions, the motion was carried unanimously.

Aqui presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the RHRF LOI dated December 12, 2019, for Hale Makana O Moiliili project to June 30, 2022, subject to the requirements set forth in the For Action dated December 12, 2021; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Reimann moved, seconded by Director Sparlin

That staff's recommendation be approved.

Based on progress made, Aqui stated that the extension is being recommended as a precautionary measure to address the unknown timing of the building permits and to align deadline dates with the HMMF Bonds.

Aqui opened for questions, along with the development team.

There being no questions, the motion was carried unanimously.

Housing Finance Specialist Christopher Oakes presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the award of Federal and State 9% LIHTC to the following projects in accordance with the Qualified Allocation Plan (QAP) and subject to the terms and conditions specified in this section, Section II Subsection E, and Exhibit H of the For Action.

- A. The Villages of La'i`opua project:
  - 1. Allocation of up to \$1,120,000 in annual Federal 9% LIHTC over a 10-year period and \$1,120,000 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
    - a. Total fees paid to the Developer for the Project, including but not limited to, Developer Overhead, Developer Fees, Consultation Fees, and Project Management Fees, shall not exceed \$904,688.
- B. The Kaiāulu O Halele`a Apartments Phase IB project:
  - 1. Allocation of up to \$1,624,000 in annual Federal 9% LIHTC over a 10-year period and \$1,625,000 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
    - a. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed \$2,156,000.

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

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent (LOI) for the Hale Makana O Moiliili Project Located in Honolulu, Oahu, TMK Nos.: (1) 2-7-007: 016 and 051

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

Approve an Award of Federal and State Low Income Housing Tax Credits from the State's 2021 Volume Cap to: (1) Villages of La'i`opua Located in Kona, Hawaii, TMK Nos.: (3) 7-4-028: 062 through 085; (2) Kaiāulu O Halele`a Apartments Phase IB Located in Kihei, Maui, TMK No.: (2) 2-2-024: 033; and (3) Meheula Vista IV Located in Mililani, Oahu, TMK No.: (1) 9-5-002: 060 CPR 0004

C. The Meheula Vista IV Project:

1. Allocation of up to \$847,513 in annual Federal 9% LIHTC over a 10-year period and \$847,513 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:
  - a. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, shall not exceed \$1,620,000.

D. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Director Sparlin moved, seconded by Vice Chair Mackler

That staff's recommendation be approved.

Oakes stated that HHFDC received eight (8) applications requesting \$9,935,834 in Federal and the same amount in State 9% LIHTC. Requests exceed HHFDC's available 9% LIHTC balance of approximately \$4.4 million for the 2021 Calendar Year. Based on the Criteria Point System scoring hierarchy, project feasibility, 9% LIHTC availability, housing interests in the State of Hawaii, and other relevant factors, applications were evaluated and scored accordingly, with recommendations being made to: (1) the Villages of La`i`opua; (2) Kaiāulu O Halele`a Apartments, Phase IB; and (3) Meheula Vista IV.

Project facts of the recommended were noted as well as reasons for the bypassing of the following projects below:

- Kai Olino – Application rejected due to failure in providing a Market Study.
- Hale O Pi`ikea I – Bypassed based on the specific use of its large community facility.
- Hale O Pi`ikea II – Bypassed based on the evidence of site control and details pertaining to their option agreement.
- Hocking Hale – deferred due to change in 2021 restricted maximum rents.
- Hale Ola – not being considered at this time due to the high cost of \$921.55 per unit.

A correction to Exhibit H within the For Action, #11, last sentence, was noted as follows: "HHFDC shall receive the good faith deposit no later than 4:00 PM HST on ~~July~~ June 30, 2021."

There being no questions, the motion was carried unanimously, as noted.

