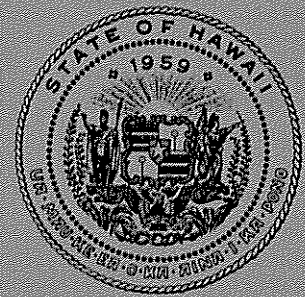


Review of the
**FOURTH
YEAR**

July 1, 1980 to June 30, 1981



**Hawaii
Community
Development
Authority**



EXECUTIVE CHAMBERS

HONOLULU

GEORGE R. ARIYOSHI
GOVERNOR

MESSAGE FROM GOVERNOR GEORGE R. ARIYOSHI

This report summarizes the activities and accomplishments of the Hawaii Community Development Authority in fiscal year 1980-81, a period during which the Authority formulated and tested feasible plans for the development of Kaka'ako.

Kaka'ako's significance lies in the opportunity it presents—that of a successful partnership between government and the private sector to undertake a community development project, in accordance with the goals and objectives set forth in our Hawaii State Plan. It is, indeed, an effort to create and bequeath to future generations that planned new community that the Legislature envisioned when it provided the legal and financial resources for the project.

With the continued cooperation and support of the many concerned citizens who have given their time to this project, we will soon have a new Kaka'ako which will serve as a showcase of a comprehensive and model community development program.

George R. Ariyoshi



State of Hawaii
Hawaii Community Development Authority

George R. Ariyoshi
Governor

Kenneth F. Brown
Chairman

Raymond H. Suefuji
Executive Director

680 Ala Moana Boulevard, Suite 318 Honolulu, Hawaii 96813
(808) 548-7180

Aloha Kakou:

The Hawaii Community Development Authority is pleased to present a report on its fourth year of operation to the distinguished members of the 12th State Legislature and the citizens of Hawaii. This report contains a review of the Authority's activities and accomplishments for the 1980-81 Fiscal Year, which ended on June 30, 1981.



The formulation of twelve plan variations for revitalizing the Kaka'ako Community Development District was the major activity for the 1980-81 Fiscal Year. These plans were presented to the public in August of the following Fiscal Year.

The Authority also spent the past fiscal year interacting with Kaka'ako's landowners, residents, businessmen, and other community groups to better inform them of the Authority activities and goals, and to learn their concerns and needs.

We have made good progress this year toward our goal of formulating a community development plan for Kaka'ako and we look forward to presenting you with a final plan in the near future.

Respectfully submitted,

Kenneth F. Brown
Kenneth F. Brown
Chairman

The Hawaii Community Development Authority adopted the following resolution to honor the late Mr. William R. Norwood, who served as one of the original Authority members for more than two years.

RESOLUTION

RESPECTIVELY HONORING THE MEMORY OF
THE LATE WILLIAM R. NORWOOD
FOR HIS MANY YEARS OF DISTINGUISHED AND DEDICATED
SERVICE TO THE PEOPLE OF HAWAII AND THE PACIFIC

WHEREAS, Mr. William R. Norwood passed away on September 22, 1981 at the age of 72; and

WHEREAS, Mr. Norwood served as one of the original members of the Hawaii Community Development Authority, having been appointed on May 9, 1978 by Governor George R. Ariyoshi pursuant to the provisions of Act 153, Session Laws of Hawaii 1976, which established the Authority; and

WHEREAS, Mr. Norwood actively participated as a member of the Authority for more than two years and contributed significantly to the work of the Authority and the Hawaii Community Development Authority staff; and

WHEREAS, Mr. Norwood's career contributions to the people of Hawaii and the Trust Territory of the Pacific Islands covered a span of nearly five decades; and

WHEREAS, Mr. Norwood's service reflected his dedication and sensitivity to the people of our Pacific community; and

WHEREAS, in addition to his contributions to the Hawaii Community Development Authority, Mr. Norwood demonstrated his concern for Hawaii's people by serving in many capacities including those of Administrative Director for Governor John A. Burns, Chairman and member of the State of Hawaii's Labor and Industrial Appeals Board, member of the Honolulu City Planning Commission, Director of the Honolulu Chamber of Commerce, and Director of the Friends of the East-West Center; and

WHEREAS, Mr. Norwood also contributed greatly in the Pacific Basin by serving in many different capacities, notable among which are High Commissioner of the Trust Territory of the Pacific Islands, President of the Guam Contractors Association, member of the Guam Employees Council, and member of the Board of Directors of Guam Memorial Hospital; and

