HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

July 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, July 9, 2020.

With a quorum present, Chair Donn Mende called the meeting to order at 9:10 a.m.

Those present and excused were as follows:

Present:  
Director Donn Mende, Chair  
Director Gary Mackler, Vice Chair  
Director Rona Fukumoto, Secretary  
Director Melvin Kahele  
Director George Atta  
Director Carol Reimann  
Director Craig Hirai  
Designee Chung Chang for Director Mike McCartney  
Designee Kymberly Sparlin for Director Sara Lin  
Executive Director Denise Iseri-Matsubara

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  
Lorna Kometani, Sales & Counseling Section Chief  
Christopher Woodard, Real Estate Portfolio Manager  
Dean Sakata, Housing Finance Specialist  
Patrick Inouye, Housing Finance Specialist  
Jocelyn Iwamasa, Housing Finance Specialist  
Tori Kawahara, Housing Finance Specialist  
Stan Fujimoto, Housing Development Specialist  
Albert Palmer, Housing Development Specialist  
Cheryl Kajitani, Housing Development Specialist  
Theresa Dean, Housing Development Specialist  
Kent Miyasaki, Housing Information Officer  
Esa Pablo, Secretary to the Board

Guests:  
Joe Michael, Pacific Development Group  
Keith Kato, Hawaii Island Community Development Corporation  
Henry Chang, Ililani, LLC  
William Yuen, Dentons US LLP  
Craig Watase, Mark Development, Inc.  
Christian O'Connors, Coastal Rim Properties  
Max Lindsey, Mark Development, Inc.  
Andrew Reenders, CBRE  
Leighton Yuen, Goodsill Anderson Quinn & Stifel  
Jeremy McComber, Hawaii Island Community Development Corporation  
Moe Mohanna, Highridge Costa  
Dana Peiterson, CBRE  
Stanford Carr, Stanford Carr Development

HHFDC Regular Meeting – July 9, 2020
Kenneth Chang, Ililani, LLC
Douglas Bigley, Ikaika Ohana
Thomas Fischer, Ikaika Ohana
James Rock, UHC, LLC
Monte Heaton, Highridge Costa

Director Fukumoto moved, seconded by Director Atta

That the regular meeting minutes of June 18, 2020 be approved.

A roll call vote was taken, and the motion was carried, with Designee Sparlin abstaining from the vote.

With Director Hirai needing to attend another meeting, Chair Mende asked that the agenda be taken out of order to address agenda item IV. Executive Session.

Director Kahele moved, seconded by Director Fukumoto

That the Board convene in executive session at 9:12 a.m., pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to consult with the board attorney on questions or issues regarding the board’s powers, duties, privileges, immunities, and liabilities as it relates to this matter.

The motion was carried unanimously.

The Board reconvened in regular session at 9:46 a.m.

(The executive session meeting minutes of June 18, 2020 was approved in executive session, with Designee Sparlin abstaining from the vote.)

Housing Finance Specialist Patrick Inouye 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% Low Income Housing Tax Credits (LIHTC) to the following projects in accordance with the Qualified Allocation Plan (QAP) and subject to the terms and conditions specified in Section II, Subsection E, and Exhibit H within the For Action.

A. The Kaiaulu O Halele project:

1. Allocation of up to $2,461,951 in annual Federal 9% LIHTC over a 10-year period and $2,461,951 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:

   a. Total fees paid to the Developer, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, for the project shall not exceed $2,304,000.

B. The Villages of La‘i’opua project:

1. Allocation of up to $811,944 in annual Federal 9% LIHTC over a 10-year period and $811,944 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:

HHFDC Regular Meeting – July 9, 2020
a. Total fees paid to the Developer, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, for the project shall not exceed $1,720,877.

C. The Papa'aloa Elderly Housing Project:

1. Allocation of up to $350,000 in annual Federal 9% LIHTC over a 10-year period and $350,000 in annual State 9% LIHTC over a 5-year period; with the following project specific conditions:

a. Total fees paid to the Developer, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, for the project shall not exceed $575,000.

