Financial and Compliance Audit
for the Fiscal Year Ended June 30, 2025

State of Hawaii

Hawaii Housing Finance and Development Corporation

Presentation to the Board of Directors

January 8, 2026

HHFDC
HAWAII HOUSING FINANCE & DEVELOPMENT CORPORATION

Agenda

- Auditor Reports
- Financial Statements
  - Government-Wide Statements
  - Governmental Funds
  - Proprietary Funds
- Year End Summary
- Questions or Comments

Accuity LLP, independent financial auditor, on December 15, 2025, issued the following reports on the Hawaii Housing Finance and Development Corporation ("Corporation") for the fiscal year ended June 30, 2025:

Report of Independent Auditors

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

ACCUITY

Report of Independent Auditors

Accuity LLP rendered an **unmodified** opinion on the audited financial statements. The financial statements present fairly, in all material respects, the Corporation's financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with generally accepted accounting principles.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Internal Control Over Financial Reporting	In planning and performing the audit of the financial statements, Accuity LLP considered the Corporation's internal control over financial reporting to determine the audit procedures that are appropriate for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. **Accuity LLP did not identify any deficiencies in internal control that were material weaknesses.**
Compliance and Other Matters	Accuity LLP performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements of which noncompliance could have a direct and material effect on the determination of financial statement amounts. The results of the tests disclosed **no instance of noncompliance** or other matters that are required to be reported.

Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Accuity LLP opined that the Corporation complied, in all material respects, with the types of compliance required as described in the OMB Compliance Supplement that could have a direct and material effect on the Corporation's major federal programs for the year ended June 30, 2025.

Accuity LLP identified one (1) major Federal program: Housing Trust Fund.

There were no findings or questioned costs.

Housing Trust Fund

Financial Statements

Two Types of Funds of the Corporation's Government-Wide Statements

Governmental Funds

Funds that are primarily funded by public funds.

Proprietary Funds

Enterprise funds which are used to account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing services to customers.

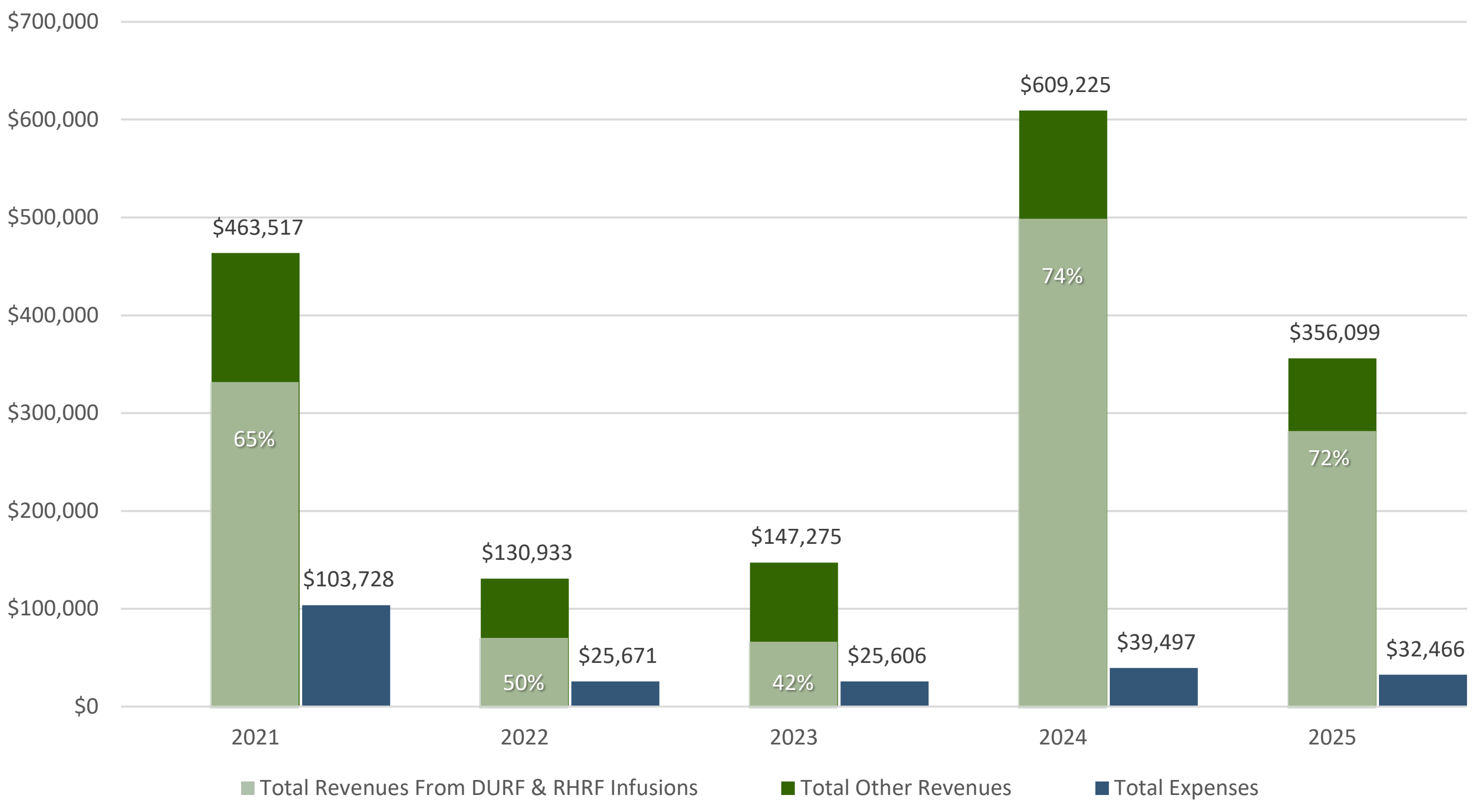
The Statement of Revenues, Expenses and Changes in Net Position (or Statement of Activities) presents how the Corporation’s net position changed during the fiscal year.

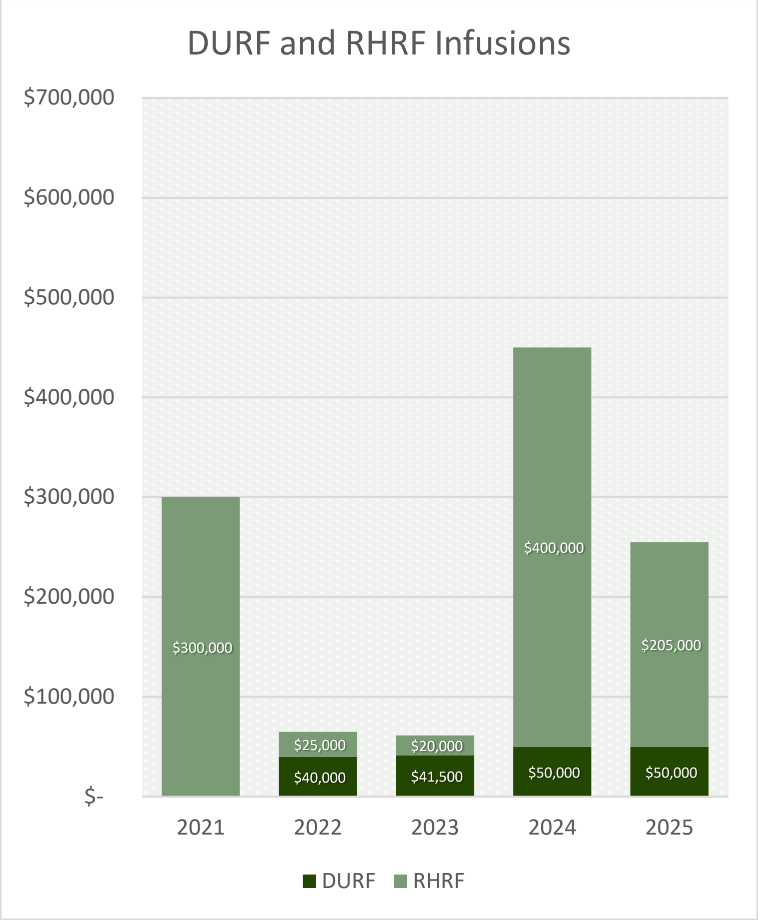
- Revenues
- Expenses
- Change in Net Position

Hawaii Housing Finance and Development Corporation

Government-Wide Statements of Activities Trend

(in thousands of dollars)