WHEREAS, the untimely passing of Mr. Norwood is greatly felt by the members of the Authority and its staff; now, therefore,

BE IT RESOLVED by the Hawaii Community Development Authority, State of Hawaii, at its regular Authority meeting convened on this 7th day of October, 1981, that by unanimous acclamation, the Hawaii Community Development Authority hereby respectfully honors the memory of the late William R. Norwood for his many years of distinguished and dedicated service to the people of Hawaii by the adoption of this Resolution; and

BE IT FURTHER RESOLVED that duly authenticated copies of this Resolution be transmitted to his widow, Mrs. Katharine F. Norwood, and their children, William F. Norwood and Mrs. Robert Hemings, and to the Honorable George R. Ariyoshi, Governor of Hawaii.



Kenneth F. Brown

Heber Goffin

Boyd

Mitsuo Shimizu

Frank Skivonak

John Purkasser

Franklin YK Brown

Thomas M. Ingota

D. J. Daley

Lewis de Haas

George [unclear]

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HAWAII COMMUNITY DEVELOPMENT AUTHORITY

- Legislative Foundation ●
- The Authority Members ●
- The Agency ●
- The Kaka'ako Community
Development District Project ●

LEGISLATIVE FOUNDATION

The Hawaii Community Development Authority was created in 1976 when the Hawaii State Legislature recognized a lack of timely revitalization of underutilized urban communities in the State. The Legislature decided that a new concept of urban planning and redevelopment was essential to supplement traditional methods of community renewal. The basic rationale underlying the creation of an innovative agency is expressed in the "Findings and Purpose" section of the legislation:

"...The legislature finds that many urban areas of the State are substantially underdeveloped or blighted, and are or are potentially in need of urban renewal, renovation, or improvement to alleviate such conditions as dilapidation, deterioration, age, and other such factors or conditions which make such areas an economic or social liability. There exists within the State vast, unmet community development needs and...existing laws and public and private mechanisms have either proven incapable or inadequate to facilitate timely redevelopment and renewal...a new and comprehensive authority for community development must be created to join the strengths of private enterprise, public development and regulation into a new form capable of long-range planning and implementation of improved community development." (Chapter 206E, Hawaii Revised Statutes)

The Authority's purpose is to plan and implement community development programs for areas designated as Community Development Districts by the Legislature. The Authority is required by law to establish Community Development Plans for each Community Development District, before it may undertake any redevelopment activities. These plans must include community development guidance policies, a district-wide improvement program, and community development rules on health, safety, building, planning, zoning and land use.

THE AUTHORITY MEMBERS

The Authority's policy functions are administrated and guided by 11 voting members from both the general public and State government. The four State government members designated by law are the State Comptroller and the Directors of the State Departments of Planning and Economic Development, Budget and Finance, and Social Services and Housing. These members, or their designees, serve as ex-officio voting members. The other seven

members representing the general public are appointed by the Governor and confirmed by the State Senate. Of these seven, three are selected from a list of nominees submitted by the Council of the County in which a Community Development District is situated.

The Authority appoints its Executive Director who serves as chief executive officer. Through its Executive Director, the Authority may appoint officers and employees.

For the Fiscal Year 1980-1981, the Authority members were:

Chairman: Kenneth F. Brown,
Architect & businessman

Vice-chairman: Helen K. Griffin,
member of the League of Women Voters

Secretary: Michael J. Coy,
Vice President, Honolulu Club

Members

Don J. Daley, Senior Vice President and Manager, Real Estate Division, First Hawaiian Bank

Jensen S.L. Hee, Director, State Department of Budget and Finance.

Thomas Itagaki, President, International Savings and Loan Association

Hideto Kono, Director, Department of Planning and Economic Development

Hideo Murakami, State Comptroller, Department of Accounting and General Services

George Nitta, Nitta's Auto Repair. (Appointed in June, 1981.)

Mitsuo Shimizu, President, Shimizu Associates

Franklin Y.K. Sunn, Director, Department of Social Services and Housing

THE AGENCY

The Hawaii Community Development Authority is attached to the Department of Planning and Economic Development for administrative purposes.

The Authority's staff is composed of trained and experienced personnel from many fields. These members represent the following professions: engineering, planning, architecture, environmental design, economics, geography, journalism, communications, and program administration.