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

Director Fukumoto moved, seconded by Director Atta

That staff’s recommendation be approved.

Chair Mende disclosed his participation on a board affiliated with a related party to the Papa’aloa Elderly Housing Project and recused himself from the vote.

Inouye stated that HHFDC used the criteria and guidelines of the 2019/2020 QAP and other relevant factors in its evaluation of ten (10) 2020 9% LIHTC applications received by the April 17, 2020 deadline, requesting an aggregate amount of $17,492,693 in Federal LIHTC over 10 years and $17,492,693 in State LIHTC over 5 years.

It was noted that CAoG 620 Waipa Lane and Hale Makana O Uluwehi did not meet one or more of the Minimum Thresholds within the QAP’s Criteria Point System regarding its Market Study and Contractor Profit, respectively, and therefore, ineligible for an allocation or award of 9% LIHTC. The Kawainui Street Apartments (the third highest scoring project) is being bypassed due to the available 9% LIHTC being $1 million short of their request.

Inouye further stated that following the 9% LIHTC award recommendations, $449,168 in Federal 9% LIHTC and $449,168 in State 9% LIHTC remains. Applicants failing to receive a 2020 9% LIHTC award may choose to re-apply for 9% LIHTC consideration in a future identified funding round, subject to availability.

In reference to the footnote on page 2 of the For Action regarding the Villages of La‘i’opua also receiving a 2019 LIHTC allocation, Director Mackler inquired about an existing policy that prevents a project from receiving subsequent awards, especially in the context of a significant budget increase.

In response to Director Mackler, Inouye stated that project budget increases are not uncommon and are usually offset by the RHRF, which provides gap financing. However, since HHFDC did not have a 9% RHRF Award Round this year, such a project would need to resort to LIHTC instead. HHFDC or the Internal Revenue Code does not have a policy/requirement in effect that prevents a project from receiving subsequent 9% LIHTC awards. However, processes vary from state to state (e.g., instead of issuing both 2019 and 2020 allocations, a project would return its 2019 credits and get reallocated the new aggregate amount in 2020).

Regarding the example provided, Director Mackler asked whether the Board should
consider such a mechanism. Inouye stated that would need to be further explored.

Apart from its unique situation this year regarding the absence of a RHRF funding round, Director Mackler requested that the Board be mindful in looking at projects that are making more than one request for this type of financing, as it may impact other worthy projects that are a part of the application process.

Director Mackler inquired about the $449,168 carryover amount of 9% LIHTC being larger. Inouye responded in the affirmative, stating that the carryover amount is usually under $100,000 or completely depleted. The larger carryover amount is due to the uniqueness of this year’s absence of a RHRF funding round resulting in larger request amounts and larger sized projects that exceed the amount of credits available.

Regarding the Villages of La’i’opua, Director Mackler inquired about the selection of the project’s general contractor. Inouye stated that the project anticipates engaging with Coastal Construction.

There being no further discussion, a roll call vote was taken, and the motion was carried, with Chair Mende recusing himself from the vote.

Inouye presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following:

A. A junior Rental Housing Revolving Fund (RHRF) lien position to the third-party lender providing the pre-existing construction loan and a permanent loan tranche.

B. All other terms and conditions of the RHRF loan approved by the HHFDC Board of Directors on June 13, 2019, remain the same.

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Inouye stated that A0597 Kona, L.P. (Awardee) proposes to absorb its project budget increase of $11,610,000, primarily attributed to higher construction costs, by increasing its LIHTC equity and amending its RHRF loan position to a junior lien position to accommodate the new permanent loan tranche to be amortized over a 15-year period to facilitate a first right of refusal option.

In reference to the proposed Project Budget and Use of Funds table on page 4 of the For Action, Director Kahele asked what the Financing and Syndication costs consist of. Inouye stated such costs includes, but are not limited to, costs associated with the syndication of the tax credits, loan interests, conversion fees, and permanent loan fees.