Oakes presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. The Fiscal Year (FY) 2021 funding round Approved Project List for RHRF Project Awards, subject to the following provisions and conditions:
  1. Approval of the Approved Project List does not obligate HHFDC to make an award to any applicant on the Approved Project List;
  2. Applicants on the Approve Project List shall not construe approval as an indication or guarantee of receiving an award of any other finding from HHFDC;

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

Adopt the Approved And Rejected List for the Rental Housing Revolving Fund Project Awards for the FY2021 Funding Round



3. HHFDC may elect to select, reject, or defer an applicant's request, if HHFDC judges such action to be in the best interest of the RHRF program;
4. All awards are subject to the availability of RHRF Program funds;
5. HHFDC is not obligated to approve or fund the full amount of an applicant's request;
6. The actual form, terms, and conditions of each award shall be determined by HHFDC and is subject to negotiation between the applicant and HHFDC. The accuracy and completeness of all appropriate legal documentation shall be subject to the review and approval of HHFDC and its legal counsel;
7. The approval of each award and the disbursement of funds is subject to the final approval by the Governor of the State of Hawaii; and
8. Applicants agree to abide by all terms and conditions that may arise due to the use of public funds.

B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Director Reimann moved, second by Vice Chair Mackler

That staff's recommendation be approved.

HHFDC received twenty-five (25) applications requesting an aggregate amount of \$341,228,041 in RHRF monies. Oakes stated that per the Qualified Allocation Plan (QAP) scoring criteria, following Consolidated Applications were rejected: (1) Front Street Apartments (failed the Debt Service Ratio Threshold); (2) Hale Ola O Mohouli (failed the Market Study Threshold); and (3) Hawaii Public Housing Authority School Street Redevelopment project (failed the Debt Service Ration Threshold). A remaining total of twenty-two (22) applications qualified for Fiscal Year 2021 RHRF funds.

Oakes opened for questions.

Vice Chair Mackler asked if there would be sufficient RHRF available to meet the needs of the first priority projects. Oakes responded in the affirmative, clarifying that funding from the RHRF will be awarded in conjunction with the 4% LIHTC awards, anticipated to be presented at the July board meeting.

Vice Chair Mackler commended the HHFDC staff on their work of reviewing the high volume of Consolidated Applications and expressed his appreciation. Executive Director Iseri-Matsubara concurred. Oakes thanked and recognized the Finance Branch Team: Housing Finance Specialists Jocelyn Iwamasa, Jamie Aqui, Mark Ogata, and Secretary Sherrie Kagawa.

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

Oakes presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. A RHRF Project Award Loan of \$2,628,000 to A0714 Kona, L.P., for the benefit of the Villages of La'i'opua Project, with the terms and

**III.K.**  
**DISCUSSION**  
**AND/OR**  
**DECISION**  
**MAKING**  
 Approve a Rental  
 Housing Revolving  
 Fund Project Award

conditions as shown in Section III(G) of this For Action, and in the Letter of Intent, subject to the following:

for the Villages of La'i'opua Project Located in Kona, Hawaii, TMK Nos.: (3) 7-4-028: 062 through 085

1. Authorization and approval by the Governor of the proposed project and the release of RHRF program funds as mandated under Chapter 15-311, Hawaii Administrative Rules.
2. Execution of documentation satisfactory to the HHFDC outlining the terms and conditions of the Project Award. The documents shall specify the standard terms and conditions as required in order to meet all statutory requirements of the RHRF program and the specific terms and conditions that are applicable to the Applicant's request for Project Award funds.
3. Completion of all documentation necessary and required to secure the release of RHRF funds.
4. Certification of the Applicant to comply with all applicable statutory and Program requirements, including, but not limited to, Chapters 343, 103D, and 104, and §103-50, Hawaii Revised Statutes, as they may relate to the use of State funds.
5. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project management Fees, shall not exceed \$1,620,000.
6. Availability of RHRF program funds.

B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Vice Chair Mackler moved, seconded by Director Reimann

That staff's recommendation be approved.