To maintain a high degree of accessibility to the Kaka'ako community and to be more aware of the area's day-to-day activities, the Authority located its office in the Kaka'ako district at 680 Ala Moana Boulevard, Suite 318 and its telephone number is 548-7180.

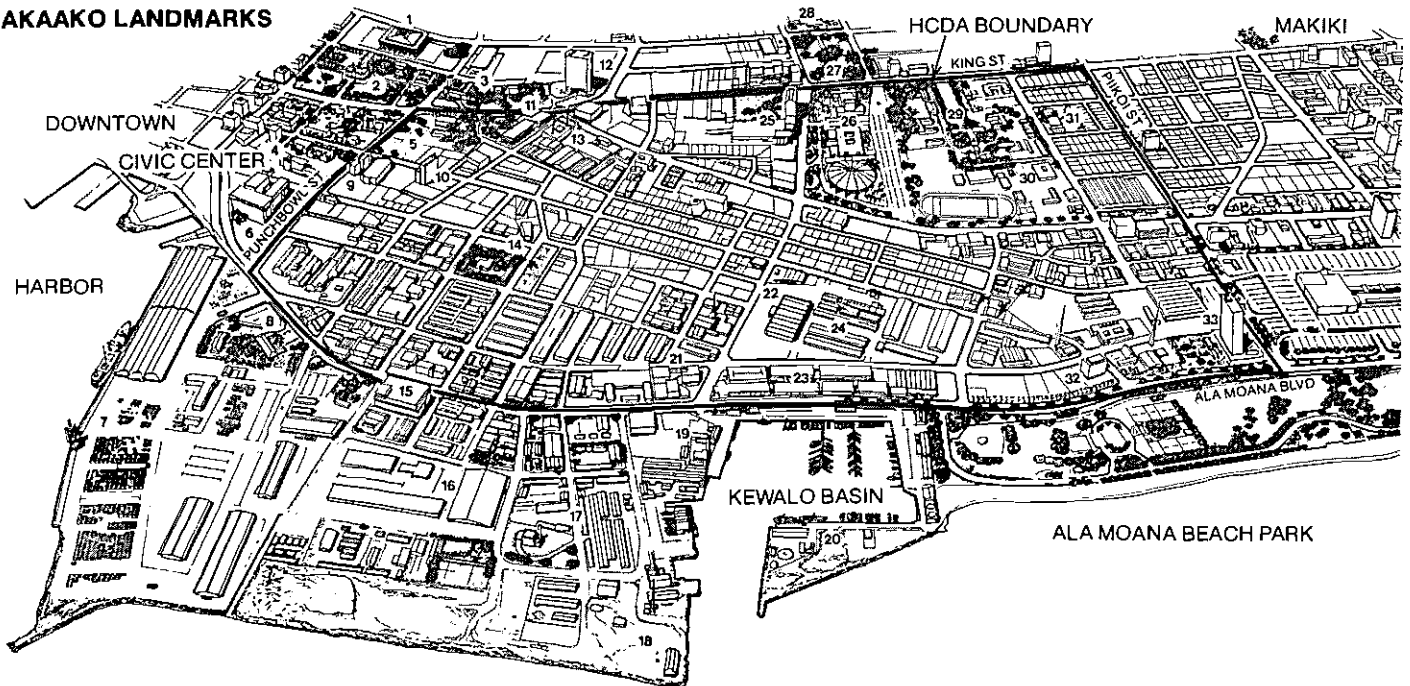
THE KAKA'AKO COMMUNITY DEVELOPMENT DISTRICT PROJECT

The State Legislature designated Kaka'ako—a 450-acre district strategically situated in the center of the 22-mile urban corridor extending from Pearl City to Hawaii Kai—as the first Community Development District. The Kaka'ako Community Development District (KCDD) boundaries are formed by Piikoi Street, Ala Moana Boulevard, Punchbowl Street and King Street.

The Hawaii State Legislature designated Kaka'ako as the first community development district in recognition of the area's economic importance to the State, its relative underdevelopment and its potential to become a "blighted and deteriorated area" if not redeveloped or renewed. Despite its underutilized character, Kaka'ako currently contributes much to the State. There were approximately 18,500 people working in the District in 1979, accounting for about 6.0 percent of the total number of employed civilians on Oahu. Approximately 1,500 businesses in Kaka'ako generated close to \$1.4 billion in gross sales in 1979.

The Legislature also found in Kaka'ako the potential for increased growth and development that can alleviate community needs such as housing, parks and open space, and commercial and industrial facilities.

