

HCDA
**Hawaii Community
Development Authority**

Annual Report 2014





Letter to the Governor

The Honorable David Y. Ige
Governor
State of Hawaii

Dear Governor Ige:

It is with great pleasure that we present the 2014 Annual Report for the Hawaii Community Development Authority ("Authority"). This report highlights the Authority's activities in the Kakaako, Kalaeloa, and Heeia Community Development Districts for the 2014 calendar year.

In the Kakaako district, the Authority continues to oversee the development of a vibrant, "live-work-play" community. In 2014, the Authority voted to approve five new residential developments for an additional 1,899 housing units in the district. Six residential developments are now in various stages of construction, with two projects opening their doors in early 2014. 204 rental units at Halekauwila Place and 162 for-sale units at Rycroft Terrace were made available in the first half of the year, providing much needed housing for low and moderate income residents.

In the Kalaeloa district, the Authority continues to work with state and federal agencies in improving the infrastructure and helping Hawaii meet its clean energy goals. The Authority is now finalizing plans for the construction of the Kalaeloa Enterprise Road Energy project, which will create a new energy corridor along the main road of the Kalaeloa Community Development District. Also this year, the Environmental Assessment and Archaeological Inventory Survey for the Kalaeloa East Energy Corridor project were completed. This project will enable PV (Photo voltaic) farms to connect to the HECO power grid, enabling more reliable electrical service for East Kalaeloa.

Wetlands restoration continues in the Heeia district, under the guidance of the non-profit organization, Kakoo Oiwi. This group is coordinating with the HCDA and the community to return 400+ acres of land to diversified agricultural uses, while educating our keiki on the need to develop a more sustainable lifestyle.

We would like to acknowledge your leadership and we look forward to working together to realize your vision for Hawaii in the years ahead.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Brian Lee", is positioned above the printed name.

Brian Lee
Chairperson
Hawaii Community Development Authority



The Hawaii Community Development Authority was established by the 1976 State Legislature to revitalize underutilized communities by promoting and coordinating public and private sector community development. The HCDA currently oversees three designated community development districts on Oahu: Kakaako, Kalaeloa, and Heeia.

In 1976 the Hawaii State Legislature determined that a new and comprehensive authority for community development must be created within the state to join the strengths of private enterprise with the public sector to conduct long-range planning and establish new communities. The Hawaii Community Development Authority (“HCDA”) was established to supplement traditional community renewal methods by promoting and coordinating planned public facility development and private sector investment and construction. Specifically, the state legislature created the HCDA to revitalize areas in the state which lawmakers find to be in need of timely redevelopment.

This legislative mandate makes the HCDA responsible for conducting comprehensive master planning, effectively administering its zoning regulations, and directly promoting economic development in the Kakaako, Kalaeloa, and Heeia Community Development Districts.

In creating the HCDA, the 1976 Hawaii State Legislature designated the Kakaako area of Honolulu as the authority’s first community development district, recognizing Kakaako’s potential for growth and development and its inherent importance to Honolulu as well as to the state. Lawmakers found that Kakaako was significantly underdeveloped and under-utilized relative to its central location in urban Honolulu. The legislature foresaw that the redevelopment of Kakaako offered tremendous opportunities to develop public facilities as well as facilitate the establishment of new commercial and industrial space near downtown Honolulu.



In 2002, citing the HCDA's proven record of achievement, the Hawaii State Legislature assigned redevelopment responsibility for the Kalaeloa Community Development District to the agency. Recognizing Kalaeloa's potential, the HCDA adopted a master plan to transform Kalaeloa into a model community that will offer new jobs, nurture increased private sector investment, and provide enhanced public facilities for the people of west Oahu.

As in Kakaako, the HCDA looks to spur new investment in Kalaeloa by constructing essential public infrastructure such as roadways, utilities, and parks that are necessary for redevelopment. The urban design created for both Kakaako and Kalaeloa envision mixed-use communities where housing, shopping, jobs and entertainment are intermixed and in close proximity to each other.

