

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

April 9, 2020

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, April 9, 2020, at 9:05 a.m.

With a quorum present, Chair Leilani Pulmano called the meeting to order.

Those present and excused were as follows:

Present: Director Leilani Pulmano, Chair
Director Donn Mende, Vice Chair
Director Rona Fukumoto, Secretary
Director Gary Mackler
Director Sara Lin
Designee Chung Chang for Director Mike McCartney (arrived 9:30 a.m.)

Interim Executive Director Denise Iseri-Matsubara

Excused: Director Melvin Kahele
Director George Atta
Director Craig Hirai

Staff Present: Sandra Ching, Deputy Attorney General
Matthew Dvorch, Deputy Attorney General
Janice Takahashi, Chief Planner
Darren Ueki, Housing Finance Manager
Holly Osumi, Chief Financial Officer
Deepak Neupane, Development Branch Chief
Dean Minakami, Development Section Chief
Chris Woodard, Real Estate Portfolio Manager
Dean Sakata, Housing Finance Specialist
Glori Ann Inafuku, Housing Finance Specialist
Tori Kawahara, Housing Finance Specialist
Lisa Wond, Planner
Lorraine Egusa, Project Resource Specialist
Kent Miyasaki, Housing Information Officer
Esa Pablo, Secretary to the Board

Due to the current events of the coronavirus (COVID-19) pandemic, Chair Pulmano announced that this is HHFDC's first virtual meeting held, which may become the new norm for the upcoming months ahead.

Vice Chair Mende moved, seconded by Director Mackler

That the regular meeting minutes of March 12, 2020 be approved.

The motion was carried unanimously.

Approval of the executive session meeting minutes of March 12, 2020 was deferred to later in the meeting.

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

**II.A.
APPROVAL
OF MINUTES**
Regular
Meeting
3/12/2020

**II.B.
APPROVAL
OF MINUTES**
Executive
Session
3/12/2020

Planner Lisa Wond presented the For Information, stating that at the next Board meeting a For Action on the final 5-year Consolidated Plan and Annual Action Plan will be presented to the Board for consideration and to be submitted to HUD by May 15, 2020.

Director Mackler asked if HUD will be accepting electronic submittals. Wond said yes, stating that HUD has accepted electronic submissions for about five years now through its Integrated Disbursement and Information System.

Chair Pulmano asked whether HUD is considering extending its deadline. Wond stated not at this time.

In response to Director Lin, Wond concurred, stating that the counties select the projects under their respective approval processes, usually through their county councils, and submit their HOME and HTF eligible activities to HHFDC to be included in the Consolidated Plan Annual Action Plan. Wond added that HHFDC distributes its HOME funds on a rotating basis to the neighbor island counties, and the County of Maui is the next to receive the HOME program funds. She explained that HHFDC decided not to award HTF to the City and County of Honolulu in PY2020, so the County of Maui will get those funds as well.

In reference to section III. F., HHFDC's Annual Action Plan Activities for PY2020 table, Director Lin asked why the table reflects both the Counties of Kauai and Maui receiving program income. Wond clarified that the Counties of Kauai and Hawaii receive HOME program income, generally as a result of their homebuyer activities. For PY2020, both counties will be using their program income for their Tenant-Based Rental Assistance programs.

Director Lin commented on the small number of rental units being produced with HOME and HTF funds. Director Mackler offered his perspective that although the number of HOME- and HTF-assisted units are small, these funds represent financing in affordable projects that typically offer all units as affordable, so the state receives a larger number of affordable units because of the HOME and HTF funds.

There being no further discussion, Chair Pulmano asked that the order of the agenda be changed and proceeded to item V. Overview by the Executive Director.

Interim Executive Director Iseri-Matsubara and branch managers provided a general overview of COVID-19 impacts to HHFDC, stating that full effects on its programs and housing are unknown at this time.

Interim Executive Director Denise Iseri-Matsubara stated that the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by Congress and signed into law by President Trump on March 27, 2020, which provides a \$2 trillion stimulus to individuals, businesses, and hospitals in response to the economic distress caused by the COVID-19 pandemic. The CARES Act allows state housing finance agencies to make some accommodations. However, further clarity is needed and will be monitored by HHFDC's Planning, Evaluation & Compliance Branch (PECB).

Regarding federal funding programs, Housing Finance Manager Darren Ueki reported that staff is awaiting guidance from the IRS, U.S. Department of the Treasury, and the U.S. Department of Housing and Urban Development (HUD) on possible deadline extensions and other necessary accommodations. Interim Executive Director Iseri-Matsubara stated that the National Council of State Housing Agencies has been advocating for flexibility, accommodations, and support.

In reference to Senator Brian Schatz' Office, Director Lin stated that under the CARE Act, the County of Honolulu is receiving approximately \$5 million in CDBG fund grants to be used to address the housing needs of Hawaii residents during the COVID-19 pandemic.

III.A. DISCUSSION AND/OR DECISION MAKING

Information on Draft Five-Year Consolidated Plan for Program Years 2020 through 2024 (July 1, 2020 through June 30, 2025) and the Draft Annual Action Plan for Program Year 2020 (July 1, 2020 Through June 30, 2021)

V. OVERVIEW BY THE EXECUTIVE DIRECTOR

Since a majority of its DURF loans are not due until years later, while a few other projects are cashflow contingent (i.e., Iwilei Senior Residence and Kukui Gardens), Development Branch Chief Deepak Neupane stated that a minimal impact to DURF is anticipated.

Director Lin asked about the status of the TOD Iwilei infrastructure. Neupane stated that negotiations with the consultant are ongoing and approval on the release of funds from the Governor has been received.

Chief Planner Janice Takahashi reported that Compliance Monitoring Guidance has been posted on HHFDC’s and Spectrum’s websites and emailed to respective projects, noting the following:

- Project owners will continue to provide required reports via email.
- Electronic signatures will be allowed on the Lease and Tenant Income Certifications (which normally require wet signatures).
- With the waiver provided by the Governor’s Proclamation, a notary may witness the execution of a document virtually.
- We are allowing more things to be handled electronically. Because it is easier and faster, we may continue to do so on a permanent basis.

Interim Executive Director Iseri-Matsubara stated that this situation has posed an opportunity for HHFDC to reevaluate how they do things. Furthermore, she stated that both the Finance and PECB Chiefs will conduct a Housing forum for developers and property owners to:

- Listen to their concerns;
- Inform them of resources available; and
- Collect feedback on what we should ask our Hawaii Congressional delegation, NCSHA, and local leaders to advocate for.

There being no further discussion, Chair Pulmano proceeded to the Report of the Executive Director Selection Subcommittee and asked for a motion to go into executive session.

Vice Chair Mende moved, seconded by Director Mackler

That the Board convene in executive session pursuant to Section 92-5(a)(2) and/or Section 92-5(a)(4).

The motion was carried unanimously.

(The executive session meeting minutes of March 12, 2020 was approved in Executive Session.)

The Board reconvened in regular session at 10:11 a.m.

There being no further items on the agenda, Vice Chair Mende moved, seconded by Director Lin, to adjourn the meeting at 10:12 a.m.

The motion was carried unanimously.

Rona Fukumoto

RONA FUKUMOTO
Secretary

**IV.
EXECUTIVE
SESSION**
9:40 a.m.

RECONVENED
10:11 a.m.

**VI.
ADJOURNMENT**
10:12 a.m.