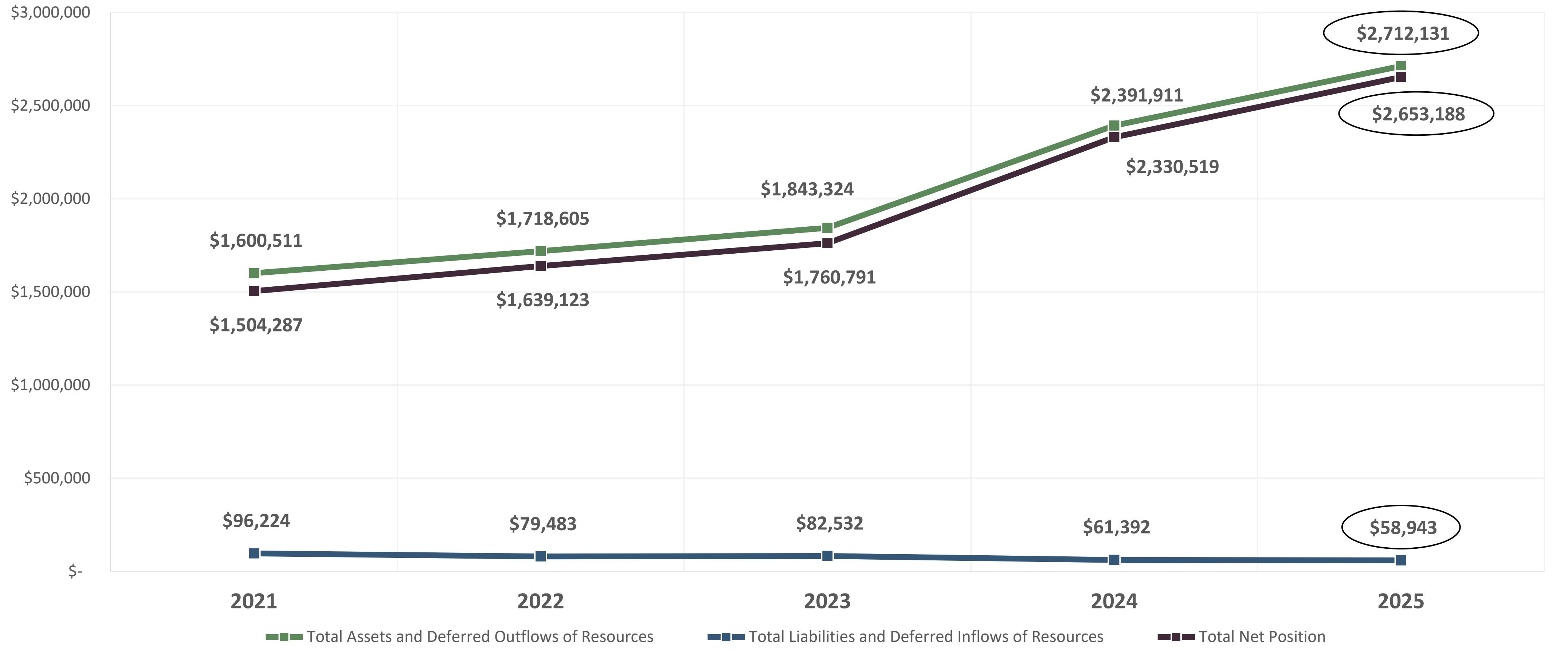
Statement of Net Position (Balance Sheet)

The statement of net position (or balance sheet) is a snapshot of the financial position of the Corporation as of June 30, 2025.

The statement lists all of the Corporation's resources (or assets) and deferred outflows of resources and all that the Corporation owes (or liabilities) and deferred inflows of resources. The difference between the two equals the Corporation's net position.

Over time, the changes in net position may serve as a useful indicator of the Corporation's fiscal health.

Hawaii Housing Finance and Development Corporation
Government-Wide Net Position Trend
(in thousands of dollars)



Governmental Funds

Funds that are primarily funded by public funds.

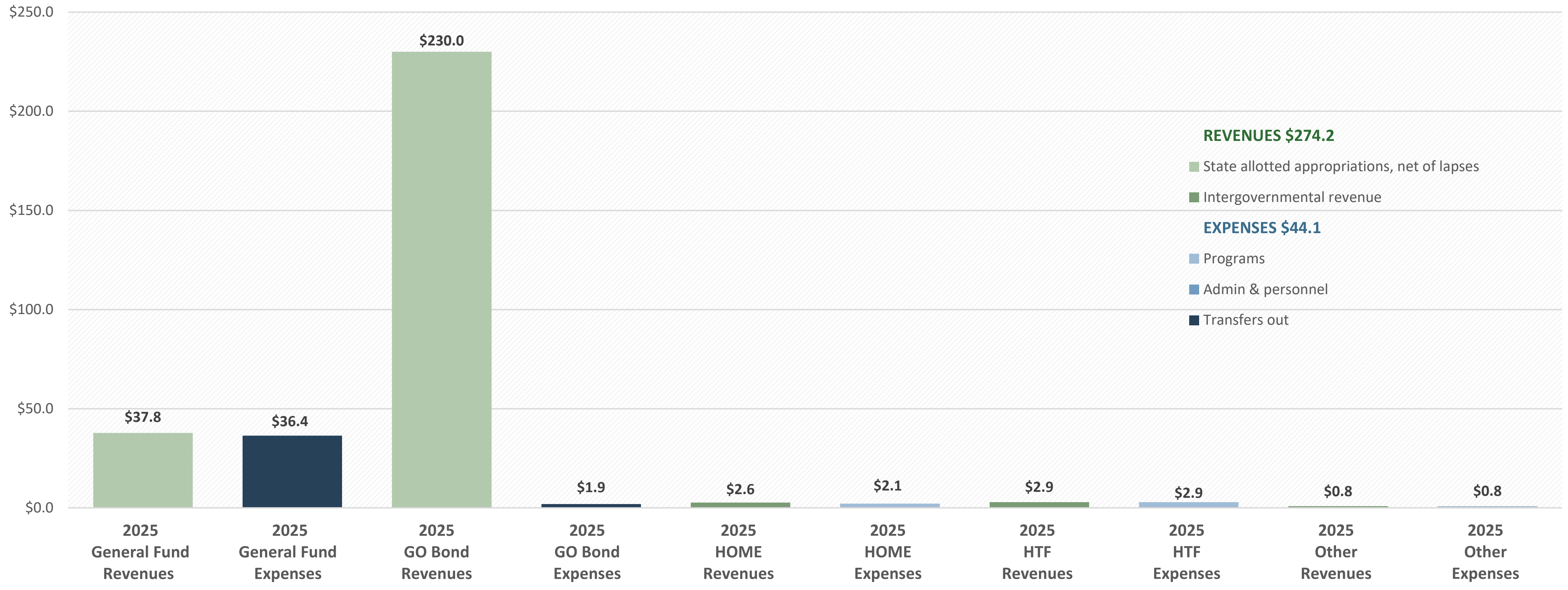
GENERAL FUND	Accounts for the State's general fund revenues appropriated by the State Legislature to the Corporation and transfer for subsequent use by the Corporation's other funds.
GENERAL OBLIGATION BOND FUND	Accounts for the State's general obligation bonds appropriated by the State Legislature to the corporation whereby the bond proceeds are transferred to the Corporation's other funds.
HOME INVESTMENT PARTNERSHIP PROGRAM	Accounts for the federally-funded program for the purpose of enhancing the State and local government's ability to provide affordable housing for low- and very low-income families through funding strategies designed to increase the supply of decent affordable housing by offering financial and technical assistance to participating jurisdictions. The Corporation makes payments to the subgrantees on a reimbursement basis.
HOUSING TRUST FUND PROGRAM	Accounts for the federally-funded program for the purpose of enhancing the State and local government's ability to provide affordable housing for extremely low-income families through funding strategies designed to increase the supply of decent affordable housing by offering financial and technical assistance to participating jurisdictions. The Corporation makes payments to the subgrantees on a reimbursement basis.
HOMEOWNER ASSISTANCE FUND PROGRAM	Accounts for the federally-funded program to provide financial assistance to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities, and displacement of homeowners experiencing financial hardships after January 21, 2020, primarily for Oahu homeowners.
TAX CREDIT ASSISTANCE PROGRAM	Accounts for the federally-funded program for the purpose of providing funds directly to designated state housing credit agencies for award to affordable rental housing developments that have been allocated low-income housing tax credits and are in need of additional gap equity funding.