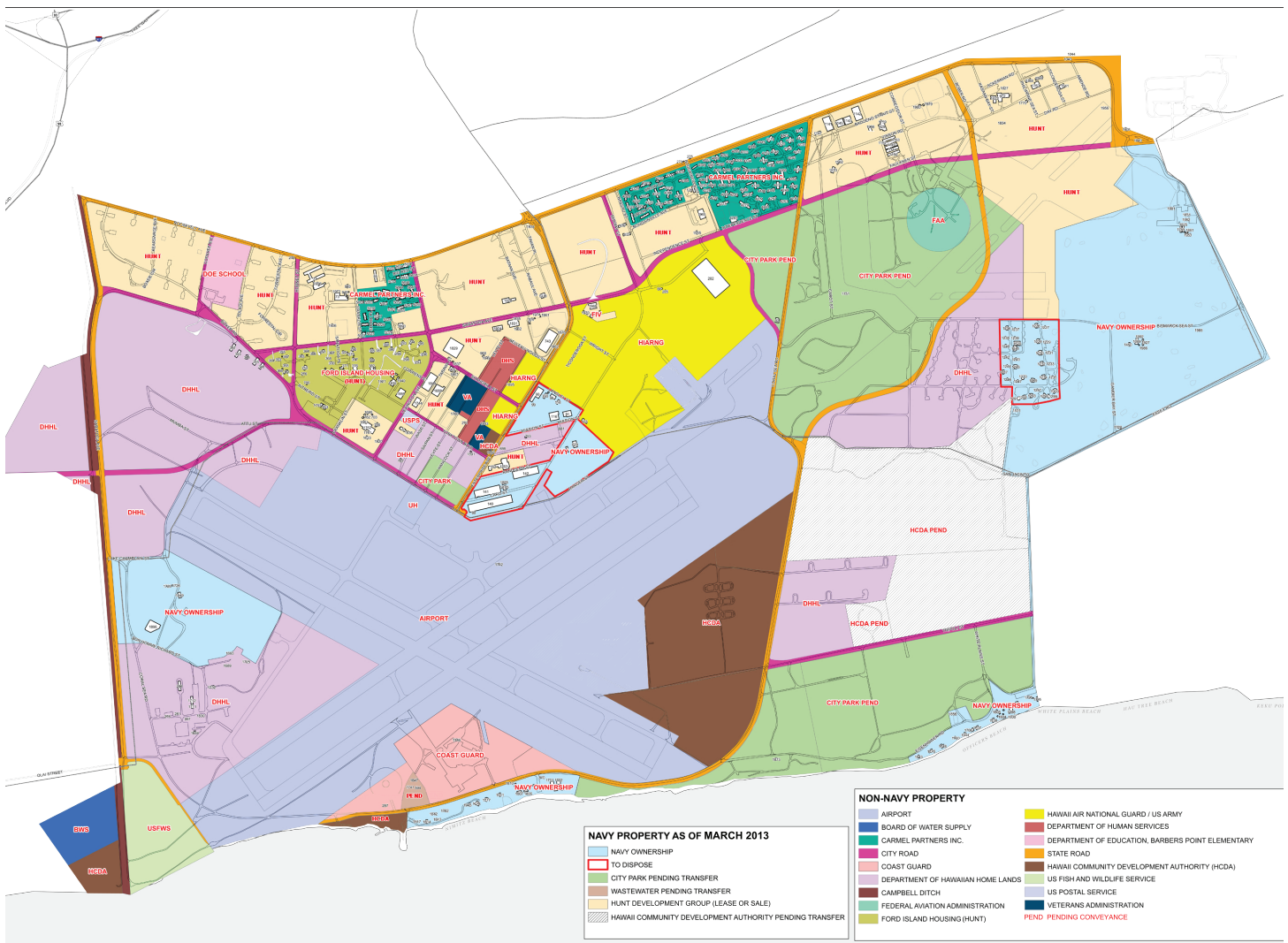


The HCDA gained redevelopment responsibility over Heeia in 2011, when the state legislature created the Heeia Community Development District. The HCDA now oversees more than 400 acres of wetlands in a traditional ahupua'a land division. The goal is to restore agricultural productivity to the district, and the HCDA is now working with non-profit organization Kakoo Oiwi to clear the wetlands of invasive species and to restore age-old taro farming (lo'i) and dry land crops to promote agricultural sustainability.

The HCDA is a body corporate and public instrumentality of the State which is administratively attached to the Department of Business, Economic Development & Tourism. Beginning March 1, 2015 the HCDA is composed of 15 voting members, 2 non voting from the private and public sectors that oversee HCDA operations and establish policies to implement its legislative objectives. Two of these members are ex-officio voting members from the State Department of Budget and Finance and the State Department of Transportation. In addition, the Governor appoints a cultural specialist, one at-large member, and two members from lists submitted by the Senate President and the Speaker of the House. The Honolulu City Council also nominates three representatives for each district (Kakaako, Kalaeloa, and Heeia), with two being residents of the district and one being a small business owner or officer for a non-profit organization within the district. The Honolulu County Director of Planning and Permitting and the Chairperson of the Hawaiian Homes Commission also serve on the Authority in non-voting capacities.