KAKA'AKO LANDMARKS



- | | | | |
|---|--|---|---------------------------------------|
| 1 Hawaii State Capitol Building | 7 Matson Container Terminal | 17 City Corporation yards and incinerator | 26 Neal Blaisdell Center |
| 2 Iolani Palace | 8 U.S. Immigration and Naturalization Service Building | 18 University of Hawaii Oceanic Research Laboratories | 27 Thomas Square |
| 3 Honolulu Hale, City Hall | 9 State Department of Transportation | 19 Fish cannery and restaurant | 28 Honolulu Academy of Arts |
| 4 State Office Buildings | 10 Royal Brewery Building | 20 U.S. Bureau of Fisheries | 29 McKinley High School |
| 5 Kawaiahao Church and Cemetery | 11 Kawaiahao Plaza Office Building | 21 Ward Plaza | 30 Kapiolani Community College |
| 6 Prince Jonah Kuhio Kalaniana'ole Federal Building | 12 Honolulu Municipal Building | 22 Gem Department Store | 31 Makiki Christian Church |
| | 13 The News Building | 23 Ward Warehouse shopping center | 32 IBM Building |
| | 14 Pohukaina Elementary School | 24 Ala Moana Farmers Market | 33 Apartment Building; 1350 Ala Moana |
| | 15 Gold Bond Building | 25 Hawaiian Electric Company | |
| | 16 Food Distribution Center | | |

To guide the Authority's planning and development activities for Kaka'ako, the Legislature established development guidance policies. For example, some of these policies mandate a horizontal and vertical mixture of land uses and densities on the basis of sound urban design principles, and the accommodation of existing and future industrial uses in appropriate locations. Other policies require the location of human activities to optimize reliance on public transportation and the provision of pedestrian facilities for internal circulation within the district or designated sub-areas. The preservation of historic and culturally significant elements in the District, and the provision of an increased supply of housing are also addressed by the development guidance policies.

THE FIRST FISCAL YEAR: 1977-1978

In FY 1977-1978, the Authority undertook the task of organizing the agency and developing a planning program for the Kaka'ako Community Development District.

The Authority formulated an extensive, multi-year planning program which was implemented in July, 1978. The activities of the detailed, comprehensive and methodical four-phased planning program are:

Phase I --- Data Collection and Inventory. Existing systems and resources in Kaka'ako were inventoried and documented. These included utilities, buildings, geologic conditions, open space and human activities. Data collected in this phase will serve as an important data base for use throughout the time frame of the project.

Phase II --- Capacity and Constraint Analyses. Kaka'ako's existing systems and resources were analyzed to determine their potential to accommodate or limit development.

Phase III --- Formulation of Alternatives. Based upon the Phase I and II findings, a wide range of alternatives for the future development of Kaka'ako was formulated and thoroughly tested for feasibility. Community concerns were solicited through various methods including public informational meetings held by the Authority.

Phase IV --- Finalization of Draft Plan. The Authority analyzes the alternative plans developed in Phase III and formulates a single draft plan. Public meetings are then held to provide for citizen participation, after which the draft plan is revised if necessary. The final draft plan is then presented at an official public hearing. After the public hearing, the Authority adopts the final plan and submits it to Governor George R. Ariyoshi for approval.



A not uncommon sight in Kaka'ako—an unimproved, crowded roadway without adequate parking facilities.

THE SECOND FISCAL YEAR: 1978-1979

Phase I and II activities were started during the second fiscal year. A detailed inventory of Kaka'ako's resources and systems was needed before any development planning could actually begin. These resources are:

physical, such as transportation systems, utilities, existing buildings and soil conditions;

social, such as residential population, visitors to the District, and historic, cultural and visual considerations; and

economic, such as commercial and light industrial activities, land values and market analyses.

During FY 1977-1978, these resources were substantiated in detail to form an accurate base of information. This data base will be used throughout the scope of the Kaka'ako project, from the analyses of system capacities through the actual improvement projects in Phase V.

Twelve inventories were conducted in Phase I, each reporting the existing condition of the system. The categories inventoried were: Human Resources and Demographics; Economic Base; Human Activities; Soils and Geology; Topographic Surveys; Land and Buildings; Open Space; Historic, Cultural, Visual and Aesthetic Factors; Water and Gas Systems; Sewerage and Drainage; Electrical and Telephone Systems; and Transportation.

