

HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawai'i

Wednesday, January 29, 2025 – 3:00 p.m.

Conference Room # 436 and Video Conference

250 S. Hotel Street
Honolulu, Hawai'i 96813

ATTENDANCE

Members Present: James Kunane Tokioka, Dennis Wong, Mark Glick,
Richard Wallsgrove.

Member Absent: Luis Salaveria.

Staff Present: Gwen Yamamoto Lau, Valerie Kubota, Timothy Wong,
Latrisha Nakasone.

Others Present: John Cole (Deputy Attorney General).

Members of the Public: None.

I. ROLL CALL

Chair Tokioka called the meeting of the Hawaii Green Infrastructure Authority to order at 3:02 p.m. Chair Tokioka called a proper roll call of all members.

Chairperson Tokioka	Present
Vice Chair Wong	Present
Secretary Glick	Present Joined at 3:05 p.m.
Member Wallsgrove	Present
Member Salaveria	Excused

All members confirmed that no other adults were present in the room with them.

Chair Tokioka welcomed Timothy Wong who joined the Authority on January 3, 2025 as its Investment Fund Manager.

MATERIALS DISTRIBUTED

1. Agenda for the January 29, 2025 Meeting.
2. Minutes from the December 20, 2024 Regular Meeting.

3. Resolution for the \$10.0 million loan from the Coalition for Green Capital.
4. HGIA's Quarterly Report for the period ended December 31, 2024.

II. APPROVAL OF MINUTES

1. Chair Tokioka stated that the first item on the agenda is the approval of the minutes of the December 20, 2024 regular meeting and asked for a motion to approve the minutes.

Member Wallsgrove moved, and Chair Tokioka seconded the motion to approve the December 20, 2024 regular meeting minutes. Chair Tokioka asked if there was any discussion on the meeting minutes. Hearing none, he asked if there were any questions from the general public. With no questions from the general public, he called for a vote via roll call.

Ayes: Tokioka, Wong, Glick, Wallsgrove.
Nays: None.

The motion carried unanimously, 4 to 0.

III. PROGRAM UPDATES

Chair Tokioka stated that the next item of the agenda is Program Updates for the period ending December 31, 2024, starting with Valerie Kubota on the Residential Loan Portfolio.

1. **Residential Portfolio:** During the past quarter, HGIA received eighty-four (84) on-bill applications and eleven (11) consumer lease applications. A total of one hundred twenty-four (124) applications were approved, aggregating \$7.5 million in total project costs. Sixty (60) installations were either partially or fully funded based on project completion. Following the moratorium implemented in November 2024, active applications in the pipeline have decreased from 1,660 to 1,020.
2. **Commercial Portfolio:** Yamamoto Lau reported that during the past quarter, HGIA received an additional 15 applications before the moratorium went into effect. We currently have an active pipeline of 27 loan applications, aggregating \$40.8 million in project costs. The Authority is oversubscribed and will be sourcing additional loan capital. All loans within the commercial portfolio have been paid as agreed.
3. **Legislative and Miscellaneous Updates:**

Yamamoto Lau reported on the following HGIA-related bills:

HB977/SB1071: To provide additional loan capital for underserved ratepayers. The bill expands the definition of "underserved" to include state

and local governments, enabling financing for public buildings and allowing Hawaii to access an extra 30% in federal funds under the direct pay/tax credit program.

HB807/SB1601/SB744: To provide low-cost financing for eligible condominium associations' maintenance and repairs. It also creates a Condominium Loan Loss Reserves program to leverage private financing for these projects.

HB1421/SB1512: To provide low-interest loans to eligible homeowners for cesspool upgrades, conversions, or connections.

HB932/SB1258: Establishes a Green Bonds Working Group within the Department of Business, Economic Development, and Tourism (DBEDT).

Chair Tokioka asked if there were any questions from the Members. Hearing none, the Chair asked Yamamoto Lau if there are any updates about federal cuts and whether they would impact the programs under HGIA.

Yamamoto Lau stated that as of the meeting date, the Environmental Protection Agency (EPA) confirmed that because the Solar for All (SFA) funds have been appropriated, awarded and contracted, it should not be impacted.