KALAELOA

HCDA's vision for Kalaeloa is to create a Wahi Hookela (center for excellence) within the Ewa district. Kalaeloa is a center where Hawaii's people can come together to share knowledge, develop expertise, and advance themselves while remaining respectful of the past and place. In June 2002, then Governor Benjamin Cayetano signed in to law Senate Bill 2702 (becoming Act 184) which repealed HRS 206G and transferred responsibility for Kalaeloa from BPNAS-RC to HCDA. Pursuant to Act 184 HCDA assumed the responsibility for implementation of the Community Redevelopment Plan, overseeing remaining conveyances, contract administration, promulgation of administrative rules, and other responsibilities related to the former BPNAS-RC. Act 184 also expanded the designation of the Kalaeloa Community Development District to encompass all of the land within the former BPNAS, including land retained by the Navy and land conveyed to other Federal agencies.



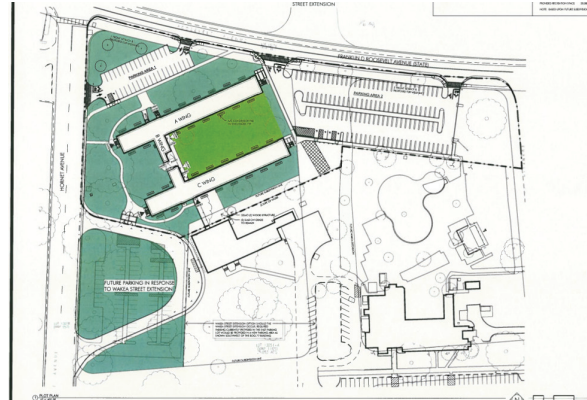
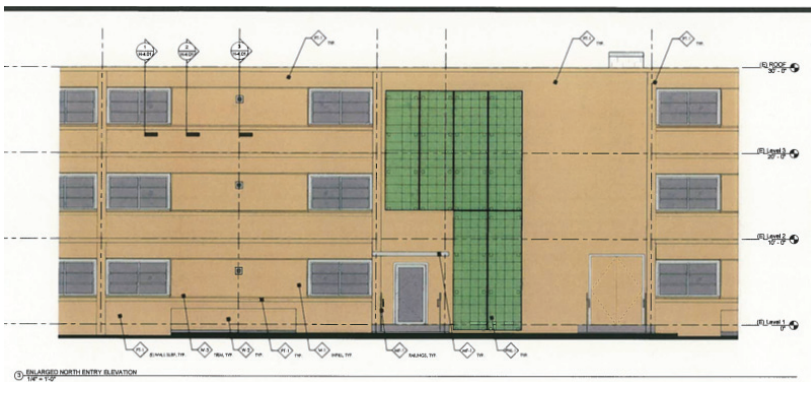
The HCDA hosted the 5th annual Kalaeloa Stakeholders Summit on July 3, 2014. About 80 local business leaders and government agency representatives came together to discuss the challenges facing Kalaeloa development, and what can be done to overcome them. HCDA staff led a priority setting activity in which participants voted on various improvement district projects. Stakeholders determined the highest priority was an improvement district project on Roosevelt Avenue, extending from Kamokila Boulevard to Enterprise Road. This project would include widening the roadway to city standards and placing utilities underground. Some issues relating to this project include addressing the impact to existing trees along Roosevelt Avenue, as well as encroachment by existing utility facilities within the proposed 108-foot right-of-way.

Housing

On September 9, 2014, the HCDA voted unanimously to approve the conversion and renovation of Building 77 in the former Navy Bachelor Officer Quarters in Kalaheo. Hunt Development Group will convert the existing three-story building on Franklin D. Roosevelt Avenue into 100 one-bedroom rental units for qualified income households. Public testimony was overwhelmingly positive for this project, as it would finally restore use of Building 77, which is currently seen as an eyesore in the community.



In December 2013, the HCDA approved the first development project in Kalaheo under the new 2012 Kalaheo Community Development District Rules. The Hale Uhiwai Nalu Addition by Cloudbreak Hawaii will add 50 new units for homeless veterans and non-veterans in Kalaheo. This development will supplement the existing 80-units at Hale Uhiwai Nalu, which also serve homeless or formerly homeless veterans and non-veterans. Both facilities will also incorporate a variety of outreach services to help residents turn their lives around.



KALAELOA

Energy

The Kalaeloa Community Development District has been instrumental in helping the State of Hawaii move closer toward its Hawaii Clean Energy Initiative of achieving 70 percent clean energy by the year 2030. Two new five-megawatt solar power plants opened in 2013: Kalaeloa Solar 2 Farm and the Kalaeloa Renewable Energy Park. Both facilities feed into the Hawaiian Electric Company (“HECO”) system and generate enough energy to power an estimated 2,500 homes.