The Authority next reviewed and analyzed each resource studied in Phase I to determine its capacity to support future development. The analyses identified many important factors related to the health and welfare of the Kaka'ako community and also to problems associated with revitalizing the District.

The Phase II analyses confirmed that if further development of Kaka'ako is to take place, with or without the influence of the Hawaii Community Development Authority, basic infrastructure improvements would have to be made.

THE THIRD FISCAL YEAR: 1979-1980

Phase II activities were completed during the third fiscal year, and the Authority began its Phase III activities, the formulation of twelve development alternatives for Kaka'ako. The Authority's Participation-Information-Education (PIE) program began linking the Authority to the Kaka'ako community. Various reports were completed during the year, and the Authority held two public information meetings in the McCoy Pavilion at the Ala Moana Beach Park. Preplanning for Phase IV activities was also initiated in midyear.

Formulation of Alternative Plans

For its Phase III planning activities, the Authority formed two consortia of consultants. These teams include professionals experienced in housing, engineering, economics, sociology and other fields.

Consortium 1, headed by Belt, Collins and Associates, and Consortium 2, headed by William Hee and Associates, Inc., began the Phase III planning activities in FY 1979-1980. By the close of the fiscal year, the Consortia had developed design and other solutions which could be applied to the future development of Kaka'ako. These solutions were repeatedly tested, singly and in combination, to check their physical, social and economic feasibility. The work of the Consortia continued into the next fiscal year.

Studies

Besides its Phase III planning activities, the Authority completed a number of studies in FY 1979-1980. The reports on these studies are:

-Policies, Plans & Ordinances. A report on the study of all existing and proposed Federal, State and County guidelines and regulations affecting Kaka'ako.

-Planning for Kaka'ako, Summary Report on Phase I and Phase II. A summary of the results of the Phase I and Phase II studies which provides an overview of the Kaka'ako District.

Plan Formulation Process

Hawaii Community Development Authority

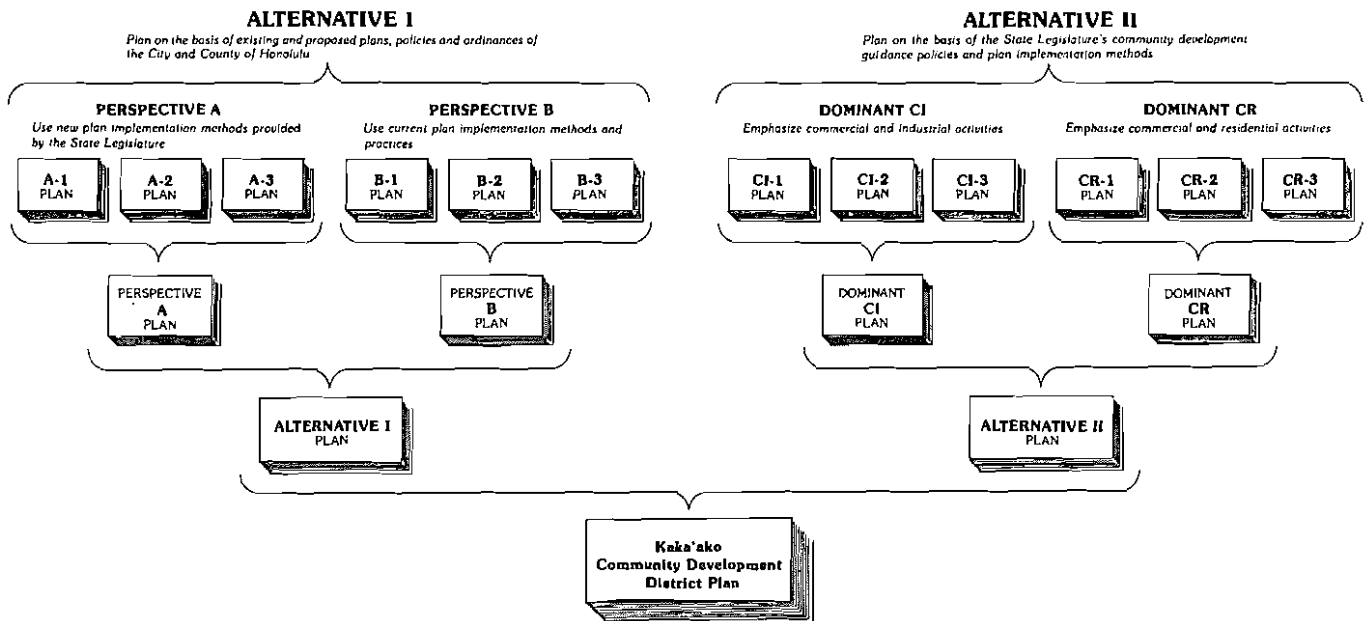


CHART I

-Residential Standards Study. A report of the study undertaken to guide the Authority in determining housing design needs and potentials for the Kaka'ako Community Development District.