Chair Tokioka asked if there were any questions from the public. With no questions from the public, he moved on to the next item on the agenda.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair Tokioka stated that the next item on the agenda for discussion and decision making is to approve a resolution for the Executive Director to execute documents with the Coalition for Green Capital for a \$10.0 million loan and called on Gwen Yamamoto Lau to present.

Yamamoto Lau shared the following details:

- The Coalition for Green Capital (CGC) is the recipient of \$5 billion under the National Clean Investment Act.
- On January 10, 2025, CGC approved loans for HGIA and other green banks across the Country as part of its implementation plan to provide low-cost capital to be re-lent in local projects.
- The \$10.0 million loan is being provided at very favorable rates and terms with an interest rate of 50 basis points (0.50%) for ten (10) years with a 1% non-refundable loan fee. Interest may be paid quarterly or capitalized and paid at maturity. There are three 4-year options to extend for a total term of 22 years.
- Loan documents must be executed by January 31, 2025, in order to secure the loan.

- For background, in 2021 the Legislature passed SB932 to authorize HGIA to borrow funds up to \$50.0 million from federal, county, private or other funding sources with the approval of the governor.
- Because HGIA will not be able to secure the Governor's approval by next week's deadline, CGC understands that while HGIA will be signing definitive documents, no funds will be expended until Governor's approval is obtained.
- If HGIA is not able to obtain Governor's approval, HGIA will have 30 days to return the funds at no cost. After which, HGIA will return the funds and be liable for the \$100,000 loan fee.

Chair Tokioka asked if there were any questions.

Deputy Attorney General Cole commented that CGC extended the target loan document execution deadline to February 3, 2025.

Member Wallsgrove inquired if the funds will be earning interest while waiting for Governor's approval. Yamamoto Lau confirmed that it will earn interest.

Vice Chair Wong inquired if the amount at risk, should Governor decide not to approve HGIA's borrowings after the 30-day grace period, be limited to the \$100,000 loan fee. Yamamoto Lau confirmed that HGIA will return the \$10.0 million loan proceeds, interest earned on the deposit and pay the \$100,000 loan fee.

Hearing no other questions, Chair Tokioka asked for a motion to approve the resolution authorizing the Executive Director to execute documents with the Coalition for Green Capital for a \$10.0 million loan, as amended with a February 3, 2025 execution date. Member Wallsgrove moved, and Vice Chair Wong seconded the motion. Chair Tokioka asked if there was any further discussion. Hearing none, he called for a vote via roll call.

Ayes: Tokioka, Wong, Glick, Wallsgrove.

Nays: None.

The motion carried unanimously, 4 to 0.

2. Chair Tokioka stated that the next item on the agenda is the approval of HGIA's Quarterly Report for the period ended December 31, 2024 and called on Yamamoto Lau to present highlights.

Yamamoto Lau presented the following highlights:

- DOT, DLNR, and HGIA are participating in a Next Generation Budgets Cohort to train and support sub-governments to align public budgeting with climate neutrality goals and help unlock financing.

- On December 16, 2024, the EPA approved HGIA's revised workplan and issued an Assistance Amendment for its \$62.45 million SFA grant.
- During the past quarter, HGIA's HI-CAP program has assisted 8 small businesses in obtaining \$2.9 million in loans utilizing \$656,000 in credit enhancements.
- HGIA will be hosting a HI-CAP convening at the Sandbox on February 18, 2025.
- HGIA may be closing its first C-PACE loan next month.

Yamamoto Lau addressed questions from the members.

Chair Tokioka asked if there were any further questions or comments. Hearing none, he called for a motion to approve HGIA's Quarterly Report for the period ended December 31, 2024. Vice Chair Wong moved and Member Wallsgrove seconded the motion to approve HGIA's Quarterly Report for the period ended December 31, 2024. Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Wong, Glick, Wallsgrove

Nays: None.

The motion carried unanimously, 4 to 0.

V. ADJOURNMENT

Chair Tokioka asked if there were any other matters that should be discussed. Hearing none he asked for a motion to adjourn.

Secretary Glick moved, and Vice Chair Wong seconded the motion. Chair Tokioka adjourned the meeting by acclamation at 3:28 p.m.

Respectfully Submitted

By: _____
Mark Glick
Its: Secretary