Oakes provided an overview of the recommended loans terms, highlighting the loan amount, interest rate of 0.25% after 2 years, with a 57-year maturity term, and Junior mortgage position.

There being no questions, the motion was carried unanimously.

Oakes presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. A RHRF Project Award Loan of \$9,240,000 to A0716 Kihei, L.P., for the benefit of the Kaiāulu O Halele`a Apartments Phase IB Project, with the terms and conditions as shown in Section III(G) of the For Action, and in the Letter of Intent, subject to the following:
  1. Authorization and approval by the Governor of the proposed project and the release of RHRF program funds as mandated under Chapter 15-311, Hawaii Administrative Rules.
  2. Execution of documentation satisfactory to the HHFDC outlining the terms and conditions of the Project Award. The documents shall specify the standard terms and conditions as required in order to meet all statutory requirements of the RHRF program and the specific terms and conditions that are applicable to the Applicant's request for Project Award funds.

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

Approve a Rental Housing Revolving Fund Award for the Kaiāulu O Halele`a Apartments Phase IB Project Located in Kihei, Maui, TMK No.: (2) 2-2-024: 033

3. Completion of all documentation necessary and required to secure the release of RHRF funds.
  4. Certification of the Applicant to comply with all applicable statutory and Program requirements, including, but not limited to, Chapters 343, 103D, and 104, and §103-50, Hawaii Revised Statutes, as they may relate to the use of State funds.
  5. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project management Fees, shall not exceed \$2,156,000.
  6. Availability of RHRF program funds.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Director Reimann moved, seconded by Vice Chair Mackler

That staff's recommendation be approved.

Oakes provided an overview of the recommended loans terms, highlighting the loan amount, interest rate of 0.25% after 2 years, with a 55-year maturity term, and Junior mortgage position.

There being no questions, the motion was carried unanimously.

Oakes presented the For Action stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. A RHRF Project Award Loan of \$5,660,000 to Meheula Vista IV LP for the benefit of the Meheula Vista IV Project, with the terms and conditions as shown in Section III(G) of the For Action, and in the Letter of Intent, subject to the following:
1. Authorization and approval by the Governor of the proposed project and the release of RHRF program funds as mandated under Chapter 15-311, Hawaii Administrative Rules.
  2. Execution of documentation satisfactory to the HHFDC outlining the terms and conditions of the Project Award. The documents shall specify the standard terms and conditions as required in order to meet all statutory requirements of the RHRF program and the specific terms and conditions that are applicable to the Applicant's request for Project Award funds.
  3. Completion of all documentation necessary and required to secure the release of RHRF funds.
  4. Certification of the Applicant to comply with all applicable statutory and Program requirements, including, but not limited to, Chapters 343, 103D, and 104, and §103-50, Hawaii Revised Statutes, as they may relate to the use of State funds.
  5. Total fees paid to the Developer for the Project, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project management Fees, shall not exceed \$1,620,000.

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

Approve a Rental Housing Revolving Fund Project Award for the Meheula Vista IV Project Located in Mililani, Oahu, TMK No.: (1) 9-5-002: 060 CPR 0004

6. Availability of RHRF program funds.

- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Vice Chair Mackler moved, seconded by Director Reimann

That staff's recommendation be approved.

Oakes Oakes provided an overview of the recommended loans terms, highlighting the loan amount, interest rate of 0.25% after Year 2, with a 52-year maturity term, and Junior mortgage position.

There being no questions, the motion was carried unanimously.

Iwamasa presented the For Action, stating staff's recommendation for the Board's consideration as follows:

That the HHFDC Board of Directors approve the following:

- A. Authorize the Executive Director, or her designated representative, to conduct a public hearing on the proposed 2022/2043 QAP; and
- B. Authorize the Executive Director to take all action necessary to effectuate the purpose of this For Action.

Vice Chair Mackler moved, seconded by Director Sparlin

That staff's recommendation be approved.