The HCDA is now in the process of finalizing plans for the construction of the Kalaeloa Enterprise Road Energy project beginning at the intersection of Kapolei Parkway and Ft. Barrette, traveling along Enterprise and ending at Midway Road fronting the Kalaeloa Airport. Enterprise Road serves as the spine of the Kalaeloa Community Development District and this project will construct an underground electrical service corridor along its length. Construction on the 12-kv line extension is anticipated to begin in the second quarter of 2015. This project is funded by a 2014 Hawaii State Legislature appropriation of \$7 million.



In 2014, the HCDA completed an Environmental Assessment and Archaeological Inventory Survey for the Kalaeloa East Energy Corridor project. The EA is currently being reviewed by the U.S. Navy. The East Energy Corridor project would construct an overhead 12 KV for east energy corridor power transmission line to connect Kalaeloa Photo Voltaic farms to the HECO power grid. This would enable HECO to provide reliable electrical power utility service to areas in East Kalaeloa, including the U.S. Coast Guard Kalaeloa Base, U.S. Navy Morale Welfare and Recreation facilities (golf course, White Plains Beach facilities, officers beach cabanas), and the HCDA Kalaeloa Heritage Park. The East Energy Corridor project is being funded by a 2012 Hawaii State Legislature appropriation of \$3.5 million.

Cultural Park

The HCDA also completed an Environmental Assessment and Conceptual Park plan for the Kalaeloa Heritage Park, which serves to preserve the area's unique culture. Volunteers and a local non-profit organization are working to protect the park's resources by clearing invasive species, building walking paths and gates, and constructing structures to house important artifacts.



HEEIA

In the Heeia Community Development District, our non-profit partners, Kakoo Oiwi, continue working to restore agricultural productivity to over 400 acres of wetlands. In 2014, Kakoo Oiwi successfully planted four acres of kale, peppers, eggplant, and other dry land vegetables with the help of 6,000 volunteers. 17 taro lo'i are now in production, with regular harvests of taro root and leaves. Kakoo Oiwi sells pa'i'ai and poi, as well as raw taro root and vegetables to further its mission and to lead Hawaii to a more sustainable future.

HCDA staff are developing a master plan for the Heeia Community Development District, as well as corresponding rules.



Kakaako

HCDA's vision for Kakaako is to establish the District as the most desirable urban place in Hawaii in which people can live, work, visit, learn and play. This direction supports the legislative intent of a mixed-use district where residential, commercial, industrial, and public uses complement each other.

The HCDA serves as an infrastructure developer, landowner, city planner, regulator, and property manager to expeditiously implement the Kakaako's master plan. In doing so, the HCDA contributes to Hawaii's economic development and provides support for existing businesses and residents.

Housing

Six new housing developments in the Kakaako Community Development District are now in various stages of construction, with an additional seven already permitted by the Authority. These, coupled with three recently completed developments (680 Ala Moana, Rycroft Terrace, and Halekauwila Place), will add an additional 5,507 new housing units in the Kakaako district alone. Over 41 percent of these new units (2,264 units) will be reserved for qualified income households, ensuring lower priced homes that working professionals and young families can afford. State analysts say 5,200 new housing units are needed in Hawaii each year, and the HCDA is doing its part to meet that demand.

On January 8, 2014, the Authority voted 7-0 to approve the 803 Waimanu St. condominium development in Kakaako proposed by MJF Development Corporation. Back in July 2013, the Authority recommended denying the project's original application, as it was taller than the allowable height and requested several building modifications. However, MJF Development Corp. withdrew the application, revised it, then came back a second time with a drastically scaled back proposal. The resulting 65-foot tall, 7-story, 153-unit structure met all HCDA rules and requested no modifications.'



Halekauwila Place



803 Waimanu

In March, 2014, the HCDA updated its public hearing process to clarify the rules and regulations, and to also address some of the questions that have been raised in the community and at the legislature. Starting with the public hearing process for Kamehameha Schools Land Block A: Keauhou Lane, HCDA's posted public notices published the deadline for intervention, which allows interested parties the opportunity to intervene and become a party to any hearing. While HCDA's hearing process has always allowed for intervention, the new guidelines make the process more abundantly clear and easy to follow.