Hawaii Housing Finance and Development Corporation

Governmental Revenues and Expenses by Fund Type

For Fiscal Year Ended June 30, 2025

(in millions of dollars)

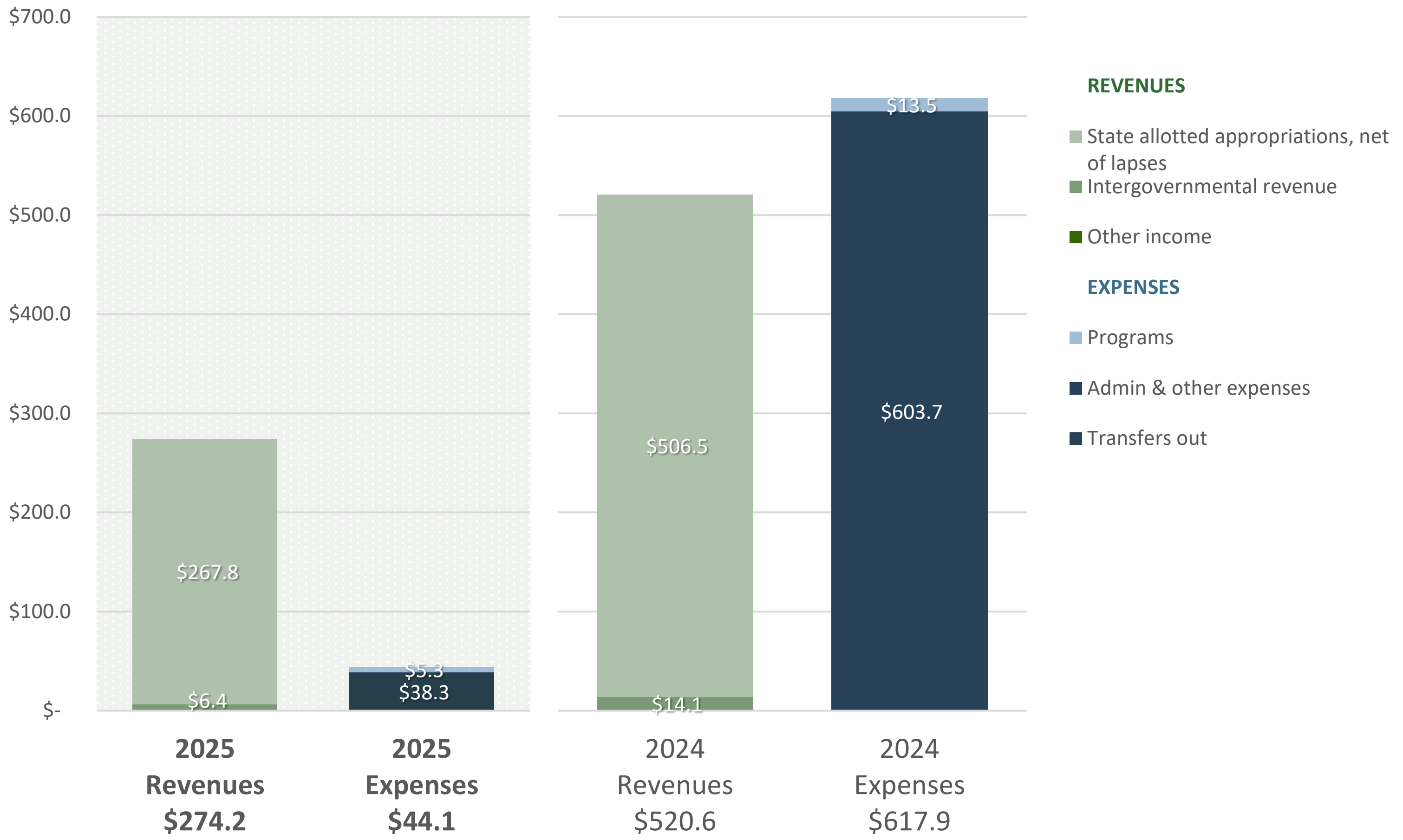


Hawaii Housing Finance and Development Corporation

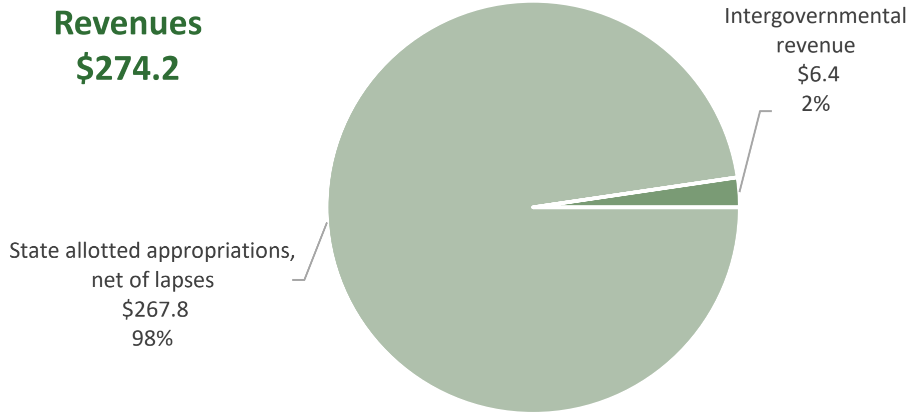
Governmental Funds Revenues and Expenses

For Fiscal Years Ended June 30, 2025 and 2024

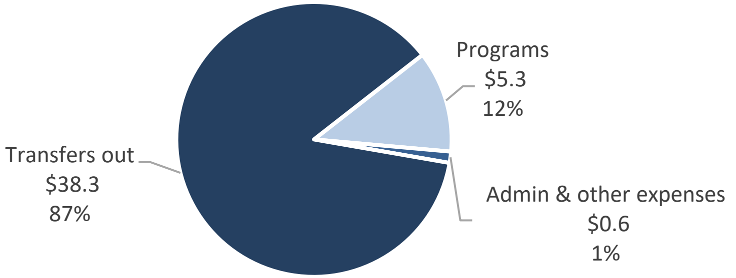
(in millions of dollars)