Iwamasa stated that this approval is only to allow HHFDC to conduct a public hearing targeted for July 23, 2021. Thereafter, staff will present testimony received by the public and seek Board approval of the final QAP.

Based on recommendations set forth by the Housing Finance Program Subcommittee, Iwamasa summarized the the proposed revisions to the QAP, which addressed the following areas: (1) policy clarification; (2) minimum thresholds relating to project readiness, plan and cost review, and developer experience; and (3) Criteria 1 – LIHTC and HHFDC Resource Efficiency and Leveraging, 2 – County Income Adjuster, 3 – Overall Project Feasibility/Reasonableness of Development Costs, 9 – Developer and Property Manager Experience, and 10 – Affordability Commitment.

Tentative timeline of events following the public hearing was noted to be on page 4 of the For Action.

In waiting for Oakes' return to the meeting and with consent by the Chair, Executive Director Iseri-Matsubara asked that the development community in attendance be given the opportunity to briefly comment on the QAP; however, reiterated that they would also be given the opportunity to comment at the public hearing scheduled in July.

Ms. Karen Seddon, with Michaels Development, commented on Criterion 2, County Income Adjuster, stating that Oahu would be at a disadvantage and making up for loss points (i.e., making up by adding points for project sustainability) would be difficult, as it would inadvertently increase project costs.

Mr. Moe Mohanna, with Highridge Costa, commended HHFDC staff for their efforts in balancing the QAP, suggesting that Criteria 1 – LIHTC and HHFDC Resource Efficiency and Leveraging and 9 - Developer and Property Manager Experience, be reconsidered to be cognizant of the zoning and 201H approval processes of various

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

Approve a Request to Conduct a Public Hearing on the Low Income Housing Tax Credit Program's 2022/2023 Qualified Allocation Plan

counties, the importance of developer experience, and having a minimum amount of square footage of common area for residential development.

Mr. Robert Van Tassell, with Catholic Charities Hawaii, concurred with comments made by Mohanna and added that not limiting the amount of square footage of common areas will reduce the number of units that can be produce.

There being no further comments by developers, Oakes informed the Board that HHFDC is exploring its acceptance of good faith deposits for LIHTC projects to better sustain administrative costs and further process new development.

Director Sparlin thanked HHFDC staff for their work and efforts in balancing the QAP.

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

Executive Director Iseri-Matsubara reiterated her gratitude to the Board for allowing this forum to be used for the HAF program and opened for questions on the Executive Director's Report.

There being no questions, nor further business on the agenda, Director Sparlin moved, seconded by Director Reimann, to adjourn the meeting at 10:48 a.m.

The motion was carried unanimously.

*Rona Fukumoto*

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RONA FUKUMOTO  
Secretary

**IV.  
OVERVIEW  
OF THE  
EXECUTIVE  
DIRECTOR**

**V.  
ADJOURNMENT  
10:48 a.m.**

# Hawaii Draft Plan

## Homeowner Assistance Fund

American Rescue Plan Act of 2021

Hawaii Housing Finance and Development Corporation

Board Meeting  
June 10, 2021





## Overview

The **Homeowner Assistance Fund (HAF) Program** - American Rescue Plan Act of 2021

**Purpose:** help homeowners experiencing financial hardship after January 21, 2020 as a result of the coronavirus pandemic.

Allocation: \$50 million

Programming: \$42.5M

Administrative Expenses: \$7.5M (up to 15%)

- eligible expenses - mortgage payments, property taxes, utility payments, homeowner association fees, other resources to help borrowers avoid foreclosure.



## PROPOSED Structure

**Prime recipient – State Department of Budget and Finance (B & F)**

**Sub recipient – Counties**

- contract with nonprofit organizations to administer the program and make it accessible to the homeowner community.