Keauhou Lane

On April 30, 2014, the Authority approved the joint development permit application from Keauhou Lane LP (KLLP), Stanford Carr Development, and Gerding Edlen for Kamehameha Schools Land Block A in accordance with the Kamehameha Schools Master Plan. The project will be built on the Kamehameha Schools parcel bordered by South, Halekauwila, Keawe and Pohukaina Streets, where the “Eat the Street” event is held. Keauhou Lane LP (KLLP), in conjunction with Stanford Carr Development, proposed a 423-unit, mixed-use, high-rise condominium project called “Keauhou Place” on the northwest corner of the parcel, near the intersection of South and Pohukaina Streets (Lot A-1-1). Gerding Edlen proposed a second condominium project called “Keauhou Lane,” which would include 209 units and ground floor commercial space on the southeast portion of the parcel, fronting Pohukaina and Keawe Streets (Lot A-1-2). In addition to the 632 new housing units, the joint development will create additional retail and commercial space. The approved podium height modification also allows the building’s footprint to be smaller, thereby creating more space at the ground level for active pedestrian uses.



Land Block B

On June 10, 2014, the HCDA unanimously approved the joint development permit application for Kamehameha Schools Land Block B. The mixed-use development will create 183 new residential units on Keawe Street, along with parking, retail, and recreation space. Although current rules allow for a 400-foot-tall tower on this site, the landowner and developer opted to reduce height and build two mid-rise buildings instead. The project requested one building modification, which would allow for the creation of more public open space at the ground level to further encourage pedestrian activity.

Kakaako

On April 1, 2014, the HCDA hosted a media tour of the two newest affordable housing developments to be completed in the Kakaako Community Development District. Halekauwila Place finished construction in March 2014 and now offers 204 rental units to those making less than 60 percent of the area median income (AMI), which equates to about \$40,000 for a single person, or \$57,000 for a family of four. The HCDA provided the gap financing for construction, and is proud to play a role in the delivery of more affordable units for Hawaii families. Rental prices at Halekauwila Place range from \$956 for a studio unit to \$1389 for a 3-bedroom townhouse.



Halekauwila Place

The condo conversion of the former Pagoda Hotel was also completed in early 2014. The newly completed Rycroft Terrace began fee-simple sales of 162 residential condominiums to qualified income buyers with prices for studios, 1-bedroom, and 2-bedroom units ranging from \$123,000 to \$275,000. First priority was given to extremely low income buyers making as little as 30 percent or less of the area median income. This pricing put home ownership within reach for a single person making about \$20,000 per year, or for a couple making a combined \$23,000 a year.

On November 25, the Authority voted to approve Ward Village's proposed Land Block 2, Project 2 (Ward Gateway) project. Public testimony was mostly positive for the mixed-use development, which will include 236 new housing units, ground floor open space and recreation space, commercial and retail space, 548 parking stalls, a large central public plaza, and a pedestrian connection across Ala Moana Boulevard. Testifiers stated that the four proposed modifications for the Ward Gateway project would create a more vibrant pedestrian-oriented community and bring positive change to the Ward Warehouse area. Also on November 25, the Authority voted to approve the MK Vida project on Kamehameha Schools' Land Block I. The MK Vida project requested no project modifications and will provide 265 new housing units, retail/ office space, ground level open space, and 685 parking stalls in a development along Ala Moana Boulevard, at the existing Cutter auto dealership. Cultural descendants testified that developers have been very cooperative in creating a project that is respectful of the iwi kupuna on the property.



Vida

The initial public hearing for Ward Village Land Block 1, Project 2, was held on November 5, 2014. The proposed mixed-use development at 330 Kamakee Street would include a flagship Whole Foods Market grocery store, open space, retail space, and a residential tower with 466 new housing units behind the existing Ward Consolidated Theaters complex. Ward Village received strong public support after explaining the five requested modifications were necessary to create an aesthetically superior development that enhances the community. Developers explained without any modifications, the project would be a less appealing, large mass of concrete at the ground level that diminished the pedestrian experience. A decision-making hearing for Land Block 1, Project 2 is set for January 7, 2015.



Land Block 1 Project 2



Artspace

As a commitment to fostering the development of more low income housing in Kakaako, on November 25, the HCDA approved a 65-year lease agreement with Ola Ka Ilima Lofts for the development of an affordable rental project at 1025 Waimanu Street. This parcel is one of only two developable parcels owned by the HCDA in Kakaako Mauka, and will provide 84 rental units to low-income artists, a community center, art studio rental space, commercial space, and about 94 parking stalls. Ola Ka Ilima Lofts has already secured funding for the project through Low-Income Housing Tax Credits and a Rental Housing Trust Fund loan. An environmental assessment of the parcel was also completed in November, with a finding of no significant impact.