2025 Revenues $274.2



2025 Expenses $44.1

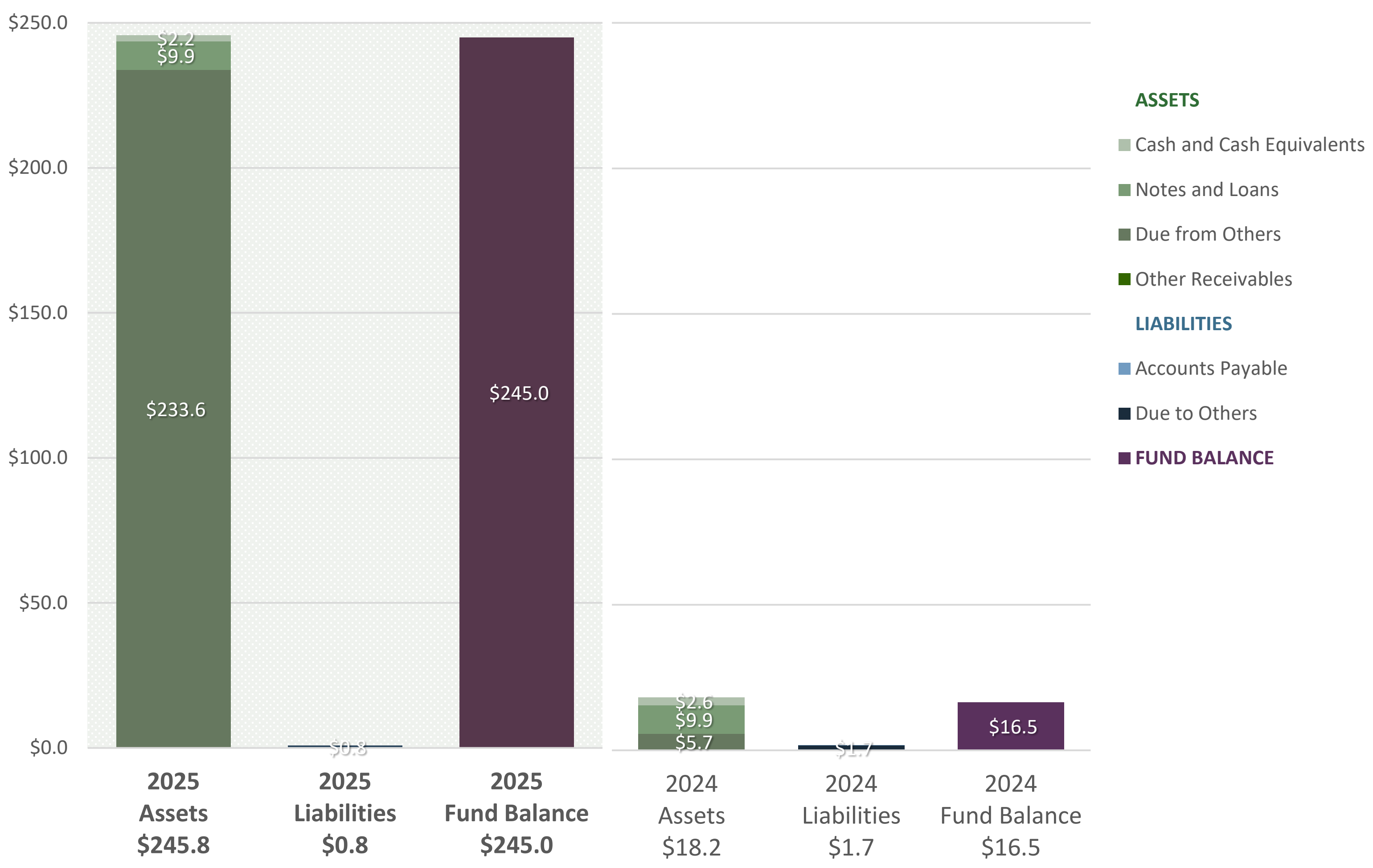


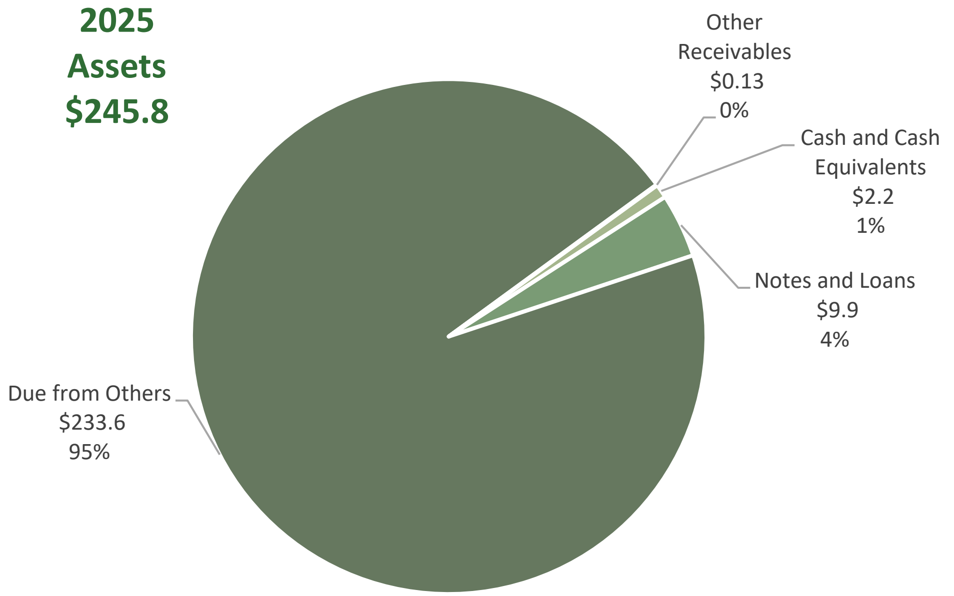
Hawaii Housing Finance and Development Corporation

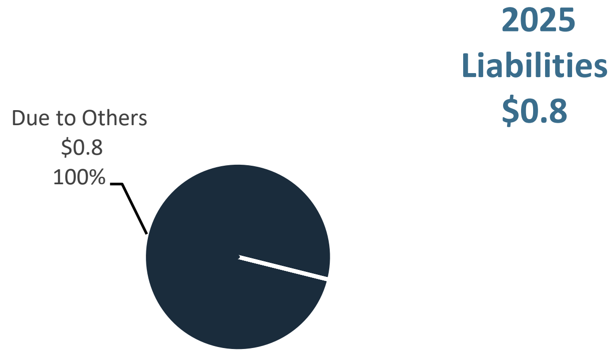
Governmental Funds Assets, Liabilities and Fund Balance

For Fiscal Years Ended June 30, 2025 and 2024

(in millions of dollars)







Proprietary Funds

Enterprise funds which are used to account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing services to customers.

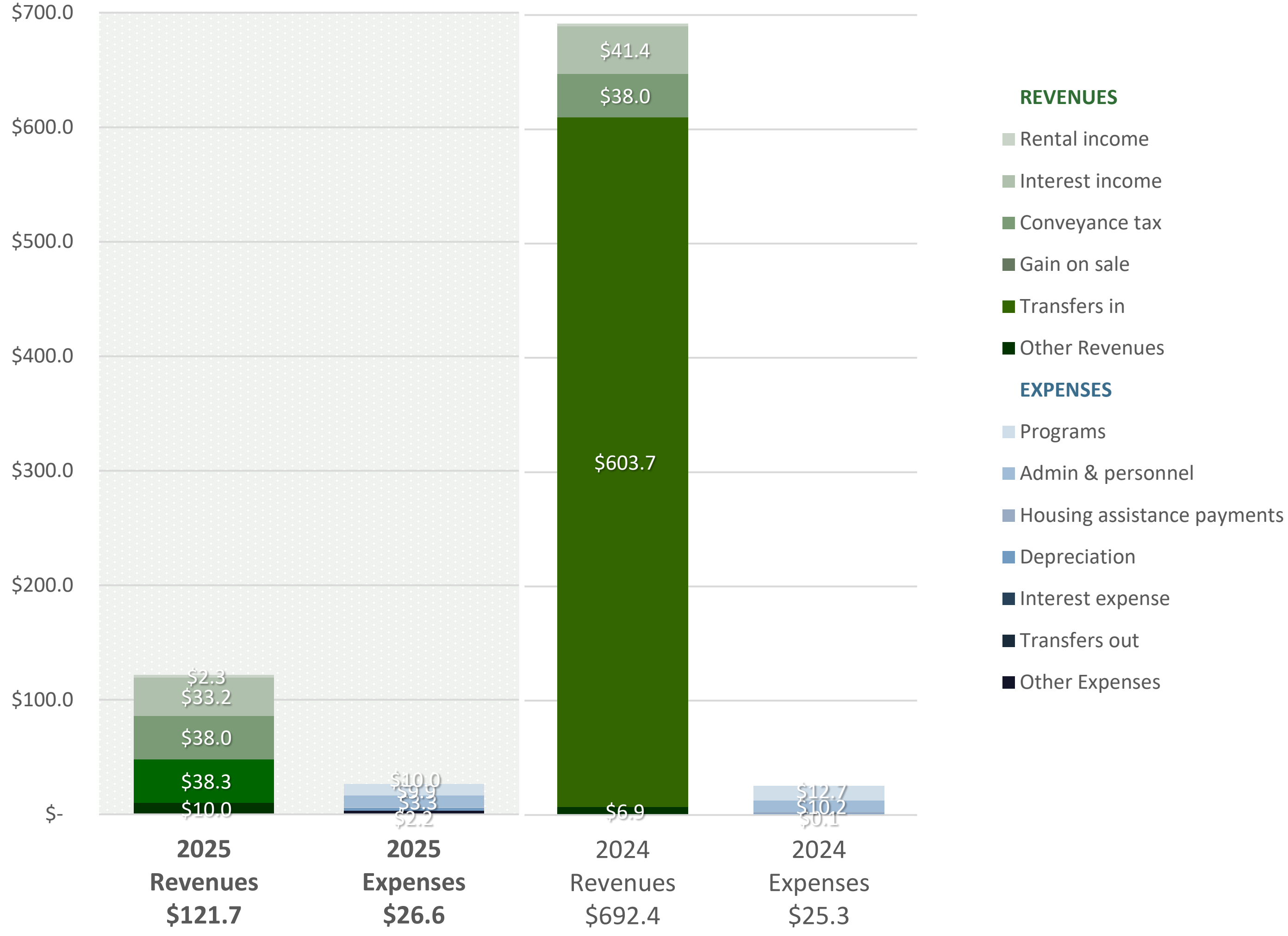
- RENTAL HOUSING REVOLVING FUND
- DWELLING UNIT REVOLVING FUND
- SINGLE FAMILY MORTGAGE PURCHASE REVENUE BOND FUND
- HOUSING FINANCE REVOLVING FUND
- RENTAL ASSISTANCE REVOLVING FUND
- AFFORDABLE HOMEOWNERSHIP REVOLVING FUND
- MULTIFAMILY HOUSING REVENUE BOND FUND
- DISBURSING FUND
- GRANTS IN AID FUND

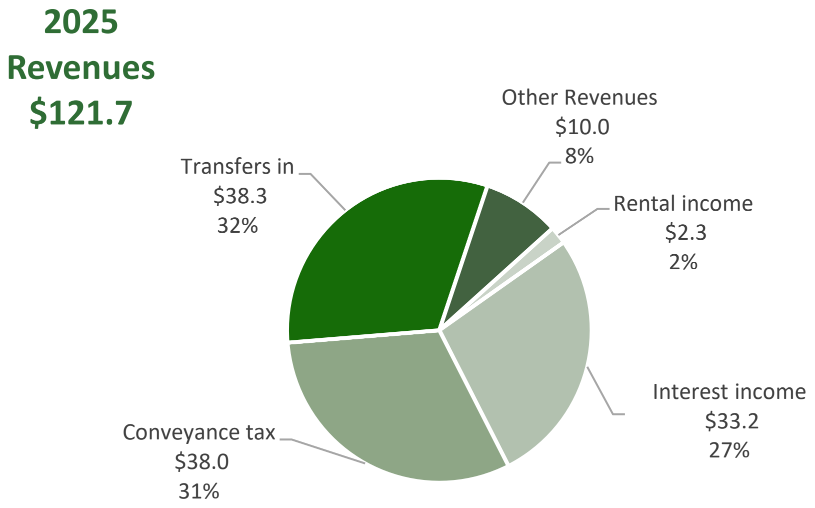
Hawaii Housing Finance and Development Corporation

