

**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

**MINUTES OF THE REGULAR MEETING  
OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION  
HELD AT THEIR OFFICE AT 677 QUEEN STREET, SUITE 300,  
ON THURSDAY, DECEMBER 12, 2013  
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met for their Regular Meeting at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, December 12, 2013, at 9:00 a.m.

Chair Ralph Mesick called the meeting to order at 9:00 a.m.

**CALL TO  
ORDER/  
ROLL CALL**

Present: Director Ralph Mesick, Chair  
Director Paul Kyno, Vice Chair  
Director Leilani Pulmano, Secretary  
Directors Michael Ng  
Director Betty Lou Larson  
Designee Scott Kami for Kalbert Young  
Designee Mary Alice Evans for Director Richard Lim

Interim Executive Director Janice Takahashi

Excused: Director Allan Los Banos  
Director Kalbert Young  
Director Richard Lim

Staff Present: Sandy Ching, Deputy Attorney General  
Darren Ueki, Finance Manager  
Rick Prahl, Development Branch Chief  
Ann Nakagawa, Fiscal Manager  
Stuart Kritzer, Asset Manager  
Stan Fujimoto, Development Section Chief  
Ken Takahashi, Housing Development Specialist  
Beth Malvestiti, Housing Development Specialist  
Patrick Inouye, Housing Finance Specialist  
Jocelyn Iwamasa, Housing Finance Specialist  
Christopher Woodard, Property Management Coordinator  
Lorraine Egusa, Budget Analyst  
Kent Miyasaki, Housing Information Specialist  
Esa Pablo, Secretary to the Board

Guests: Charles Patterson, Cloudbreak Hawaii LLC  
Monika Mordasini, Michaels Development  
Miles Okimura, Michaels Development  
Ernesto Vasquez, Michaels Development  
Jon Wallenstrom, Forest City  
Stacey White, Forest City  
Scott Settle, Settle Law  
Natalie Banach, Settle Law Group  
Makani Maeva, Vitus Group

A quorum was present.

**QUORUM**

Chair Mesick presented and read a Proclamation from the State of Hawaii Governor Neil Abercrombie to Office Assistant Pauline Eghan, extending congratulations on her retirement after 24 years of dedicated service to the people of Hawaii.

Designee Evans moved, seconded by Vice Chair Kyno, to approve the Meeting Minutes of November 14, 2013.

The motion was approved, as circulated.

Action on the Executive Session meeting minutes of November 14, 2013 was deferred.

Designee Evans moved, seconded by Vice Chair Kyno, to approve staff's recommendation:

That the HHFDC Board of Directors approve Forest City Kapolei Apartments, LLC, or other entity approved by the Executive Director, as an Eligible Developer pursuant to Section 15-307-24 HAR, and a DURF interim loan of \$5,000,000 for the Kapolei Lofts workforce rental project, all of which as substantially described in this For Action.

The Executive Director shall be authorized to take all actions necessary to effectuate the purpose of this For Action, subject to the following:

- A. Availability of DURF funds;
- B. Approval and release of funds by the Governor;
- C. Approval and execution of necessary loan documents by the Executive Director;
- D. The Affordable Units shall remain affordable for 30 years from the date of the Certificate of Occupancy of the last residential building in the Project, as agreed to by HHFDC;
- E. Submittal of necessary compliance monitoring fees and documents including, but not limited to, an annual rent roll and Developer's certification that the rents and household incomes of the Affordable Units are in compliance with the Project's affordability requirements, in a form and content as may be requested by HHFDC;
- F. Conditions prior to closing of the DURF loan, unless otherwise approved by the Executive Director:
  1. Recordation of the affordability requirement of the Project as required by HHFDC as land use restrictions on the fee simple title and Ground Lease for the Project;
  2. Concurrent or prior closing of the first mortgage construction loan;
  3. Submittal of evidence that the Developer and/or the Developer's partners have committed to contribute equity of at least 31% of the Total Project Budget (\$43,844,000). Equity may consist of cash value or land value;
  4. Review of the Ground Lease and verification that in the event of a sale or foreclosure of the Project prior to repayment of the DURF loan, priority for repayment of the DURF loan from sale proceeds shall be second in priority, immediately behind the primary construction lender;
  5. Submittal of a current appraisal of the proposed Project verifying