More affordable housing could also be built at the HCDA-owned lot at 630 Cooke Street. On November 24, 2014, the HCDA issued a Request for Proposals (RFP) for developing more efficient, affordable housing on the 10,000 square foot lot. Developers may submit their proposals for low-to-moderate income rental housing that may be offered at a lower price point. The HCDA is encouraging developers to get creative and utilize a new unit typology, such as micro-units, which are thoughtfully designed units around 300 square feet in size. By creating a supportive environment for such developments, the HCDA believes the Cooke Street project could serve as a springboard for future housing solutions.



630 Cooke St

Kakaako

In response to the public's desire for the continued development of more affordable housing, the HCDA is also examining possible amendments to its reserved housing policy. In the upcoming legislative session and in the year ahead, we hope to refine our rules and become more effective in encouraging the creation of more affordable housing for Hawaii residents. The Authority formed the Reserved Housing Investigative Committee in August 2014 and began researching ways to refine HCDA's reserved housing program. The committee prepared a report with details on their findings and proposed suggestions, which was shared with the public at several community briefings in November. The full report can be viewed here: <http://dbedt.hawaii.gov/hcda/reserved-housing-investigative-committee-report/>. Staff also created an informational video that explains the challenges of building affordable housing in Hawaii and the potential ways to influence change, using other cities as examples. That video can soon be viewed on HCDA's YouTube channel.

Visit our YouTube @ <http://www.youtube.com/HCDAweb>

Homeless Outreach

On June 10, 2014, the HCDA authorized another year of funding for its Jobs Training Program, which employs homeless individuals and provides outreach services to those in need in Kakaako. The HCDA began the program in June 2009 and it has since grown to help numerous people find permanent jobs and turn their lives around. The Authority also voted to expand the program with additional positions to offer weekly shower and laundry services at the Kakaako Next Step Shelter. HCDA's Jobs Training program is a critical element to ending homelessness, as it provides outreach services and also teaches necessary job skills. The program also serves a dual function, as it provides the staffing for landscaping, janitorial, trash removal, and beautification services for all HCDA-owned parks in Kakaako.

In addition, the HCDA is continuing to fund its Security Deposit Matching program, which sets aside \$10,000 to help Jobs Training Program participants move out of homelessness and into rental housing. It is in this way of giving a hand up, instead of a hand out, that the HCDA believes it can be a part of the solution in ending homelessness in Hawaii.

To further assist businesses who are struggling with the homeless population in the Kakaako Makai area, the Authority voted in August to approve a 4-year agreement with the City & County of Honolulu that will allow the city's Sidewalks Nuisance Ordinance and Stored Property Ordinance Program to relocate their office from Auahi Street to the former Look Lab Facility in Kakaako Makai. This move would allow for the opening of Auahi Street and facilitate complete streets and more pedestrian friendly development. The presence of the city's sidewalk enforcement team may also encourage homeless encampments to move away from the area.



Parks and Open Spaces

In August 2014, the HCDA began a year-long effort to plan for future active use facilities at the parks in Kakaako Makai. The master planning process began with a series of public open houses on August 28 and September 6. Dozens of community members weighed in on the current condition of the parks and brainstormed ideas on how to overcome the various challenges of transforming these areas into better gathering places. The second round of open houses were held on October 30 and November 8 and involved polling participants on the various ideas that were suggested in previous meetings. A free community outreach event was held at Kakaako Gateway Park on December 9 as way to bring those ideas to life. The “Kakaako Parks Peek” event brought over 500 people to the parks of Kakaako Makai and gave them a sneak peek of what may come as we activate the park areas. A youth volleyball tournament, local entertainment, food trucks and vendors, art exhibits, gardening demonstrations and plant sales, community informational booths, and a farmers market were all elements of the “Kakaako Parks Peek” event, as suggested by community members.



Kakaako

The historic Mother Waldron Park on Cooke Street reopened to the public in September, after undergoing a four-month rehabilitation. Stanford Carr Development upgraded the historic comfort station, two basketball courts, a children's playground, and planted new landscaping. Community members, area lawmakers, and the mayor took part in a special blessing on September 12, creating a new gathering place for residents who rent affordable units at Halekauwila Place next door, as well as other members of the community.



Kewalo Basin Harbor

At a special meeting on June 27, 2014, the HCDA authorized a 35-year lease for the development and management of Kewalo Basin Harbor with Ward Village. This public-private agreement will allow for the renovation and repair of 144 deteriorating slips and docks, and will further revitalize the area for future public enjoyment, at no cost to the taxpayer. The HCDA believes this is the first step to bringing life back to the state's only commercial small boat harbor, which will continue to prioritize commercial vessels, like the charter boats and fishing tours that occupy the front row at Kewalo. After touring several successful harbor communities on the mainland, HCDA staff created a video that shows the potential for Kewalo Basin Harbor to become an iconic true community gathering place. That video can be viewed on HCDA's YouTube channel.