-A Review of Similar Agencies. A report of the study of U.S. agencies with missions similar to the Hawaii Community Development Authority.

These reports are available for public review and use in the Authority's office at 680 Ala Moana Boulevard. The Hawaii Documents Section of the Hawaii State Library at 478 South King Street also maintains these reports for public reference.

Participation-Information-Education (PIE) Program

During the fiscal year 1979-1980, the Authority's Participation-Information-Education (PIE) program began its activities to encourage vital communication and interaction between the Kaka'ako community and the Authority. Communication methods employed by the Authority included Malama Kaka'ako, a monthly newsletter; presentations to community and civic groups; and discussions with Kaka'ako landowners, businessmen and tenants.

To obtain public input during the planning process, the Authority held two public information meetings in February and April, 1980.

Preplanning for Phase IV

Preplanning activities were undertaken in early 1980 to chart out various complex tasks to be accomplished in Phase IV. These activities identified: work needed to finalize the Kaka'ako Community District Development plan; the courses of action relating to the preparation of an Environmental Impact Statement; and workload and manpower requirements.

ACTIVITIES AND ACCOMPLISHMENTS FOR THE YEAR

- Formulation of Alternative ●
Plans
- Phase III Planning Activities ●
- Community Interaction ●
- The Next Year's Activities ●

THE FOURTH YEAR ACTIVITIES

FORMULATION OF ALTERNATIVE PLANS

The most significant accomplishment during the Authority's fourth year of activities was the formulation of alternative plans for the Kaka'ako Community Development District. A total of twelve plans were formulated, with six formulated under one plan direction called Alternative I and six others formulated under another plan direction called Alternative II.

The planning activities for each Alternative were performed by the Authority's staff and two consortia of consultants. Consortium 1 consultants worked on Alternative I plans and Consortium 2 consultants worked on Alternative II plans.

Alternative I

Consortium 1's plan direction for Alternative I plans required the consultants to formulate alternative plans based upon the City and County of Honolulu's existing or proposed plans, policies and ordinances (see Chart I) which affect development in Kaka'ako. Within these guidelines, Consortium 1 formulated three alternative plans under "Perspective A" and three others under "Perspective B".

"Perspective A" plans call for the future development of Kaka'ako with the active involvement of the Hawaii Community Development Authority in the development of public facilities, such as infrastructure improvements and parking structures, and special types of housing projects for the elderly and a range of income groups.

"Perspective B" plans call for the future development of Kaka'ako on the basis of past trends and current practices.

Alternative II

Consortium 2's plan direction for Alternative II plans required the consultants to formulate alternative plans based upon the mandates of the Hawaii State Legislature to the Hawaii Community Development Authority as to how Kaka'ako should be developed in the future. Within these guidelines, Consortium 2 formulated three alternative plans under "Dominant Commercial/Industrial (C/I)" and three others under "Dominant Commercial/Residential (C/R)".

"Dominant C/I" plans call for the future development of Kaka'ako with an emphasis upon commercial and industrial activities within the district. Under Dominant C/I, less than a third of the available building floor space would be used for residential activities.

"Dominant C/R" plans call for the future development of Kaka'ako with an emphasis upon commercial and residential activities within the district. Under Dominant C/R, less than a third of the available building floor space would be used for industrial activities.

PHASE III PLANNING ACTIVITIES

To ensure that the final plan for Kaka'ako would have taken into account varied social, economic and environmental considerations, the Authority's Phase III planning process was designed to create, critically test, and formulate a broad range of development possibilities for Kaka'ako. To accomplish this, the Phase III scope of work for Consortia 1 and 2 required the consultants to undertake ten systematic steps in their process of formulating alternative plans for Kaka'ako. Most of the work for the first seven of the ten steps was accomplished during the Authority's fourth year of activities.

In the first step, the Authority's Phase I and Phase II studies were reviewed by the consultants, including other supplementary information which contributed toward a thorough and comprehensive understanding of Kaka'ako as it exists today. Also, State and County laws, ordinances, resolutions, plans and other documents were analyzed to identify public policies which established guidelines as to how development should occur in Kaka'ako.