**II. A.  
APPROVAL  
OF MINUTES**  
11/14/13  
Regular  
Meeting

**II. B.  
APPROVAL  
OF MINUTES**  
11/14/13  
Executive  
Session

**III. A.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approve Forest City  
Kapolei Apartments,  
LLC, or Other  
Successor Entity  
Approved by the  
Executive Director,  
as an Eligible  
Developer pursuant  
to Section 15-307-24,  
Hawaii Administrative  
Rules, and a Dwelling  
Unit Revolving Fund  
Interim Loan for the  
Kapolei Lofts Rental  
Housing Project  
Located in Kapolei,  
Oahu, TMK Nos.:  
(1) 9-1-148: 013, 014,  
015, and 016.



that the loan-to-value ratio of the DURF loan and all priority mortgages and payments before the DURF loan do not exceed 69.2%;

- 6. Written confirmation from OEQC satisfactory to HHFDC that a supplement or new Environmental Assessment or EIS is not required for the Project and that the Final EIS for the Kapolei Town Center of August 1988 satisfies HRS Chapter 343 requirements;
  - 7. Receipt of grading permit and DCAB approval of the Project plans; and,
  - 8. ALTA Lender's title insurance with a mechanics' lien endorsement acceptable to HHFDC insuring the priority of the DURF loan behind the primary construction lender and against statutory liens for labor or materials for the improvement of the Property caused by the visible commencement of operations prior to closing of the DURF loan;
- G. Commencement of construction of the Project by December 31, 2014, unless otherwise extended at the sole discretion of the Executive Director;
- H. Completion of the Project by December 31, 2016, unless otherwise extended at the sole discretion of the Executive Director; and
- I. Compliance with all rules, regulations, and such other terms and conditions as may be required by the Executive Director.

Development Section Chief Stan Fujimoto reviewed the proposed details and risk assessment of a \$5 million Dwelling Unit Revolving Fund (DURF) interim loan requested by Forest City Kapolei Apartments, LLC (Developer), for the development of a 499-unit new family rental, Kapolei Lofts (Project), located in the City of Kapolei.

The DURF interim loan terms were noted as follows:

Borrower:	Forest City Kapolei Apartments, LLC, or other entity approved by the Executive Director
Loan Amount:	Up to \$5,000,000 in interim financing
Interest Rate:	3.5 per annum
Loan Fee:	1 point
Loan Term:	Four (4) years, with two (2) six-month extensions at the sole discretion of the Executive Director, at one-half percent (0.5%) of the total loan amount per extension Junior Mortgage; the DURF interim loan shall not be enforceable prior to the maturity date of the first-priority construction loan.
Collateral:	Ground Lease and fee simple interest in the Property

A presentation to the Planning and Zoning Committee of the Kapolei/Makakilo Neighborhood Board was held on November 25, 2013, in which the Planning and Zoning Committee voted to oppose the Project in favor of more places for people to work. On Dec 11, 2013, the Full Neighborhood Board approved 5 to 3 in support of the Planning and Zoning Committee vote made on November 25, 2013.

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In response to Chair Mesick, Mr. Fujimoto concurred that the ground lease would be subordinated to the DURF Loan and in the event of foreclosure, the Corporation would obtain the fee interest in the property if none of the other financing partners pay off the DURF loan.

In response to Director Larson, Mr. Wallenstrom stated that the lease will run through the term of the construction loan. After the 30-year affordability period, an option to extend the lease and purchase the fee simple title would be available, which is the intention.

In reference to Section III. G., Designee Evans asked about the \$20,443,217 fee simple price for the property. Mr. Wallenstrom stated that the purchase price is set for the land and the investing partners would have resources to protect their investments. No monies will be disbursed until the HHFDC is repaid.

In response to Director Larson, Mr. Wallenstrom stated that no other State monies or lands would be requested. However, the Project continues to work with the City and County of Honolulu on its property tax exemptions and Department of Transportation exemptions.

Designee Evans asked what makes the \$5 million DURF loan critical to the Project. Mr. Wallenstrom stated that there are many different components that are extraordinarily important to the deal in order to make it feasible.

In response to Designee Kami, Mr. Wallenstrom stated that the developer equity will be used to repay the DURF loan, if the permanent financing is not sufficient.

In response to Designee Kami, Mr. Wallenstrom stated that the only difference between the market and affordable units are materials used and square footage - having a total of 21 different unit designs. There will be affordable 1 and 2-bedroom spreads throughout the project. The 3 bedroom units will all be market units.