Ala Moana Pump Station

The HCDA and Pacific Gateway Center held a groundbreaking and Hawaiian blessing ceremony on September 10, to give new life to the historic Kakaako Pumping Station on Ala Moana Boulevard. The 114-year-old building will be renamed the “Na Kupuna Makamae Center,” or “The Beloved Kupuna Center,” to pay tribute to its new purpose of bringing children and kupuna together with intergenerational programs and services. In June, the HCDA voted to approve the preparation of an environmental assessment (EA) and special management area permit for non-profit Pacific Gateway Center to move forward with plans to renovate the vacant building into a community resource center. In July, former Governor Neil Abercrombie released \$1 million in capital improvement grant funds identified by the state Legislature for the refurbishment project. Construction will begin once the EA is complete, which is scheduled for May 2015. The new Na Kupuna Makamae Center could open by fall 2015.



HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
Statement Of Net Position
June 30, 2014

ASSETS

Current Assets	
Cash in State Treasury and petty cash	\$ 16,330,488
Due from State	7,604,069
Due from Agent - Almar Management, Inc.	3,333,676
Accounts receivable	431,430
Prepaid expenses	<u>19,963</u>
Total current assets	<u>27,719,626</u>
Long-Term Assets	
Loan receivable - Halekauwila Partners, LLC	17,000,000
Investment in limited partnership	125,824
Water source allocation credits	<u>249,642</u>
Total long-term assets	<u>17,375,466</u>
Capital Assets	
Land, improvements, infrastructure networks, and construction in progress	115,454,855
Other capital assets, net of depreciation	<u>34,879,276</u>
Total capital assets	<u>150,334,131</u>
Total assets	<u>\$195,429,223</u>

The accompanying notes are an integral part of the financial statements.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
Statement Of Net Position
June 30, 2014

LIABILITIES

Current Liabilities	
Accounts payable	\$ 423,545
Accrued payroll	149,325
Unearned revenue	31,377
Rental security deposits	323,114
Due to State Treasury	<u>1,235,574</u>
Total current liabilities	<u>2,162,935</u>
Long-Term Liabilities	
Due within one year	135,116
Due in more than one year	<u>15,606,179</u>
Total long-term liabilities	<u>15,741,295</u>
Total liabilities	<u>17,904,230</u>

NET POSITION

Invested In Capital Assets	150,334,131
Restricted For Capital Projects	7,455,279
Unrestricted	<u>19,735,583</u>
Total net position	<u>177,524,993</u>
Total liabilities and net position	<u>\$195,429,223</u>

The accompanying notes are an integral part of the financial statements.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
Statement Of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenues and Changes in Net Assets</u>
Governmental Activities:			
General government	\$ 453,624	\$ -	\$ (453,624)
Leasing and management	2,525,858	2,821,819	295,961
Community redevelopment	1,383,986	13,087,627	11,703,641
Capital improvement projects	<u>5,048,109</u>	<u>-</u>	<u>(5,048,109)</u>
Total governmental activities	<u>\$ 9,411,577</u>	<u>\$15,909,446</u>	6,497,869
General Revenues:			
State allotments, net of lapsed appropriations			2,125,735
Investment loss			<u>(248,287)</u>
Total general revenues before transfers			1,877,448
Transfers, net			<u>1,000,000</u>
Total general revenues and transfers			<u>2,877,448</u>
Change in net position			<u>9,375,317</u>
Net position at July 1, 2013			<u>168,149,676</u>
Net position at June 30, 2014			<u>\$177,524,993</u>