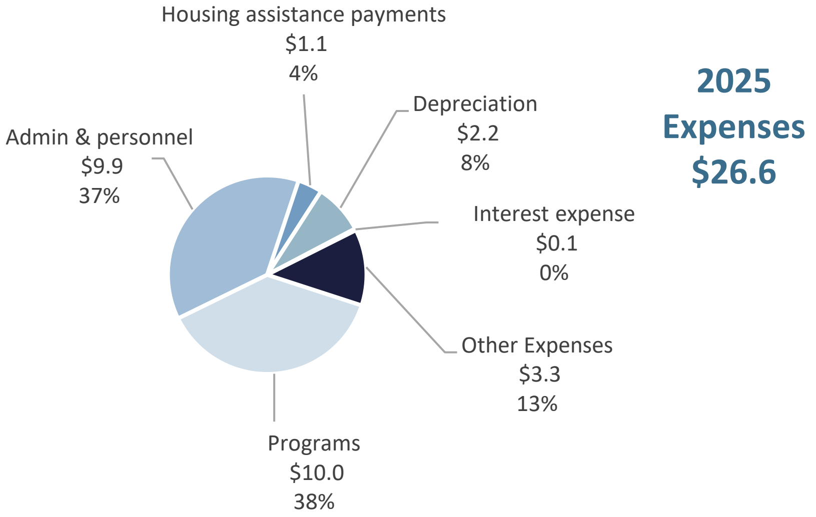
Proprietary Funds Revenues and Expenses

For the Fiscal Years Ended June 30, 2025 and 2024

(in millions of dollars)





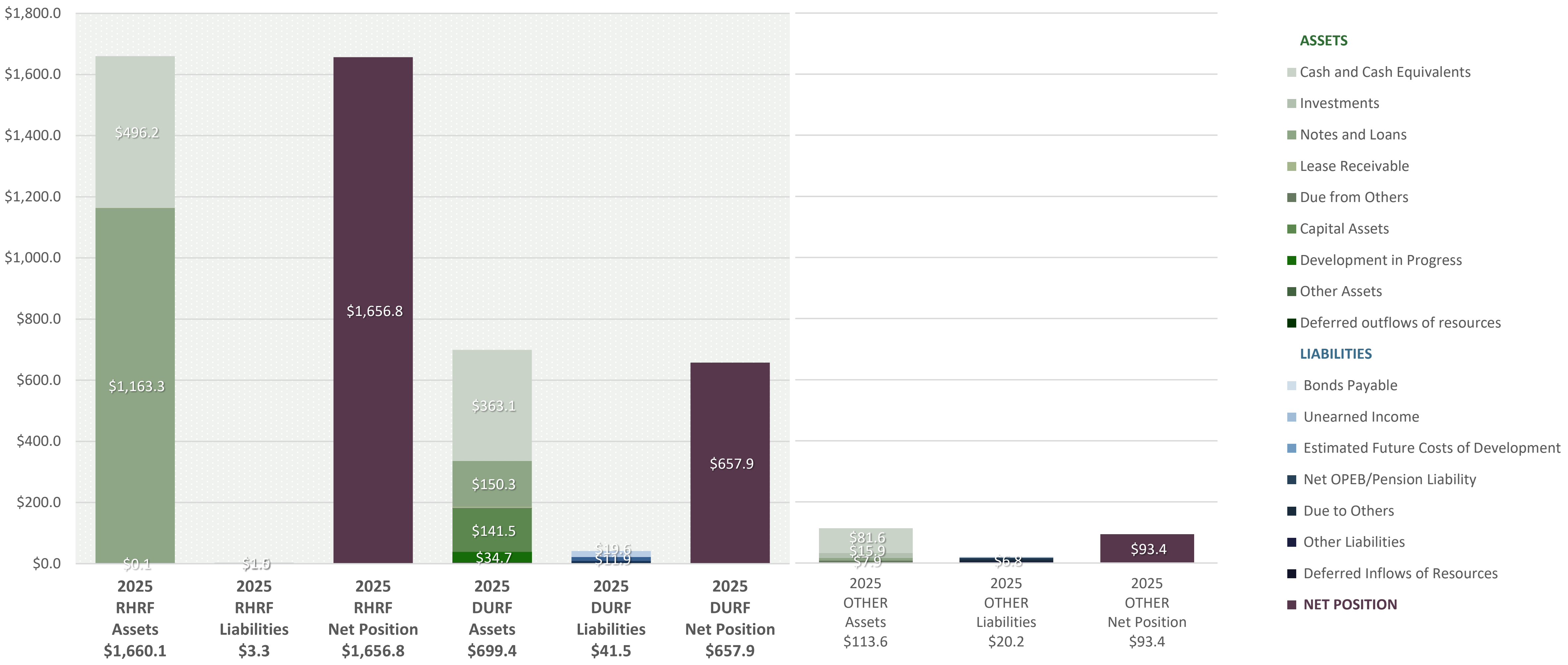


Hawaii Housing Finance and Development Corporation

Proprietary Funds Assets, Liabilities and Net Position by Fund

For the Fiscal Year Ended June 30, 2025

(in millions of dollars)



Rental Housing Revolving Fund

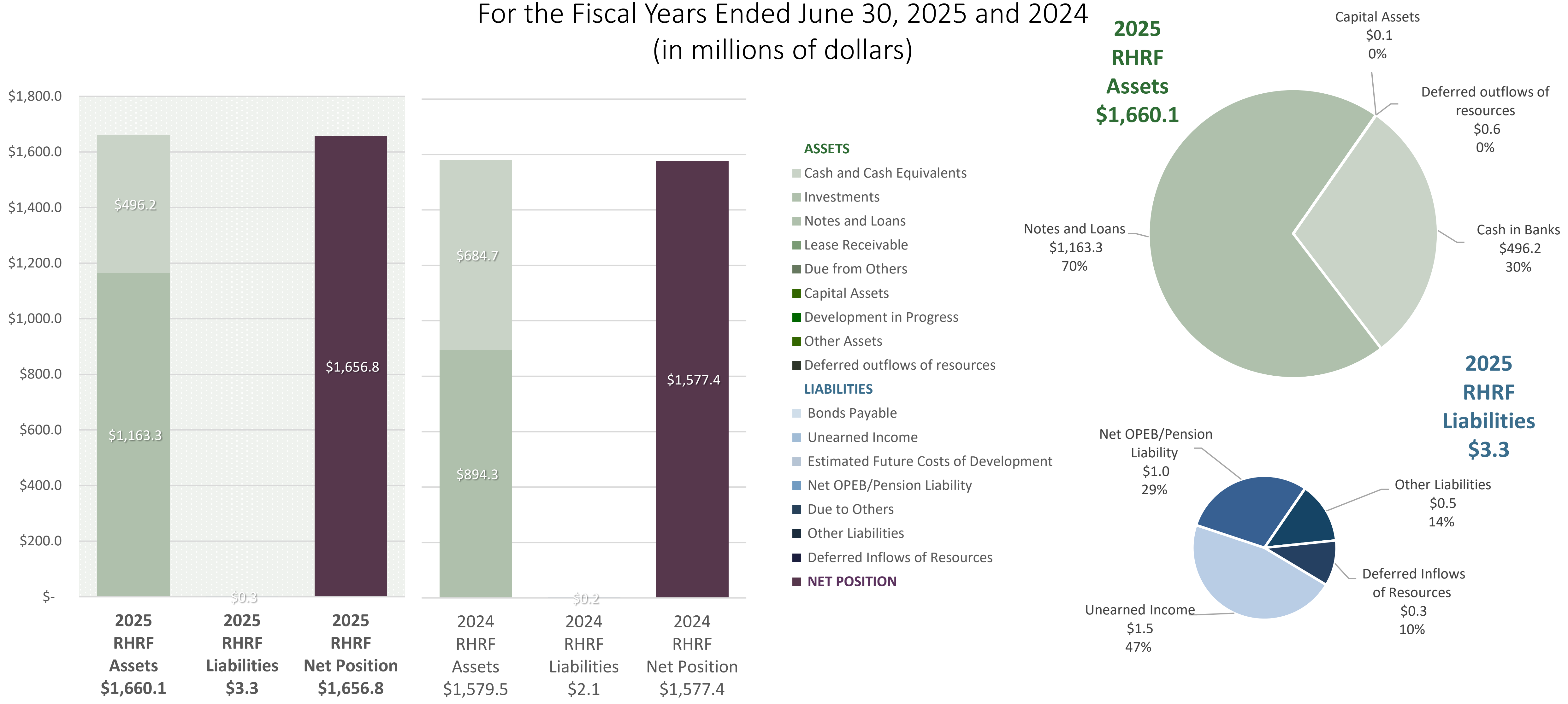
Accounts for State funds, repayment of financing, and interest earnings from the financing and investment of such funds to provide developers of qualified rental housing projects with loans and/or grants for the development, predevelopment, construction, acquisition, preservation and rehabilitation of rental housing units.