In response to Designee Larson, Interim Executive Director Takahashi stated that the Development Branch will run the DURF cash flow of the projects in hand. Mr. Prahl added that any other projects looked at will also be reviewed to ensure the HHFDC does not go below its \$10 million reserves.

In response to Director Pulmano, Mr. Wallenstrom stated that although the Neighborhood Board opposed the Project, another opportunity to further discuss and address the community's concerns will be provided.

In response to Director Pulmano's follow up question, Mr. Wallenstrom stated that there is an existing EIS. Interim Executive Director Takahashi explained that the use of state funds, like DURF, is a trigger for environmental review under Chapter 343.

Designee Evans moved, seconded by Vice Chair Kyno, to approve staff's recommendation:

That the HHFDC Board of Directors approve the following for the development of a new affordable housing project on Keahumoa Parkway in East Kapolei, Honouliuli, Ewa, Oahu, Hawaii; TMK No.: (1) 9-1-17:109, substantially as described in this For Action:

- A. TMDC, or other successor in interest entity approved by the Executive Director, as an Eligible Developer pursuant to Section 15-307-24, HAR;
- B. Proposal submitted by TMDC for the development of its 300 unit multi-family affordable rental housing project;
- C. Authority to negotiate and execute a development agreement with TMDC,

**III. B.  
DISCUSSION  
AND/OR  
DECISION  
MAKING**  
Approval of The  
Michaels  
Development  
Company I, L.P.,  
or Other Successor  
Entity Approved by  
the Executive  
Director, as an Eligible  
Developer, the  
Proposal, Authority  
to Negotiate and  
Execute a



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or other entity approved by the Executive Director, substantially consistent with this For Action; and

- D. Conveyance of the Property to the applicable party substantially in accordance with this For Action and the executed development agreement;

Subject to the following:

1. If a development agreement is not executed with the developer within one calendar year from the date of this approval, HHFDC reserves the sole and absolute right to terminate negotiations with the developer and reissue the RFP;
2. Approval of the project proposal does not obligate HHFDC to make an award for any of its financial programs, such as LIHTC, RHTF, and DURF.
3. Other terms and conditions deemed necessary and acceptable by the Executive Director.

Mr. Prahler stated that the HHFDC is the owner of the fee interest in the property and the land tenure will be leasehold. The Michaels Development Company I, LLP (Developer) will need to do a 201H or rezoning before starting construction of a new affordable housing project in East Kapolei.

In June 2013, the HHFDC issued an RFP with the objective to produce an affordable rental multi-family housing, elderly, or mix-used, of up to 300 dwelling units, that would complement the adjacent land use.

The ground lease rental units shall remain affordable for a minimum of 65 years, targeting those with incomes of up to 100% of the area median income (AMI).

The completion deadline is 3 years from the date of project approval, with the option of two (2) extensions for up to one (1) year each.

The Developer is proposing a mix of 1, 2, and 3-bedroom units with an affordability mix including units at 30%, 50%, 60%, 80%, and 100% (an income group underserved) AMI.

The Developer proposes a lease premium of \$4,050,000, of which \$1,250,000 will be paid at the financial closing of Phase I (\$500,000) and Phase II (\$750,000), and the balance in annual payments of \$93,333 over thirty (30) years.

A presentation to the full Makakilo/Kapolei/ Honokai Hale Neighborhood Board is pending. However, the Neighborhood Board has clearly expressed that they are not in support of any new residential development, with concerns of creating more jobs in Kapolei and traffic.

The estimated start of construction is late 2015/early 2016, with project completion anticipated in late 2019/early 2020.

In response to Vice Chair Kyno, Mr. Prahler stated that the developer will submit each Phase in separate financing applications.

In response to Designee Evans, Mr. Prahler stated that a one (1) year timeframe is adequate for the reclassification and rezoning of a project, noting that Mutual was in a similar position and completed in a year.

In response to Designee Evans, Mr. Prahler stated that the project would be adjacent to the DHHL East Kapolei projects. The road to access this parcel is complete and DHHL has started roadwork infrastructure for their land.

Development Agreement, and Conveyance of Property for a New Affordable Housing Project on Keahumoa Parkway in East Kapolei, Honouliuli, Ewa, Oahu, Hawaii, TMK No.: (1) 9-1-17: 109

Designee Kami asked on the overall reasoning in the selection of this proposal in comparison to the other proposals submitted. Mr. Prahler stated that it was ultimately the design concept and the broader mix of affordable units.