The accompanying notes are an integral part of the financial statements.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Leasing and Management	Community Redevelopment	Capital Projects Fund	Total Governmental Funds
Assets					
Cash in State Treasury and petty cash	\$3,500	\$ 9,031,353	\$ 7,295,635	\$ -	\$16,330,488
Due from State	-	-	-	7,604,069	7,604,069
Due from Agent - Almar Management, Inc.	-	3,333,676	-	-	3,333,676
Accounts receivable	-	402,338	29,092	-	431,430
Prepaid expenses	-	19,963	249,642	-	269,605
Loan receivable - Halekauwila Partners, LLC	-	-	17,000,000	-	17,000,000
Total assets	<u>\$3,500</u>	<u>\$12,787,330</u>	<u>\$24,574,369</u>	<u>\$7,604,069</u>	<u>\$44,969,268</u>
Liabilities And Fund Balances					
Accounts payable	\$ -	\$ 361,361	\$ 12,206	\$ 49,978	\$ 423,545
Accrued payroll	-	50,513	-	98,812	149,325
Accrued rent	-	3,792	-	-	3,792
Unearned revenues	-	31,377	-	-	31,377
Rental security deposits	-	323,114	-	-	323,114
Due to State Treasury	<u>3,500</u>	<u>1,235,574</u>	<u>-</u>	<u>-</u>	<u>1,239,074</u>
Total liabilities	<u>3,500</u>	<u>2,005,731</u>	<u>12,206</u>	<u>148,790</u>	<u>2,170,227</u>
Fund Balances					
Nonspendable:					
Prepaid expenses	-	19,963	249,642	-	269,605
Loan receivable	<u>-</u>	<u>-</u>	<u>17,000,000</u>	<u>-</u>	<u>17,000,000</u>
Total nonspendable fund balances	-	19,963	17,249,642	-	17,269,605
Restricted	-	-	-	7,455,279	7,455,279
Committed	<u>-</u>	<u>10,761,636</u>	<u>7,312,521</u>	<u>-</u>	<u>18,074,157</u>
Total fund balances	<u>-</u>	<u>10,781,599</u>	<u>24,562,163</u>	<u>7,455,279</u>	<u>42,799,041</u>
Total liabilities and fund balances	<u>\$3,500</u>	<u>\$12,787,330</u>	<u>\$24,574,369</u>	<u>\$7,604,069</u>	<u>\$44,969,268</u>

The accompanying notes are an integral part of the financial statements.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
Statement Of Revenues, Expenditures,
And Changes In Fund Balances - Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Leasing and Management</u>	<u>Community Redevelopment</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues					
State allotted appropriations	\$ -	\$ -	\$ -	\$2,155,000	\$ 2,155,000
Contributions from property owners	-	-	433,529	-	433,529
Dedication and reserve housing fees	-	-	571,896	-	571,896
Investment loss	-	(138,561)	(109,726)	-	(248,287)
Leasing and management	-	2,795,729	-	-	2,795,729
Other	-	26,090	8,280	-	34,370
Total revenues	<u>-</u>	<u>2,683,258</u>	<u>903,979</u>	<u>2,155,000</u>	<u>5,742,237</u>
Expenditures					
General government	-	445,372	-	-	445,372
Capital outlays	-	4,517,604	934,229	3,284,803	8,736,636
Total expenditures	<u>-</u>	<u>4,962,976</u>	<u>934,229</u>	<u>3,284,803</u>	<u>9,182,008</u>
Excess of expenditures over revenues	-	(2,279,718)	(30,250)	(1,129,803)	(3,439,771)
Other financing sources (uses)					
Transfers in (out)	-	(30,000)	30,000	1,000,000	1,000,000
Lapsed appropriations	-	-	-	(29,265)	(29,265)
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>30,000</u>	<u>970,735</u>	<u>970,735</u>
Net change in fund balances	<u>-</u>	<u>(2,309,718)</u>	<u>(250)</u>	<u>(159,068)</u>	<u>(2,469,036)</u>
Fund balances, July 1, 2013	<u>-</u>	<u>13,091,317</u>	<u>24,562,413</u>	<u>7,614,347</u>	<u>45,268,077</u>
Fund balances, June 30, 2014	<u>\$ -</u>	<u>\$10,781,599</u>	<u>\$24,562,163</u>	<u>\$7,455,279</u>	<u>\$42,799,041</u>

The accompanying notes are an integral part of the financial statements.

Members of the Hawaii Community Development Authority

Chairperson

BRIAN LEE, Director of Research and Communications, IBEW

Vice-chairperson

LOIS MITSUNAGA, Chief Financial Officer, Mitsunaga & Associates. INC.

Secretary

MILES KAMIMURA, President, Pacific Property Group

Ex-officio Members

LUIS SALAVERIA, Director, Department of Business, Economic Development & Tourism

FORD FUCHIGAMI, Director, Department of Transportation

DOUGLAS MURDOCK, Comptroller, Department of Accounting and General Services

WESLEY MACHIDA, Director of Finance, Department of Budget and Finance

At-Large Member

BRIAN LEE, Director of Research and Communications, IBEW

Kakaako Community Members

MILES KAMIMURA, President, Pacific Property Group

LOIS MITSUNAGA, Chief Financial Officer, Mitsunaga & Associates. INC.

BRIAN T. TAMAMOTO, Executive Vice President, Resort Holdings. LLC

Kalaeloa Community Members

***MILES KAMIMURA, President, Pacific Property Group**

SHIRLEY SWINNEY

***Transition appointees**

Heeia Community Members

AMY LUERSEN, Director of Philanthropic Services, Hawaii Community Foundation

MAHEALANI CYPHER

HCDA Executive Director

Anthony Ching



Copyright Hawaii Community Development Authority 2014