Hawaii Housing Finance and Development Corporation

Rental Housing Revolving Fund Assets, Liabilities and Net Position

For the Fiscal Years Ended June 30, 2025 and 2024

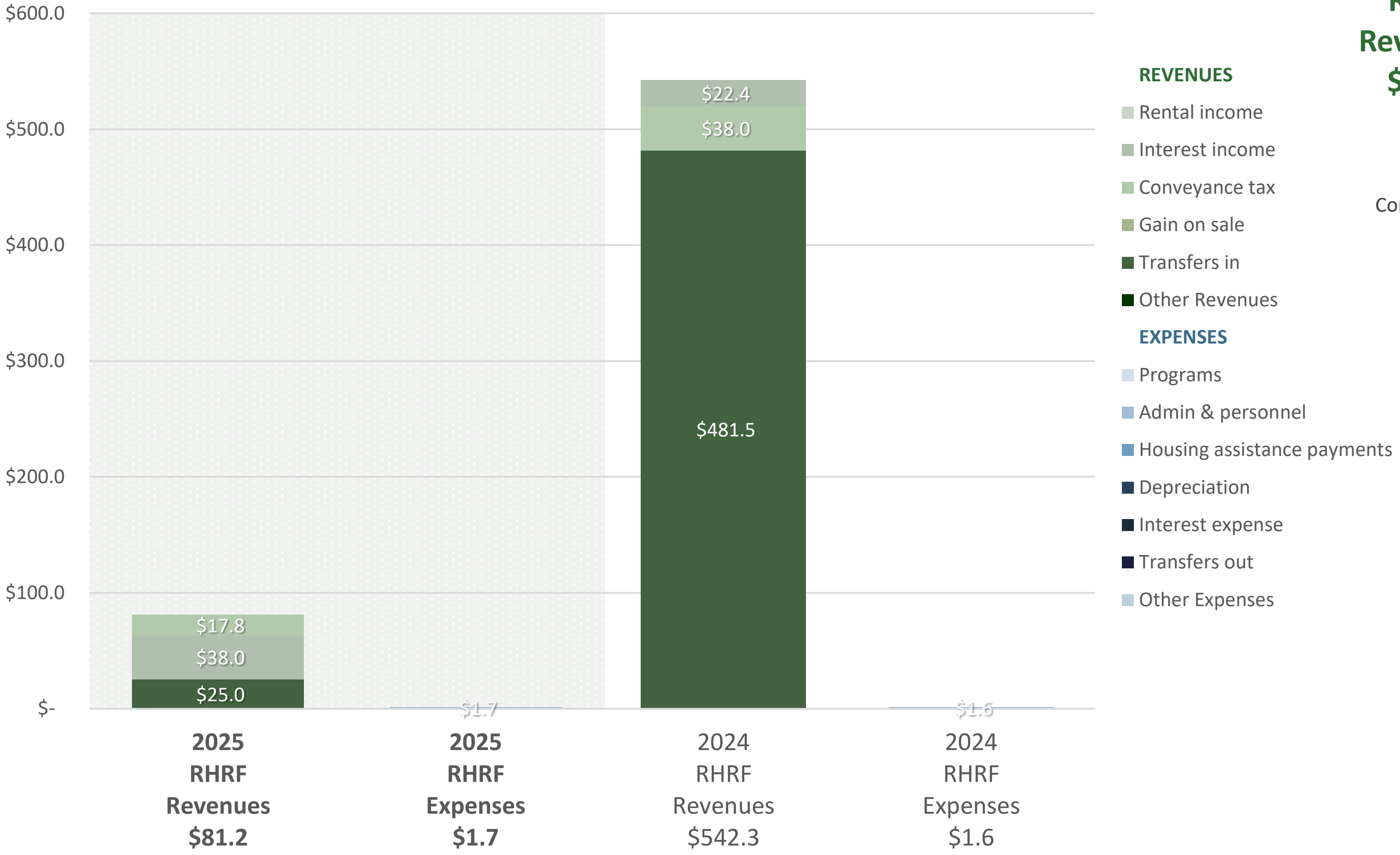
(in millions of dollars)

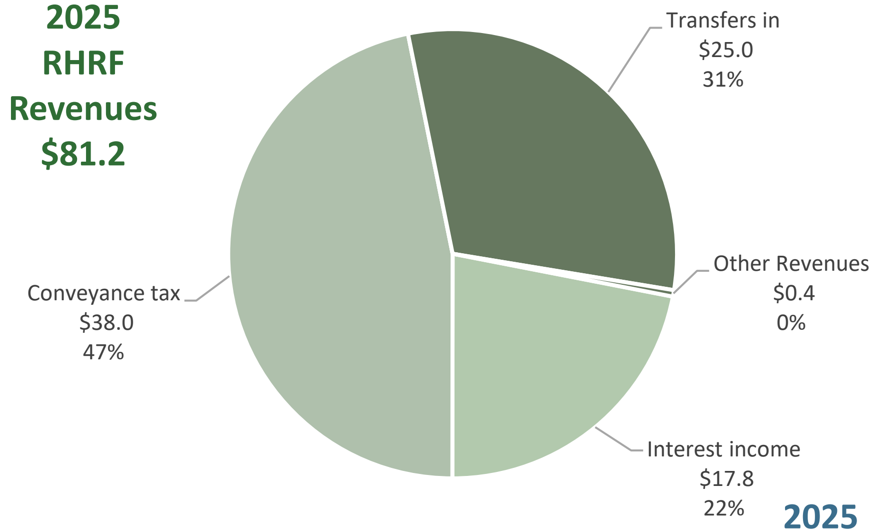


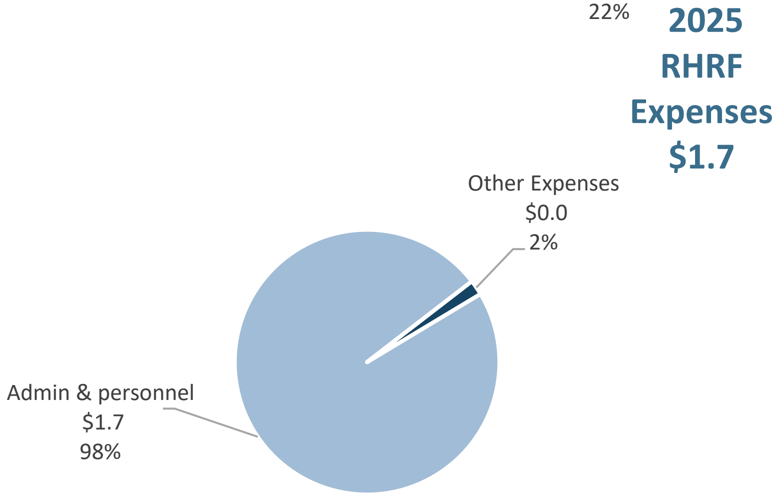
Hawaii Housing Finance and Development Corporation

Rental Housing Revolving Fund Revenues and Expenses

For the Fiscal Years Ended June 30, 2025 and 2024
(in millions of dollars)