Chair Mesick asked on the ranking of staff, being that one of the proposals looked better financially, providing more affordable units, requesting a smaller fee, and lower development costs. Mr. Prahler stated that the committee was concerned that costs may have been understated in comparison to other projects and the proposal lacked the wide income spread, having all units at 60% and below.

Director Larson requested a breakdown of the rent prices by units be provided. In reference to the 2013 HUD Rent Schedule, Mr. Prahler stated that for a family of 4 and a 2-bedroom apartment, the rents are as follows: 100% is \$2,200 a month, 80% is \$1,760 a month, and 60% is \$1,320 a month. It was noted that the full 2013 HUD Rental Schedule tables are available on the HHFDC website.

Director Larson expressed concern of long term sustainability of the people in need of affordable rents, due to rent increases being inevitable.

Ms. Mordasini explained that due to the wide range of affordability, a person's rent would be adjusted accordingly and would have that flexibility.

In response to Designee Evans, Mr. Prahler stated that providing a multi-family project was always a part of the master plan and designated for that very purpose.

In response to Designee Evans, Ms. Mordasini stated that if private financing interest rates increase, soft subordinate financing would be used in order to keep the affordability structure or leveraging of the tax credits, by adding more units at 60% and below the AMI.

With no further discussion, the motion was unanimously approved.

Director Larson moved, seconded by Vice Chair Kyno, to approve staff's recommendation:

That the HHFDC Board of Directors approve the following:

- A. The application cycle for the FY2014 LIHTC and RHTF Project Award Programs as noted in Sections III (A) and III (B) above. With respect to the RHTF applications, all requests will be subject to the availability of funds in the RHTF program;
- B. Authorize staff to begin marketing of the FY2014 RHTF Project Award application cycle; and
- C. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Finance Manager Darren Ueki stated that the consolidated application for the LIHTC program and the RHTF Project Award program is anticipated to be available in January 2014 and due in April 2014.

The 2013/2014 Qualified Allocation Plan (QAP) approved in April 2013, will remain in effect with no changes, which would prevent further delays in the distribution of application.

The RHTF Capacity Building Grant and Predevelopment Loan programs were indefinitely suspended on June 9, 2013, due to a lack of program funds and the desire of the Board to focus on the actual production of affordable rental units.

In accordance with the Hawaii Administrative Rules §15-311-31(a), which requires an outreach/marketing program on the availability of money from the

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

Approve the FY2014 Application Cycles for the Low Income Housing Tax Credit and Rental Housing Trust Fund Programs



RHTF, staff plans to publish a RHTF Notice of Funding Availability on January 9, 2014.

Director Larson asked about the RHTF Awards. Mr. Ueki stated that staff continues to work with the Board Subcommittee to make awards for 2013 in the near future. With approximately \$38 million in uncommitted funds within the RHTF and a requested \$70 million in applications, the HHFDC would be reliant upon the conveyance tax proceeds and legislation monies received to fully fund all applicants.

Designee Evans commented that her understanding was that the QAP would be reviewed and possibly changed. Therefore, by approving this For Action, would the Board be extending the existing 2013/2014 QAP for another year and forgoing the option of making changes to the scoring of the applications under the QAP.

Interim Executive Director Takahashi clarified that the HHFDC will utilize the QAP that is currently in place and will seek help from a hired consultant, before proposing further changes to the QAP anticipated for the 2015 funding round.

Designee Evans asked on the timeline for the hiring of a consultant, with concern of repeating the same situation next year. Interim Executive Director Takahashi stated that a draft RFP is in process, with advertisement of proposals anticipated to be done in January 2014, with contract completion being in March 2014.

Mr. Ueki added that a final report would need to be in place by early Summer in order to provide staff with enough time to discuss recommended changes with potential program users and the Board. The help from the consultant is anticipated to provide staff with ideas as to how the HHFDC may improve the way the Corporation administers the LIHTC program.

Designee Evans asked about opportunities for input from affordable housing developers prior to Board approval. Interim Executive Director Takahashi stated that facilitating meetings or surveys with the developers, lenders, and the community will be part of the duties of the consultant, also expanding its scope of work to look at all the financial programs of the HHFDC and how to better leverage the limited funds the Corporation has. The Board will be kept apprised.

