

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

June 18, 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, June 18, 2020, at 9:01 a.m.

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

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 Melvin Kahele
 Director George Atta (arrived 9:18 a.m.)
 Director Mike McCartney (arrived 9:05 a.m.)
 Director Craig Hirai

Interim Executive Director Denise Iseri-Matsubara

Excused: Director Sara Lin

Staff Present: Sandra Ching, Deputy Attorney General
 Matthew Dvonch, Deputy Attorney General
 Janice Takahashi, Chief Planner
 Holly Osumi, Chief Financial Officer
 Deepak Neupane, Development Branch Chief
 Dean Minakami, Development Section Chief
 Christopher Woodard, Real Estate Portfolio Manager
 Dean Sakata, Housing Finance Specialist
 Albert Palmer, Housing Development Specialist
 Cheryl Kajitani, Housing Development Specialist
 Theresa Dean, Housing Development Specialist
 Peter Nelson, Loan Processing Assistant
 Kent Miyasaki, Housing Information Officer
 Esa Pablo, Secretary to the Board

Guests: Chung Chang, DBEDT Deputy Director
 Tim Flint, CBRE
 Andrew Reenders, CBRE
 Dana Peiterson, CBRE
 Leighton Yuen, Goodsill Anderson Quinn & Stifel
 Stanford Carr, Stanford Carr Development
 Jeffrey Jaeger, Standard Companies

Vice Chair Donn moved, seconded by Director Kahele

That the regular meeting minutes of May 14, 2020 be approved.

The motion was carried unanimously.

**II.A.
APPROVAL
OF MINUTES**
Regular
Meeting
5/14/2020

Approval of the meeting minutes of May 14, 2020 executive sessions was deferred to later in the meeting.

Vice Chair Mende presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approves Resolution No. 142, which expresses appreciation to Chair Leilani Pulmano.

Vice Chair Mende moved, seconded by Director Kahele

That staff's recommendation be approved.

Vice Chair Mende read Resolution No. 142.

Chair Pulmano thanked Vice Chair Mende, the Board, and staff, expressing appreciation for all that she has learned during her years on the Board as well as the staff's hard work and commitment to provide housing for communities.

On behalf of HHFDC staff, Interim Executive Director Iseri-Matsubara thanked Chair Pulmano for her leadership and always engaging the constituency that the Agency serves. She further stated that Chair Pulmano will be sorely missed and is someone who will not be easily replaced.

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

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

That the HHFDC Board of Directors approve Resolution No. 143, which expresses appreciation to Peter W. Nelson.

Vice Chair Mende moved, seconded by Director Kahele

That staff's recommendation be approved.

Chair Pulmano read Resolution No. 143.

Interim Executive Director Iseri-Matsubara thanked Mr. Nelson for his years of dedication and expressed appreciation for his services at HHFDC.

Nelson thanked everyone.

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

Woodard recapped last month's For Discussion presentation, stating that an amendment to Komohale LP's (an entity formed by the joint offerors Standard Property Company, Inc. and Stanford Carr Development, LLC (collectively the Buyer)) May 12, 2020 letter was received yesterday, and requested that the Board convene in executive session to discuss its modified offer.

II.B. APPROVAL OF MINUTES

Executive
Session
5/14/2020

III.A. DISCUSSION AND/OR DECISION MAKING

Approve Resolution
No. 142, Expressing
Appreciation to
Leilani Pulmano

III.B. DISCUSSION AND/OR DECISION MAKING

Approve Resolution
No. 143, Expressing
Appreciation to
Peter W. Nelson

III.C. DISCUSSION AND/OR DECISION MAKING

Discussion and
Possible Action on
the Restructuring
and Preservation of
the Kamakee Vista
Mixed-Use
Affordable Housing
Project, Located in
Kewalo, Oahu,
TMK No.:
(1) 2-3-003: 018

Director Kahele moved, seconded by Director McCartney

**EXECUTIVE
SESSION**
9:24 a.m.

That the Board convened in executive session pursuant to Section 92-5(a)(3), Hawaii Revised Statutes (HRS), to deliberate concerning the authority of persons designated by the Board to negotiate the acquisition of public property, or during the conduct of such negotiations; and Section 92-5(a)(4), HRS

The motion was carried unanimously.

(In Executive Session, Director Hirai was excused at 10:00 a.m. and the meeting minutes of May 14, 2020 executive sessions were approved.)

The Board reconvened in regular session at 11:19 a.m.

RECONVENED
11:19 a.m.

Chair Pulmano summarized the Board's discussion on various matters with staff, legal counsel, and consultants at CBRE, which were focused on the following:

- The Request for Proposal (RFP) process, which was designed to ensure transparency and fairness;
- The RFP goals and the need for critical near-term capital improvements at Kamakee Vista;
- The historical transaction timeline and the current status of the Purchase and Sale Agreement (PSA) and the Kamakee Vista closing;
- A review of the draft CBRE Broker's Opinion of Value;
- Staff's summary of possible next steps for the Kamakee Vista Transaction; and
- A review of the Komohale's revised PSA modification request.

Chair Pulmano stated that based on the feedback received from staff under such unprecedented circumstances, the Board believes that a deviation from the RFP is warranted to ensure that HHFDC's goals are timely realized and has directed staff to continue to negotiate the terms of a modified transaction with Komohale LP. Board action on this matter is anticipated at its July 9, 2020 Board of Directors Meeting, with closing anticipated in September 2020.

There being no further discussion, Chair Pulmano proceeded to the Report of the Executive Director.

**IV.
OVERVIEW
BY THE
EXECUTIVE
DIRECTOR**

Interim Executive Director Iseri-Matsubara noted the following:

- Together with Alan Oshima, State Economic Recovery Navigator, have been meeting with stakeholders from the housing sector. The group is headed by Kevin Carney who is gathering information on rent collections.
- Based on the University of Hawaii Economic Research Organization's study on the economic impacts, Hawaii's recovery is anticipated to take longer than the Nation due to its heavy reliance on tourism.
- The Legislature will reconvene on June 22, 2020, which is anticipated to focus mainly on the impacts of COVID-19.
- HHFDC will continue its efforts in protecting the projects in the pipeline.

There being no questions, Chair Pulmano stated that with her departure and Director Lin being on leave, the HHFDC Leasehold Policy Subcommittee and the Housing Finance Programs Subcommittee will need to be disbanded and reconstituted accordingly:

HHFDC Leasehold Policy Subcommittee

- Purpose: To review current HHFDC leasehold policies for residential leases and recommend possible modifications.
- Outcome: Recommend a new policy regarding the terms and conditions of residential lease term extensions.
- New Members: Directors Donn Mende, George Atta, Chung Chang, and the Governor's interim representative while Director Lin is on leave.

Housing Finance Programs Subcommittee

- Purpose: To review and assess the efficiency of HHFDC's financing programs, as well as its Qualified Allocation Plan.
- Outcomes: Quicker production, more units, longer affordability.
- New Members: Directors Donn Mende, Gary Mackler, Carol Reimann (Maui representative effective July 1, 2020), and the Governor's interim representative while Director Lin is on leave.

Chair Pulmano noted that the Housing Finance Programs Subcommittee is pressed for time in approving a new QAP for 2021/2022. Recommendations of the QAP Subcommittee were approved in November 2019.

There being no objections to the members of the reconstituted Subcommittees, Director Kahele moved, seconded by Vice Chair Mende, to adjourn the meeting at 11:33 a.m.

The motion was carried unanimously.

Rona Fukumoto

RONA FUKUMOTO
Secretary

**V.
ADJOURNMENT**
11:33 a.m.