Chair Mende inquired about the debt service ratio and whether it remains within the LIHTC program guidelines. Inouye stated that the project does comply with its 1.15 percent debt service coverage minimum for a 15-year tax credit compliance period.

There being no further discussion, a roll call vote was taken, and the motion was carried unanimously.

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

HHFDC Regular Meeting – July 9, 2020
That the HHFDC Board of Directors approve the following:

A. Approve an amendment to the Rental Assistance Program (RAP) Contract to allow RAP assistance to all 75 LIHTC units that meet the RAP eligibility criteria with an effective date of July 1, 2020.

B. Extend the RAP Contract of nine (9) years from November 30, 2022 to November 30, 2031, subject to the LIHTC affordability requirement to be extended to coincide or extend beyond the Rental Assistant Contract expiration.

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Iwamasa stated that due to the slowness of obtaining governmental rental assistance (such as Section 8) to help low income tenants of the Na Lei Hulu Kupuna (Project), Na Lei Hulu Kupuna Senior Rentals, LP (Owner) is requesting to amend its RAP Contract to provide RAP assistance to all 75 units for an additional 10 years.

However, given the original RAP Contract amount of $6.75 million and $3.9 million of subsidy disbursed through fiscal year 2020, at 100% RAP utilization for the Project’s 75 units, the remaining RAP commitment is adequate for an additional 9 years of RAP payments.

Iwamasa opened for questions, along with Mr. Craig Watase and Mr. Max Linsey, on behalf of the Project.

Director Fukumoto inquired about the units that receive Section 8 assistance. Iwamasa clarified that Section 8 assistance is not administered by HHFDC. However, if this amendment is approved, when a Section 8 tenant moves out of their unit, the Owner has the option to decline Section 8 assistance even if a tenant should qualify.

There being no further discussion, a roll call vote was taken, and the motion carried unanimously.

Housing Finance Specialist Dean Sakata 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 Halawa View II Project to January 31, 2021; and

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that based on the following progress made on three basic milestones of site control, zoning approvals, and securing financing commitments, staff is recommending an extension to January 31, 2021 to coincide with the RHRF Letter of Intent (LOI) expiration for the proposed Halawa View II (Project), consisting of 156 family units:

HHFDC Regular Meeting – July 9, 2020
• Halawa View II, LP (Awardee) has site control.

• The Awardee continues to work with the City and County of Honolulu (City) to obtain its 201H exemptions approval and Navy to address security concerns due to the Project bordering Joint Base Pearl Harbor-Hickam.

• The Awardee continues to work with Citibank on the sale of tax-exempt bonds and Hunt Capital Partners, LLC on the syndication of Federal and State LIHTC.

Building permits are anticipated in December 2021, with construction starting in September 2021 and project completion in April 2023.

If the Project is deemed feasible, staff will present a subsequent resolution to the Board requesting approval for the actual issuance, sale, and delivery of the bonds; subject to availability of volume cap and approval by B&F and the Governor.

Sakata opened for questions, along with Mr. Joel Michael, on behalf of the developer.

There being no questions, a roll call vote was taken, and the motion was carried unanimously.

Sakata 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 Halawa View III Project to January 31, 2021; and

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that the facts of the proposed Halawa View III (Project), consisting of 146 family units, is the same to the previously approved For Action. Based on the stated progress made, staff is recommending an extension to January 31, 2021 to coincide with the RHRF LOI expiration.

If the Project is deemed feasible, staff will present a subsequent resolution to the Board requesting approval for the actual issuance, sale, and delivery of the bonds; subject to availability of volume cap and approval by B&F and the Governor.

Sakata opened for questions, along with Mr. Joel Michael, on behalf of the developer.

There being no questions, a roll call vote was taken, and the motion carried unanimously.

Sakata 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 Kaiaulu O Waikoloa to January 31, 2021; and
B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that based on the following progress made on three basic milestones of site control, zoning approvals, and securing financing commitments, staff is recommending an extension to January 31, 2021 to issue HMMF Bonds for the proposed Kai'aiulu O Waikoloa (Project) consisting of 60 family units:

- A0674 Waikoloa, LP (Awardee) has site control.