Chair Mesick stated that the focus is really to figure out how to make the best use of our investments and come up with metrics that allow the Board to make more confident decisions in better allocating its resources.

Designee Kami asked if the QAP is required to be finalized before applications are distributed or applications could be distributed subject to change, due to concerns of projects being structured to meet QAP requirements as opposed to structuring the best project possible. Mr. Ueki stated that the Consolidated Application was created by the HHFDC to allow developers to apply for multiple programs in one document. However, the LIHTC program could be removed from the consolidated application if the QAP is not completed.

Chair Mesick concurred with the concern of Designee Kami, stating that as the Board continues this process, sensitivity to change is needed. At the Subcommittee level, recommendations made have achieved some goals and further balance is looking to be maintained.

Directors Larson asked that the study include housing needs in the state and how the Corporation can address the need in the different income levels with the resources it has. Interim Executive Director Takahashi stated that a smaller study will be done on the State rental housing market and housing by income group.

With no further discussion, the motion was unanimously approved.

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Vice Chair Kyno moved, seconded by Designee Kami, to approve staff's recommendation:

That the HHFDC Board of Directors approve the following:

- A. Extend the LOI dated December 13, 2011, for the RHTF Loan for the Hale Uhiwai Nalu Addition project to June 30, 2014, subject to the requirements as set forth in the For Action dated December 11, 2011; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Mr. Ueki stated that the Hale Uhiwai Nalu (Project) is requesting for an extension to its RHTF Letter of Intent (LOI) to allow for the processing and approval of a Development Permit for the construction of an additional 50 affordable units (Addition) to the existing Project.

The current expiration date of the RHTF Letter of Intent (LOI) is December 31, 2013.

Construction of the Addition is anticipated to start in February 2014 and completed in February 2015.

Cloudbreak Hawaii, LLC (Applicant) continues to work with First Hawaiian Bank on the closing of the first mortgage.

The Project received a \$450,000 grant fund from the Federal Home Bank Loan of Seattle anticipated to be used to cover the increase in costs that the project has experience or will lower other resources, like the RHTF loan. A final Project Budget is in process.

Director Larson commented that she is comfortable with the 30-year affordability due to the fact that the Department of Veteran Affairs owns the land and would not put the Project into market.

Chair Mesick recused himself from voting due to the Lender of the Project being his employer.

Designee Evans disclosed that she did not participate in the vote at the HCDA meeting that she attended for the DBEDT ex-officio director.

With no further discussion, the motion was carried, with Chair Mesick abstaining.

Director Larson moved, seconded by Vice Chair Kyno, to approve staff's recommendation:

That the HHFDC Board of Directors approve the following:

1. Approve the proposed disposition of the parcel.
2. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Asset Manager Stuart Kritzer stated that the proposed disposition of the Honokowai Kauhale (Project) remnant parcel will be accomplished through a ground lease structured to maximize sales proceeds to the Corporation while minimizing the lease term to a period sufficient to make the transaction economically feasible to potential bidders.

The acquisition and construction financing of Project was accomplished in 1989 under a Series A bond offering and is considered a source of payment and/or security for the Hawaii Rental Housing System Revenue Bond Program

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

Approve an Extension to the Rental Housing Trust Fund Letter of Intent for the Hale Uhiwai Nalu Addition Project Located in Kapolei, Oahu, TMK No.: (1) 9-1-013:054

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

Approve the Lease Disposition of Honokowai Kauhale Remnant Parcel Located in Lahaina, Maui, TMK No.: (2) 4-4-001:026



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(Program). Therefore, all proceeds through a ground lease or by other means are to be deposited into certain Program fund accounts. (Section 6.03 of the Trust Indenture)

The Corporation must file with the Trustee, a Written Certificate of the Corporation stating that the disposition will not impair the Corporation's ability to comply with certain financial obligations under the Trust Indenture, prior to any disposition of the Program property.

Staff will prepare an RFP offering the leasehold interest to interested bidders, to submit proposals offering the highest and best use of the site.

Potential used of the subject property may be constrained by Uniform Building Code Zone 2B seismic hazard, State Land Use designation (part Urban and part Agricultural), county zoning (R-3), its location in a Special Management Area, county shoreline setback rules, and various utility easements.

Board approval to lease the property to the successful offeror/proposer will be submitted in a separate For Action.

Designee Evans asked if the HHFDC is contemplating that all offers would be subject to creating more affordable housing. Mr. Kritzer stated that the HHFDC is not necessarily looking to restrict potential proposals to the development of affordable housing, but rather looking for the most economically feasible.