In the second step, the public policies identified in step one were analyzed to identify the problems or obstacles to achieving the objectives of the public policies.

In the third step, the problems or obstacles themselves were analyzed and solutions were developed which resolved the problems or which overcame the obstacles.

From the information obtained in the previous steps, scenarios or future "end states" were developed in step four to illustrate the form and substance of a future Kaka'ako if the solutions were applied.

In step five, the courses of action which may be taken to achieve the end states developed in step four were formulated. Also, prototypical solutions were designed to solve problems for which no solution previously existed or for which new solutions could better resolve the problems.

In step six, all courses of action and prototypical solutions were interrelated and tested to ensure that they were compatible with each other. This was done by first creating "modules" or hypothetical 60-80 acre areas which represented all of the conditions which exist in Kaka'ako, then applying the solutions, in combination with each other, to the module to see if the overall desired result could be feasibly achieved.

In effect, the results of step six were the findings of what could and could not work for the future development of Kaka'ako.

Taking the findings of step six, the consultants and the Authority's staff formulated, in step seven, twelve alternative plans for the entire 450 acre Kaka'ako Community Development District and the adjacent lands makai of Ala Moana Boulevard.

During the latter part of the fiscal year, the Authority's efforts were focussed upon preparing the twelve alternative plans for presentation to the public. The public presentations were conducted in the following fiscal year (FY 1981-82) in the month of August and were well attended by members of the community as well as other interested parties.

The remaining three steps in the planning process for Phase III are being concluded in the Authority's fifth year of operations. Step eight requires that the Authority's consultants prepare criteria for the selection of one alternative plan each for Perspectives A and B, under Alternative I, and Dominant C/I and C/R, under Alternative II.

In step nine, the consultants, using the guidelines developed in step eight, will recommend the best alternative plan for each Perspective and Dominant.

Finally, in step ten, the most appropriate plan for Alternative I and Alternative II will be selected by the Authority.

Following the completion of the ten steps in Phase III, the Authority will finalize one draft plan for the Kaka'ako Community Development District. This final draft plan will then be presented to the public at a formal public hearing. After receipt of public comments, the plan will be adopted by the Authority and transmitted to Governor Ariyoshi for his approval. Any rules and regulations proposed by the Kaka'ako Community Development District Plan will take effect approximately ten days after the Governor's approval. Any development activities on the part of the Authority would be subject to the appropriation of funds by the Hawaii State Legislature.

The Authority staff organized and conducted a walking tour of Kaka'ako for the League of Women Voters. The tour gave the organization a first hand view of the District and its problems.



COMMUNITY INTERACTION

Early in the Kaka'ako planning process, the Authority saw the need to establish an effective and meaningful process to facilitate input from public and private interests. The Authority felt that such input would assist the agency in identifying planning problems, and developing and refining solutions to these problems. Community input would also enhance the Authority's awareness of the public's attitudes, hopes and concerns for Kaka'ako.

The Authority's PIE program enable the agency to interact with the Kaka'ako community; to encourage public participation in the planning process and solicit public input.

Throughout the fiscal year, informal meetings were held between the Authority and some of Kaka'ako's landowners, developers, concerned parties and organizations to identify their various and oftentimes disparate concerns and needs. These meetings helped the Authority and its consultants to become aware of and responsive to a wide range of problems and opportunities of the area, setting the stage for cooperation and participation during Kaka'ako's redevelopment.

Members of the Authority staff regularly attended monthly meetings of the Ala Moana-Kaka'ako Neighborhood Board and the Kaka'ako Business Association. The purpose was to keep these groups informed of the Authority and its planning activities for Kaka'ako, and to be aware of the concerns of its members.

To give the League of Women Voters a first hand view of Kaka'ako and its problems, the Authority staff arranged and conducted a walking tour of the District in November, 1980. The two-hour excursion through the interior and peripheral streets of Kaka'ako enabled the League members to see many of the problems faced by the Kaka'ako community.

The Authority's Executive Director and staff presented informational speeches and presentations to help various professional community and service organizations better understand the agency's planning activities in the context of their own concerns and needs. The Executive Director delivered keynote addresses to banking, real estate management and property owner groups to identify the potential roles these groups would have in the planning and development stages.