- The Awardee signed the Conditional No Further Action with Institutional Controls Determination letter issued by the State of Hawaii Department of Health (DOH) and has finalized its Site-Specific Environmental Hazard Management Plan with DOH to mitigate unexploded ordnance (UXO) concern on the site.

- The Awardee is working with First Hawaiian Bank and American Savings Bank on the purchase of the tax-exempt bonds and Hunt Capital Partners, LLC on the sale of Federal and State LIHTC, as well as the City to access the Community Development Block Grant funds and Project Based Section 8 vouchers.

Building permits are anticipated in June 2020, with construction starting in August 2020, and project completion in July 2022.

If the Project is deemed feasible, staff will present a subsequent resolution to the Board requesting approval for the actual issuance, sale, and delivery of the bonds; subject to availability of volume cap and approval by B&F and the Governor.

Sakata opened for questions, along with Mr. Doug Bigley, on behalf of the developer.

Approved in 2017, Designee Sparlin asked what the reason for the delay in obtaining building permits for the Project. Sakata stated that under the U.S. Department of Housing and Urban Development’s (HUD’s) new requirement of a clearance plan through the DOH, a new process was needed to be established, which delay the Project from proceeding with its designs until such UXO issues were addressed.

Designee Sparlin asked whether that would be the last expected extension. Sakata responded in the affirmative and stated that the Project continues to move towards closing.

There being no further discussion, a roll call vote was taken, and the motion was carried unanimously.

Sakata 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 LOI dated January 17, 2017, for the Kai’aiulu O Waikoloa project to January 31, 2021; subject to the requirements as set forth in the For Action dated January 12, 2017; and

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

HHFDC Regular Meeting – July 9, 2020
Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that this For Action is for the same project approved in the previous For Action with identical project facts. Based on the stated progress made, staff is recommending an extension to the RHRF LOI expiration date to January 31, 2021.

Sakata opened for questions, along with Mr. Doug Bigley, on behalf of the developer.

There being no questions, a roll call vote was taken, and the motion was carried unanimously.

Sakata 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 Kokua Project to July 31, 2021; and

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that based on the following progress made on three basic milestones of site control, zoning approvals, and securing financing commitments, staff is recommending an extension to July 31, 2021 to issue HMMF Bonds for the proposed Kokua (Project) consisting of 223 elderly units:

- Alakela Senior LP (Awardee) has site control.
- The Awardee received 201H approval and is working with the City to finalize its development agreement.
- The Awardee is working with Citibank on the sale of tax-exempt bonds and negotiating with prospective LIHTC investors.

Sakata stated that Highridge Costa Development Company, LLC is a new general partner in the limited partnership and has taken the role of the Managing General Partner.

Building permits are anticipated in February 2021, with construction starting in March 2021, and project completion in March 2023.

If the Project is deemed feasible, staff will present a subsequent resolution to the Board requesting approval for the actual issuance, sale, and delivery of the bonds; subject to availability of volume cap and approval by B&F and the Governor.

Sakata opened for questions, along with Mr. Moe Mohanna, on behalf of the developer.

Director Mackler asked whether the Project’s plan check was submitted to the City and County of Honolulu. Mohanna responded in the affirmative.

There being no further discussion, a roll call vote was taken, and the motion was carried unanimously.

HHFDC Regular Meeting – July 9, 2020

Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-003: 028

III.H.
DISCUSSION
AND/OR
DECISION
MAKING
Approve an Extension to Resolution No. 125, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Kokua Project Located in Honolulu, Oahu,
Sakata 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 January 14, 2019, for the Kokua Project RHRF Loan to July 31, 2021, subject to the requirements as set forth in the For Action dated January 10, 2019; and

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

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.

Sakata stated that this For Action is for the same project approved in the previous For Action with identical project facts. Based on the stated progress made, staff is recommending an extension to the RHRF LOI expiration date to July 31, 2021.

Sakata opened for questions, along with Mr. Moe Mohanna, on behalf of the developer.