**B&F's** role - lead agency, provide overall oversight.

**HHFDC's** role – assist B&F with programming and management oversight.





## Eligibility & Prioritizing who is served

Priority no. 1 = INCOME LEVEL

60% of the funds - households at or below 100% AMI

Priority no. 2 = SOCIALLY DISADVANTAGED

Priority no. 3 = TYPE OF LOAN  
FHA, VA, USDA

5

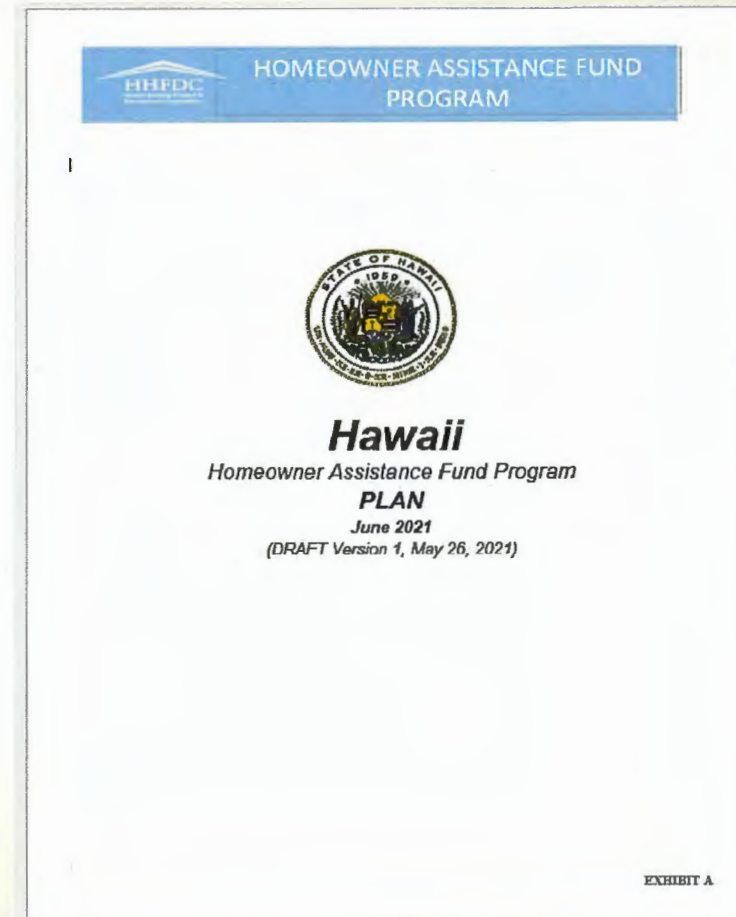
## What is required to get the \$\$\$ ?

- Submit HAF Plan (or draft) to US Treasury by June 30, 2021.
- Or request an extension.
- Hold a public hearing.

# DRAFT HAF PLAN

- Circulated for review and comment & met with counties in May
- Met with bankers group in May
- Circulated to HUD counseling agencies and bankers group in June
- Encouraged all to Attend public mtg 9:00 am June 10. Register for zoom.

[www.dbedt.hawaii.gov.hhfdc/](http://www.dbedt.hawaii.gov.hhfdc/)





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## COMPONENTS OF THE PLAN

1. Needs assessment based on data
2. Public participation, community engagement
3. Program Design (options to offer)
4. Performance Goals
5. Entity Readiness to implement
6. Budget



## Pilot Program /Readiness Assessment

Initial plan was to run a pilot program

- Hawaii and Kauai County
- Utilizing current infrastructure used to administer the ERA program
- To evaluate the readiness of the HAF program for a statewide launch
- Not enough information or time before the June 30, 2021, deadline
- Need the disaggregated data



## IMPLICATIONS

- New RFP*
- New Software*
- New or more partners*
- Need for Financial counselors - increase capacity*
- Need for standard training among providers*



*Mahalo!*

Questions?



[www.dbedt.hawaii.gov/hhfdc/](http://www.dbedt.hawaii.gov/hhfdc/)