Director Pulmano commented that the parcel would be better used as a commercial site, being next to the AAAAA Storage.

Designee Evans asked on the desired length of the lease. Mr. Kritzer stated that the length of the lease will have to be at least 45 years for tax depreciation purposes.

In response to Chair Mesick, Mr. Kritzer stated that staff has no design in mind and is looking to see what proposals come in.

Director Pulmano asked on the option to sell the property. Mr. Kritzer stated that it was the understanding of staff that the sale of the property was not of consideration and therefore, staff pursued a lease option. Designee Evans added that sale of the property would require legislature approval.

In response to Vice Chair Kyno, Mr. Kritzer stated that project proceeds would be placed into the Bond Indenture of the 6 property bond fund.

With no further discussion, the motion was unanimously approved.

Director Pulmano moved, seconded by Vice Chair Kyno, to approve staff's recommendation:

That the HHFDC Board of Directors accepts the Combined Audited Financial statements for the fiscal year ending June 30, 2013.

Chief Financial Officer Ann Nakagawa stated that the combined audit of the HHFDC was completed by Accuity LLP and issued. An attached CD with the entire combined financials and individual audits were noted to have been submitted to the Board.

The following facts were noted:

Total assets of the Corporation decreased by \$42.8 million to \$1,030.9 million as of June 30, 2013, due to an infusion from the RHTF, repayments of bonds offset by new bond issuance proceeds in the Multi-Family Housing Revenue Bond fund.

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

Accept the Combined Audited Financial Statements of the Hawaii Housing Finance and Development Corporation for the Fiscal Year Ended June 30, 2013

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Total Government-wide revenues and expenses were \$68.7 million and \$52.7 million, respectively, resulting in an increase in net assets of \$16 million.

Further Financial Highlights were noted to be found in the Management's Discussion and Analysis within the audited statements.

One repeated comment was noted on the internal controls of the HHFDC Audit:

1. Management should perform a completed and current analyses of the Kapolei and Leali'i projects to support significant estimates reported, including the estimated future costs of development liability and realizability of the Leali'i project. A formal valuation analysis was not performed as of June 30, 2013.

The Development Branch does not believe a revaluation is necessary at this time being that no adjustments in the estimated future costs have been made.

A consultant has been hired to determine the cost of the improvement in the infrastructure before transferring to the City and County of Honolulu.

In response to Designee Evans, Interim Executive Director Takahashi stated that an EIS was recently completed for the Villages of Leiali'i, but no further plans have been executed. Mr. Prahler clarified that an EIS was completed for 450 acres of Phase IA, of which the HHFDC continues to work towards retaining its zoning capability.

Designee Evans asked on the status with OHA and DHHL sugar land entitlement. Mr. Prahler stated that no agreement was reached with OHA and the DHHL sugar land entitlement remains to be owned by DLNR.

With no further discussion, the motion was unanimously approved.

Interim Executive Director Takahashi opened for questions on the Report of the Executive Director.

In response to Director Larson, Interim Executive Director Takahashi stated that the HHFDC was approved for \$5 million in RHTF monies in the supplemental budget and approximately \$7 million for state LIHTC loans.

In response to Vice Chair Kyno, Interim Executive Director Takahashi stated that she and staff attended a public hearing on Kauai, held on November 4, 2013, with a good turnout of non-profits.

With no further discussion, Chair Mesick proceeded to Executive Session.

Designee Evans moved, seconded by Vice Chair Kyno, to move into Executive Session at 11:00 a.m., to discuss the status update on the pending litigation regarding the Hawaii Coalition of Christian Churches and Kahikolu Ohana Hale O Waianae.

The Board of Directors of the Hawaii Housing Finance and Development Corporation anticipates convening in Executive Session pursuant to Section 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

The motion was unanimously approved.

The Board reconvened into Regular Session at 11:24 a.m., immediately followed by a motion to adjourn the meeting.

#### **IV. REPORT OF THE EXECUTIVE DIRECTOR**

#### **V. EXECUTIVE SESSION**

**RECONVENED  
11:24 a.m.**



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Director Larson moved, seconded by Designee Kami, to adjourn the meeting at 11:24 a.m.

VI.  
ADJOURNMENT

The motion was unanimously approved.

FOR   
LEILANI PULMANO  
Secretary