There being no questions, a roll call was taken, and the motion was carried unanimously.

Development Section Chief Dean Minakami presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following for the Illilani affordable multi-family for-sale housing project located at 615 Keawe Street and 690 Halekauwila Street in Kakaako, Oahu, Hawaii, on TMK (1) 2-1-051: 011 and 012, substantially as discussed in the For Action.

A. Approve the Developer’s request to increase the affordability restriction from 165 to 197 units; modify unit pricing; develop one additional floor of the parking structure; exempt the project from water system facility charges and wastewater system facility charges as to the affordable units, and Hawaii Community Development Authority Mauka Area Rules relating to height of the parking structure; and modify the Project’s budget and schedule; and

B. Authorize the Executive Director to take all actions necessary to effectuate the purposes of the For Action.

Subject to the following:

A. The amended exemptions do not substantially deviate from the For Action (the Honolulu City Council may make modifications to the exemptions);

B. Commencement of construction of the Project by January 1, 2021 and completion of construction by December 1, 2022, unless otherwise extended at the sole discretion of the Executive Director; and

C. Other terms and conditions as may be required by: (1) statutes; (2) administrative rules; and (3) the Office of the Executive Director.

Director Kahele moved, seconded by Director Fukumoto

That staff’s recommendation be approved.
Minakami stated that Ililani, LLC (Developer) believes that the requested modifications are necessary in order to make the project feasible and desirable to prospective buyers under such economic constraints due to the COVID pandemic. City Council approval of the requested modifications is also required.

Minakami opened for questions, along with Housing Development Specialist Albert Palmer; and Mr. William Yuen, Mr. Ken Chang, and Mr. Henry Chang, on behalf of the Developer.

Being located near the rail line, Director Atta asked what the reasons were for additional parking considering it costs more. Yuen stated that the Developer has proposed a carshare program; however, based on the feedback provided by the sales staff, prospective buyers are looking for two-bedroom units with two-parking spaces.

There being no further discussion, a roll call vote was taken, and the motion carried unanimously.

Housing Development Specialist Stan Fujimoto presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the request to the Department of Land and Natural Resources for fee simple title to a remnant parcel adjacent to HHFDC’s Villages of Lei'ali‘i project, in Lahaina, Maui, Hawaii, TMK (2) 4-5-021: 013, substantially as described in the For Action, and the Executive Director shall be authorized to take all actions necessary to effectuate the purpose of the For Action, subject to the following:

A. Approval by the Board of Land and Natural Resources;
B. Approval as to form of relevant documents by the Department of Attorney General and execution by the Executive Director; and
C. Compliance with all laws and rules, and such other terms and conditions as may be required by the Executive Director.

Director Kahele moved, seconded by Director Reimann

That staff’s recommendation be approved.

Fujimoto stated that in order to address the County’s Department of Planning (County’s) requirement for a future possible extension of Kapunakea Street northward for future access to accommodate development at the Villages of Lei‘ali‘i, approval to request the Department of Land and Natural Resources (DLNR) for the acquisition of fee simple title to the DLNR Remnant Cane Haul Road Lot is being sought.

Ikaika Ohana (Developer) is agreeable to provide a future second onsite access to its west project boundary to connect with the extension from Kapunakea Street at the time that the County extends Kapunakea Street from its existing terminus to the project site.

There being no questions, a roll call vote was taken, and the motion was carried unanimously.

A recess was taken at 11:19 a.m. and the Board reconvened the meeting at 11:30 a.m.

Real Estate Portfolio Manager Chris Woodard recapped last month’s For Discussion presentation and requested that the Board convene in executive session.

HHFDC Regular Meeting – July 9, 2020
to discuss and confirm consensus of the proposed modifications.