Dwelling Unit Revolving Fund

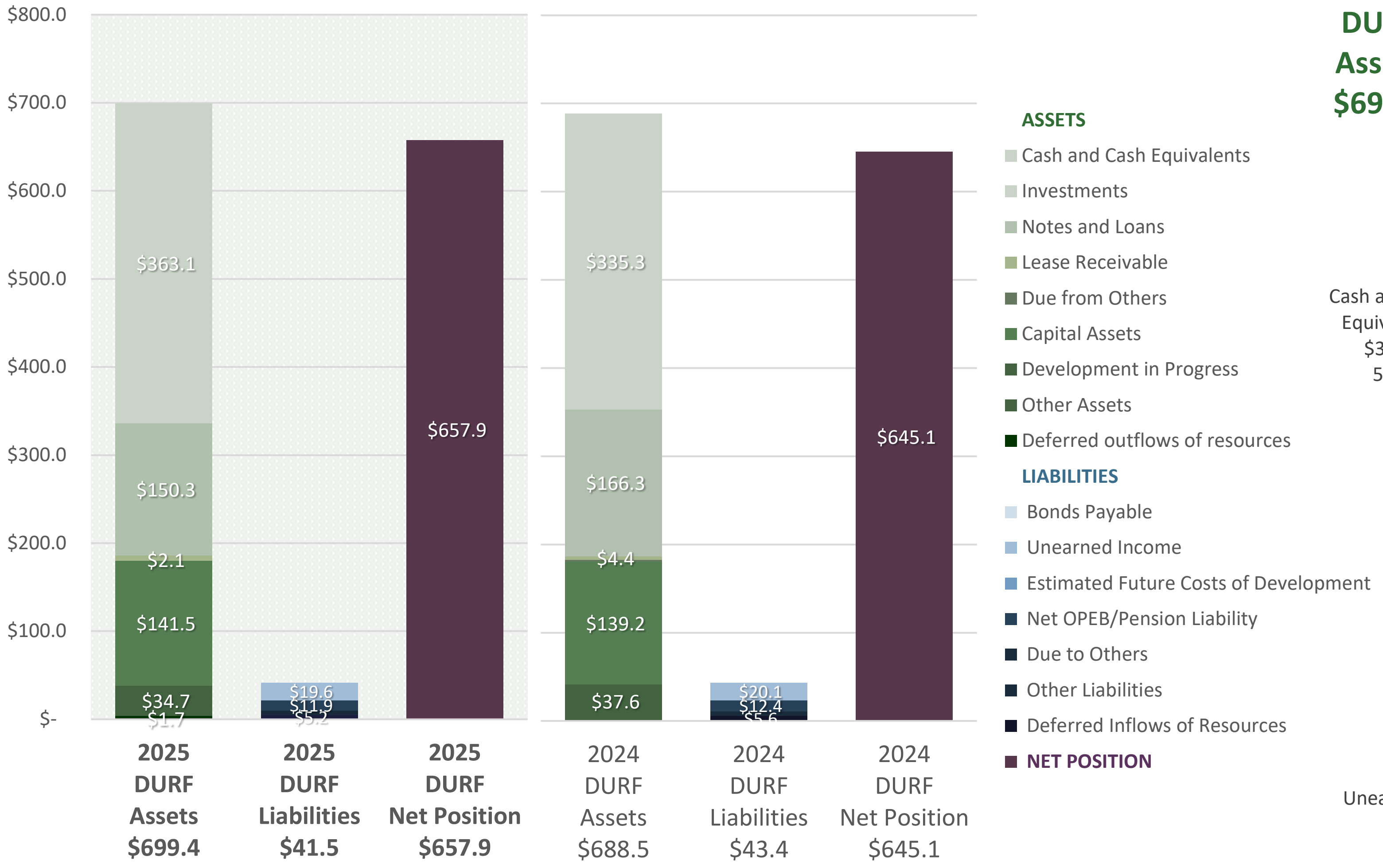
Accounts for State funds used for acquiring, developing, selling, leasing and renting residential, commercial and industrial properties and providing mortgage and interim financing, rental income, sales proceeds, and interest earnings from the financing and investment of such funds.

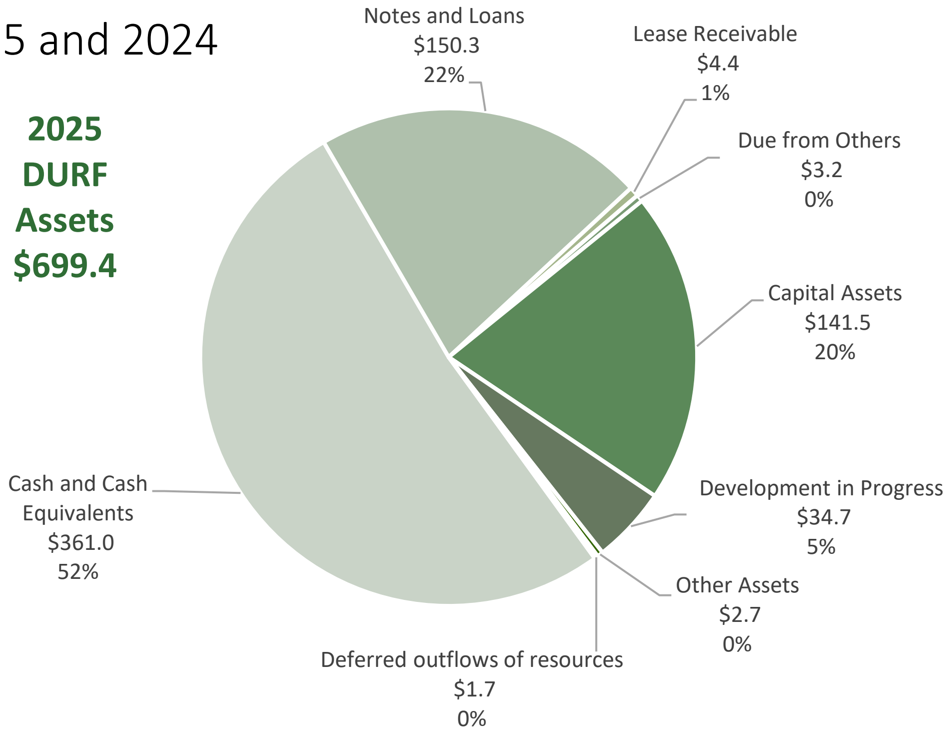
Hawaii Housing Finance and Development Corporation

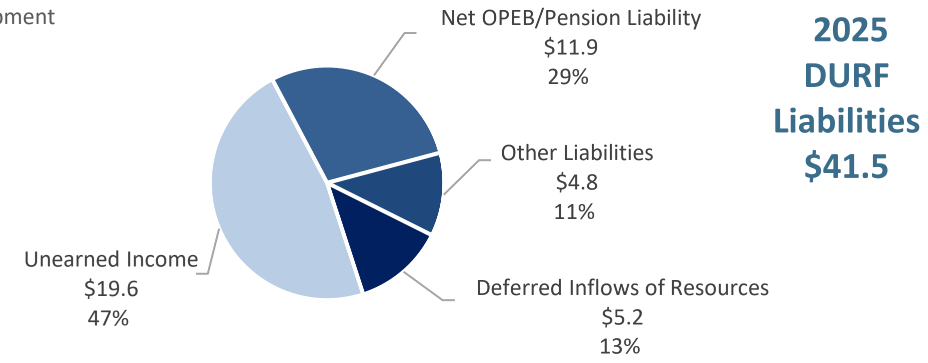
Dwelling Unit Revolving Fund Assets, Liabilities and Net Position

For the Fiscal Years Ended June 30, 2025 and 2024

(in millions of dollars)





