

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i
April 29, 2020 –3:00 p.m.
Video Conference

ATTENDANCE

Members Present: Mike McCartney, Jeff Mikulina, Scott Glenn, Craig Hirai and Dennis Wong

Members Absent: None

Staff Present: Gwen Yamamoto Lau, Ryan Hamadon and Cindy Nawilis

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: None

I. ROLL CALL

Chair McCartney called the virtual meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:05 p.m.

Chair McCartney	Present
Vice Chair Mikulina	Present
Secretary Glenn	Present
Member Hirai	Present
Member Wong	Present

MATERIALS DISTRIBUTED

1. Agenda for April 29, 2020 Meeting.
2. Minutes of the Regular Meeting March 27, 2020.
3. HGIA's Quarterly Report for the period ended March 31, 2020.

II. APPROVAL OF MINUTES

Chair McCartney welcomed Cindy Nawilis who joined the Authority on April 1st and will be responsible for the commercial portfolio.

Chair McCartney announced that the first item on the agenda is the approval of the minutes of the March 27, 2020 meeting.

Member Wong moved and Vice Chair Mikulina seconded the motion to approve the March 27, 2020 minutes. Chair McCartney asked if there were comments from any members. Hearing none, called for the vote via roll call.

Ayes: McCartney, Mikulina, Glenn, Hirai and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

III. PROGRAM UPDATES

Chair McCartney stated that program updates are the next items on the agenda and called on Ryan Hamadon, Senior Program Officer, to provide the Residential Loan update.

1. Hamadon stated that since the last board meeting on March 27, 2020, HGIA received 15 residential loan applications.

As approved during the previous board meeting, in response to the current COVID-19 crisis, HGIA has suspended all collection activities and have offered Borrowers the opportunity to opt-in to a 6-month payment deferral program. As of today, 38% have opted in.

2. Cindy Nawilis reported that HGIA is continuing preliminary underwriting for a workforce housing multi-family rental project as well as a project applying for low income housing tax credits with sister agency HHFDC.

All commercial borrowers have been notified about the deferral program and 89% have opted in.

Of the ones who have executed an agreement, 41% selected a 6-month deferral which requires that at least 50% of the deferral benefit to the borrower be passed on to the ratepayer. Of note is one borrower in particular who decided to forgive 25% of its off-taker's energy costs with no payback required. A great example of a "pay it forward" spirit among our borrowers. "

3. Yamamoto Lau shared an exciting new opportunity for HGIA with the USDA Rural Energy Savings Program, a program that has historically only provided financing to rural utilities. Due to the crisis and with about \$100.0 million in funds available to lend, USDA recently started accepting applications from Green Banks. The loan term to HGIA would be 0% interest for 20 years. If HGIA is able to borrow from USDA, the proceeds could be re-loaned to individuals and small businesses located in rural areas, which includes essentially all neighbor islands and the areas between Pearl City to Waimanalo on Oahu. HGIA will need a change in legislation to borrow and USDA will need to approve a loan to HGIA. We plan to add required language to HB 1844, HD1, which crossed over to the Senate before the shut-down, for consideration when the Legislature resumes.

Members asked clarifying questions, which were addressed by Yamamoto Lau.

IV. DISCUSSION AND/OR DECISION MAKING

Chair McCartney stated that the final item on the agenda is the approval of HGIA's Quarterly Report for the period ended March 31, 2020 and called on Gwen Yamamoto Lau to summarize the report.

Yamamoto Lau shared the following highlights:

- Last quarter we reported over \$89.0 million in GEMS funds committed. However, this quarter, we are reporting \$79.7 million in GEMS funds committed. The reason for the decrease is due to expiring project commitments, which results in said funds becoming available to all applicants. Borrowers with expired commitments have the option to re-apply if their projects move forward in the future.

- To date, capital invested in GEMS related projects have resulted in over a thousand jobs created/retained and almost \$13.0 million in state tax revenues generated. Our ability to spur future investments, jobs and tax revenues will be critical for Hawaii during the recovery stage.

Impacts due to COVID-19:

- Although the letter from the PUC dated March 31, 2020, requires the Authority to include details of a compensation plan as a result of the deferrals in our next Annual Plan, because said Plan will not be filed until March 2021, the Authority provided its response in this Quarterly Report, informing the PUC that as the Authority is deferring and not forgiving loan payments for a 6-month period, the impact on the repayment of said funds will be a 6-month delay for those borrowers who opted in.
- Most residential ratepayers will likely suffer “sticker shock” when the utility deploys meter readers after this stay at home mandate ends. Additionally, due to possible changes in the way businesses operate (increased teleworking arrangements), increased number of unemployed individuals who remain at home, etc., an increase in residential utility bills may be a prolonged consequence. As such, we are collaborating with Hawaii Energy to launch a solar hot water solicitation to help LMI households lower their utility bill while facilitating an economic boost to the solar industry.

Administrative Updates included:

- The Division of Financial Institutions was scheduled to begin its 3rd party review in March, however this engagement has been postponed until the stay at home order is lifted.
- Programming for the online application portal began and should be launched in the Fall.
- We expect to see a material decrease in investment income as interest rates have significantly decreased due to the economic crisis.

Yamamoto Lau addressed questions from the Members.

Chair McCartney asked if there were any further questions. Hearing none, he asked for a motion to approve HGIA’s Quarterly Report for the period ended March 31, 2020.

Vice Chair Mikulina moved and Secretary Glenn seconded the motion to approve HGIA’s Quarterly Report for the period ended March 31, 2020. Chair McCartney called for the vote via roll call.

Ayes: McCartney, Mikulina, Glenn, Hirai and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

V. ADJOURNMENT

Chair McCartney asked if there were any other matters that should be discussed. Seeing none, he asked for a motion to adjourn the meeting.

Member Wong moved and Secretary Glenn seconded the motion. Chair McCartney then called for the vote.

HGIA Board Meeting: April 29, 2020

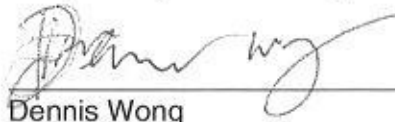
Ayes: McCartney, Mikulina, Glenn, Hirai and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

Chair McCartney adjourned the meeting at 3:28 p.m.

Respectfully Submitted By:

A handwritten signature in cursive script, appearing to read "Dennis Wong", written over a horizontal line.

Dennis Wong
Secretary