DECISION
MAKING

Approve: (1) Modifications to Award of Request for Proposals No. 17-010-PPMS Affordable Rental Housing Portfolio Restructuring and Preservation to Joint Offerors Standard Property Company, Inc. and Stanford Carr Development, LLC as Successful Offeror; (2) the Use of Sale Proceeds from the Restructuring and Preservation of the Hawaii Housing Finance and Development Corporation Affordable Rental Housing Portfolio to Provide a Dwelling Unit Revolving Fund (DURF) Loan Secured by a Senior Mortgage on the Leased-Fee Interest in a Portion of the Kamakee Vista Mixed-Use Project, Located in Kewalo, Oahu, TMK No.: (1) 2-3-003: 018 (the Project); (3) the Certification of Komohale LP, or Other Successor Entity Approved by the Executive Director, as an Eligible Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; and (4) the Establishment of a DURF Budget for Seller Deferred Financing of the Project

EXECUTIVE
SESSION

11:38 a.m.
as it relates to this matter.

The motion was carried unanimously.

Woodard stated staff’s recommendation for the Board’s consideration:

A. That the HHFDC Board of Directors approve:

1. Staff’s recommended modifications to award of Request for Proposals (RFP) No. 17-010-PPMS Affordable Rental Housing Portfolio Restructuring and Preservation to joint offerors Standard Property Company, Inc. and Stanford Carr Development, LLC as Successful Offeror substantially as described in Section III. H. of the FOR Action;

2. The use of sale proceeds from the restructuring and preservation of the HHFDC Affordable Rental Housing Portfolio to provide a DURF loan secured by a senior mortgage on the leased-fee interest in a portion of the Kamakee Vista Mixed-Use Project, located in Kewalo, Oahu, TMK No.: (1) 2-3-003: 018 (the Project);

3. The Certification of Komohale LP, or other successor entity approved by the Executive Director, as an Eligible Developer pursuant to Section 15-307-24, Hawaii Administrative Rules; and

4. Establishment of a DURF budget for Seller Deferred Financing of the Project; and

B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the FOR Action, including but not limited to the negotiation and execution of:

1. An amendment to the Purchase and Sale Agreement;

2. Ground leases; and

3. Other related transaction documents with the Buyer;

Each substantially on the terms described herein or as applicable, pursuant to the approved December 13, 2018 FOR Action (in either case allowing for modifications as may be deemed reasonable in the Executive Director’s sole and absolute discretion), and to undertake any actions related thereto.

Director Kahele moved, seconded by Director Reimann

That staff’s recommendation be approved.

Woodard noted a correction, to remove the additional “in,” within the last line of section A.1., under IV. Recommendation of the FOR Action.

There being no further discussion, a roll call vote was taken, and the motion was carried unanimously.

Executive Director Denise Iseri-Matsubara congratulated and thanked the new elected HHFDC Board Officers for taking on their respective positions.

Newly appointed HHFDC Board Director Carol Reimann, from Maui, was welcomed.

HHFDC Regular Meeting – July 9, 2020
Executive Director Iseri-Matsubara highlighted the following bills of the 2020 Legislation session, set to sine die tomorrow:

- HHFDC is working on the inception of a rent relief program pursuant to Senate Bill (SB) 126, which appropriates $100 million to the HHFDC to administer the program through a non-profit intermediary, pending the Governor’s approval and signature.

- House Bill (HB) 2183, increases the bond authority ceiling from $1.5 billion to $3 billion.

- HB 1929, extends the deadline to December 2021 for the purposes of renegotiating the ground lease for the Front Street Apartments, in Lahaina, Maui.

- SB 3139, helps address matters regarding the RHRF.

- HB 2527, is a LIHTC bill that amends the passive activity loss rules that would have broaden the pool of investors.

Executive Director Iseri-Matsubara stated that HHFDC staff continues to meet with respective parties in efforts to resolve the U.S. National Park Service’s concern regarding water well development in North Kona. The Board will be kept appraised on the status.

There being no further business on the agenda, Chair Mende asked for a motion to adjourn.

Director Kahele moved, seconded by Director Atta, to adjourn the meeting at 12:09 p.m.

The motion was carried unanimously.

\[\text{Rona Fukumoto} \]
RONA FUKUMOTO
Secretary