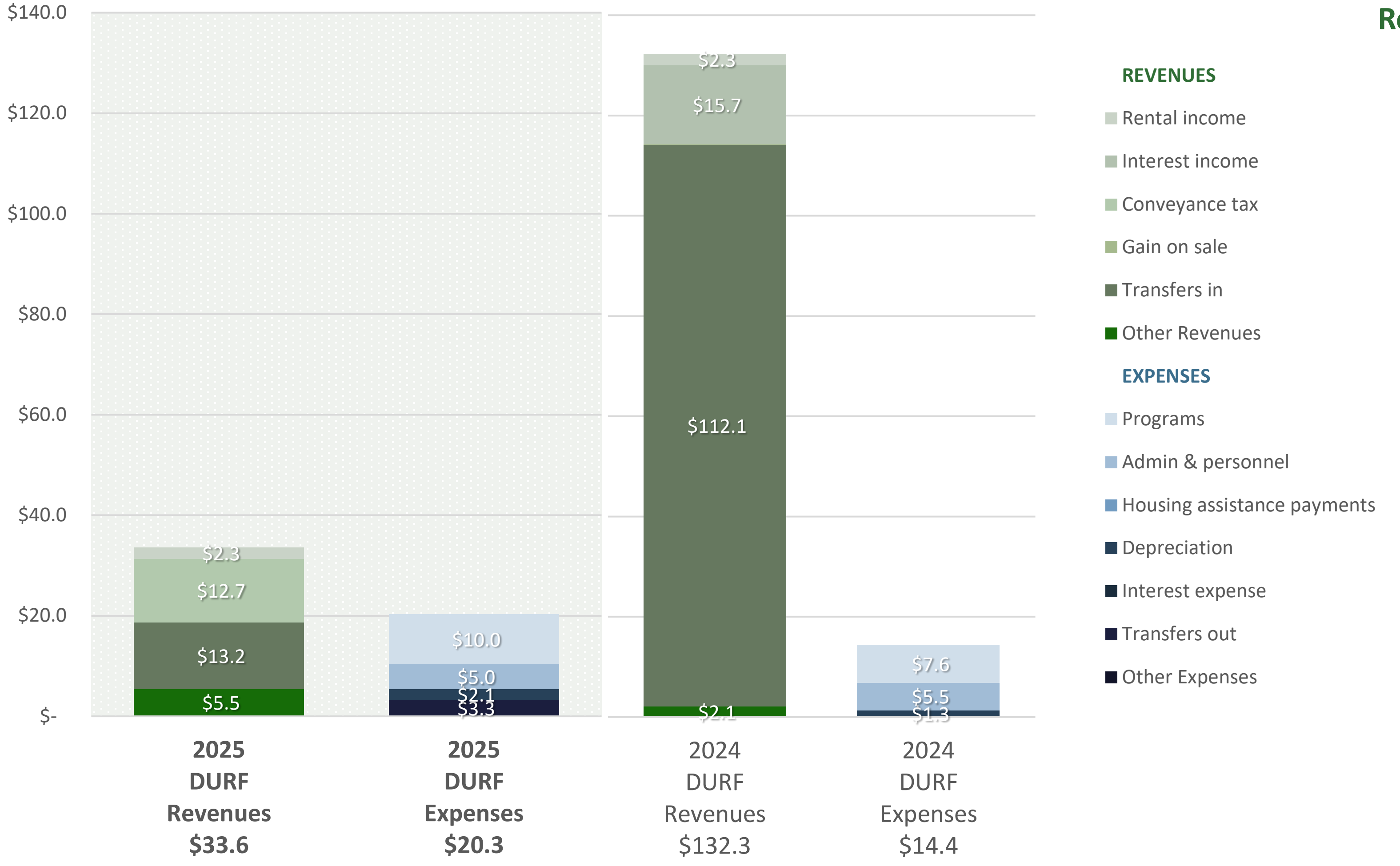


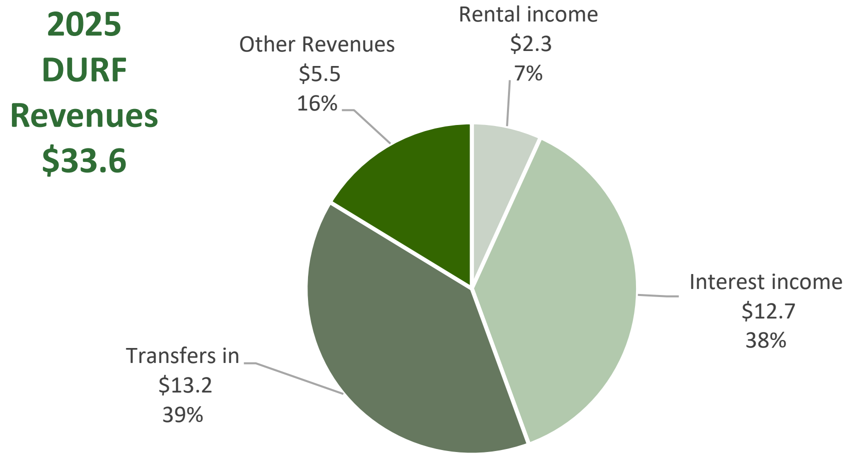
Hawaii Housing Finance and Development Corporation

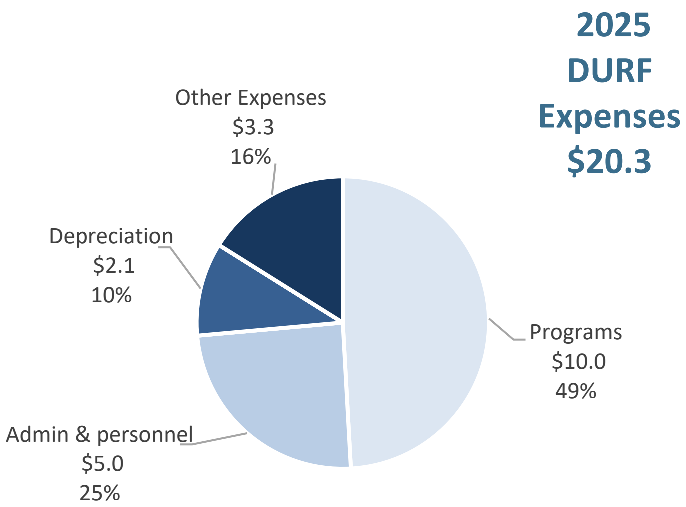
Dwelling Unit Revolving Fund Revenues and Expenses

For the Fiscal Years Ended June 30, 2025 and 2024

(in millions of dollars)







Year End Summary

Notable Highlights & Accomplishments

Operated the Hale O Laie (*formerly the Haggai Institute*) which housed Maui wildfire survivors.

13 Financial Project Closings which started the construction of 1,608 units

Delivered and placed in service 1,460 housing units with an additional 10,875 units in the five-year production projection

Projects Completed in FY 2025

Island	Project Name	Type	Tools and Resources Used											# Units
			LIHTC	RHRF	HMMF	HOME	HOME ARP	HTF	DURF	201H-38	Land	A.H. E.P.	GET	
Oahu	Maunakea Tower Apartments (Acquisition/Rehab)	Rentals	x										x	**379**
Oahu	Parkway Village at Kapolei - Lot 7	Rentals	x	x	x							x	x	**169**
Oahu	Jack Hall Waipahu Apartments (Acquisition/Rehab)	Rentals	x										x	**144**
Oahu	Koa Vista 1	Rentals	x	x	x								x	**96**
Oahu	Hocking Hale (Hocking Building)	Rentals	x	x									x	**40**
Maui	Villages of Leialii (VOL): Kaiaulu O Kukuia (fka Keawe Street Apartments)	Rentals	x	x	x				x		x		x	**200**
Maui	Wailuku Apartments (aka Kaulana Mahina Workforce Housing)	Rentals								x			x	**72**
Kauai	Lima Ola, Phase 1 - Lot 45 Family	Rentals	x			x		x	x					**45**
Kauai	Lima Ola, Phase 1 - Lot 2 Senior	Rentals	x						x					**40**
Kauai	Lima Ola, Phase 1 - Lot 1 - Permanently Supportive Housing Project	Rentals					x		x					**32**
Kauai	Kai Olino Phase 2	Rentals	x	x										**27**
Kauai	Kai Olino Phase 1 Bldg B	Rentals	x											**24**
Hawaii	Kauhale I Ke Kula Uka (fka Kaloko Heights)	Rentals	x	x	x	x		x						**100**
Hawaii	Hale Na Koa O Hanakahi (fka West Kawili Street Senior/Veteran Housing)	Rentals	x	x	x	x		x					x	**92**
														Total Units 1,460


Kauhale I Ke Kula Uka


Hale Na Koa O Hanakahi


Kaiaulu O Kukuia

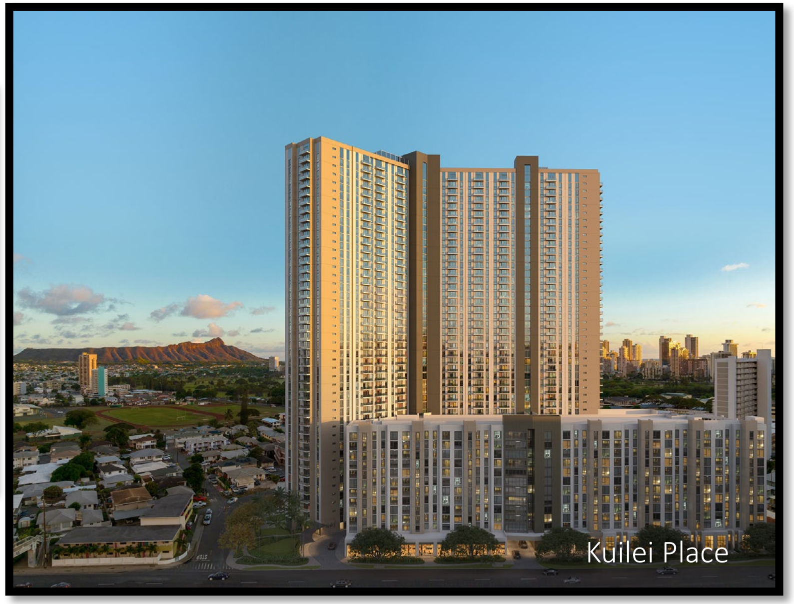
Five-Year Production Projection for FY 2026 - 2030

Number of Units Projected

Fiscal Year	New Construction	Preservation	For Rent	For Sale	Total
2026	1,240	306	1,496	50	**1,546**
2027	1,172	202	1,374	0	**1,374**
2028	2,199	0	1,031	1,168	**2,199**
2029	3,553	0	2,816	737	**3,553**
2030	2,118	85	1,178	1,025	**2,203**
					Total Units 10,875


Pohukaina Commons


Naulu


Kuilei Place

Looking Ahead

Consolidated Finance Application

Deploy the online consolidated finance application system to simplify and streamline the 2026 Funding Round submission for funding from the RHRF, LIHTC and Multi-Family Revenue Bond Programs.

Hale Kamaaina Mortgage Program

On December 17, 2025, $30 million in bonds were issued which will provide below-market interest mortgage and optional down payment assistance loans to single family qualifying households.

Bond Recycling Program

This new program enables HHFDC to preserve and reuse expiring Private Activity Bond volume cap, with the potential to recycle roughly $100 million each year. These recycled funds could support the development of up to 500 additional affordable housing units annually.

Questions or Comments

For more information

The Hawaii Housing and Finance Corporation 2025 Annual Report will soon be available on the HHFDC website https://dbedt.hawaii.gov/hhfdc/

HHFDC
HAWAII HOUSING FINANCE & DEVELOPMENT CORPORATION