During the 1980-1981 fiscal year, the Authority's newsletter was refined into a multi-faceted information medium. In addition to direct, Authority-initiated news information, the publication began featuring community news items, and feature stories (with a particular view point or perspective) on people in the Kaka'ako community. These features helped to foster open communications between the HCDA and the community.



During the fourth fiscal year, the Authority refined its newsletter into a multi-faceted informational medium. Features were initiated to foster open communication between the HCDA and the community.

THE NEXT YEAR'S ACTIVITIES

The Authority's fifth year of activities will culminate with the completion of the Kaka'ako Community Development District Plan and will also mark the beginning of the Authority's plan implementation activities.

Plan completion activities will focus upon formulating a single plan for Kaka'ako from the twelve plan variations and upon obtaining public participation in the plan finalization process.

The twelve plan variations will be distributed to the community, after which public meetings will be conducted to further explain the plans and to obtain comments. After the public meetings, the Authority will conduct meetings with tenants, landowners, professional and community organizations, and other interested persons in order to provide additional opportunities for them to comment on the plans and state their concerns.

All of the comments received will be taken into consideration as the Authority and its consultants narrow the twelve plans to the one most appropriate for Alternative I and one for Alternative II. The Authority will then proceed to further refine the Alternative I and II plans into one final draft plan which incorporates the best features of the plan and, to also obtain comments on this draft plan.

After receipt of comments, the final draft plan will be revised as appropriate, and an official public hearing will be conducted, presenting the final version of the Kaka'ako Community Development District Plan.

Given this schedule, it is anticipated that the Authority may act to adopt the Kaka'ako Community Development District Plan sometime around mid-December 1981. After adoption, the Authority will transmit the plan to Governor George Ariyoshi for his approval. This schedule would be in keeping with the original plan preparation schedule established by the Authority in July of 1978

The plan implementation activities of the Authority would begin after Governor Ariyoshi has approved the plan. Any rules which are part of the plan would become effective ten days after the Governor has approved the plan and has filed it under the Office of the Lieutenant Governor.

The Governor will then transmit the Kaka'ako Community Development District Plan, along with a request for funding of the implementation activities, to the 1982 Session of the Hawaii State Legislature. With the enactment of appropriations and funding measures by the Legislature, the Authority will begin development activities which implement the plan in July of 1982. It is anticipated that the initial development increment will begin with the improvement of needed infrastructure facilities and commitments for housing to accommodate residents of varying incomes, ages and family groups.

**THE AUTHORITY'S
FINANCIAL PROGRAM**

THE AUTHORITY'S FISCAL PROGRAM

During fiscal year 1980-81, the Authority expended a total of \$619,521. Approximately 70 percent of this amount was paid from project funds, with the balance of 30 percent being paid from operating funds. Expenditure details are shown in the "Statement of Expenditures", Table 1, and are compared with fiscal year 1979-80 expenditures. The reduced amount of expenditures in fiscal year 1980-81, as compared to fiscal year 1979-80, is due primarily to a reduction in expenditures for consultant services. This reduction is due to the fact that approximately half of the Phase III consultant fees will be paid in fiscal year 1981-82.

The "Statement of Appropriations, Expenditures, Encumbrances, and Unexpended Balances", Table 2, shows the details of transitions among the funds available to the Authority for fiscal year 1980-81.

The operations of the Authority has been supported by both operating budget funds and project (CIP) funds. To date, the Authority has managed to keep expenditures below appropriations, as reflected in Table 3, the "Statement of Appropriations and Expenditures" which covers the period from the time the agency began operations up to June 30, 1981.

As a matter of administrative policy, the Authority has continually sought to keep expenditures to a minimum. Therefore, although the Authority established a planning budget of \$5.9 million in 1978, the Authority has been able to keep expenditures below that budget by (a) careful negotiation of fees for consultant services, (b) performing some of the work in-house rather than utilizing consultant services, and (c) not requesting additional funding from the Legislature when savings could be realized from the means mentioned in (a) and (b). The significance of this policy and its implementation is apparent in the "Estimated Variance" statement, Table 4, which compares the 1978 planning budget with the estimated planning expenditure for the Kaka'ako Community Development District project. Table 4, shows a savings of approximately \$1.0 million or almost 20 percent less than the original estimated cost of preparing a community development plan for Kaka'ako.

Table 1
Hawaii Community Development Authority
STATEMENT OF EXPENDITURES
For the Fiscal Years Ending June 30, 1981, and June 30, 1980

	FY 1980-1981			FY 1979-1980
	OPERATING FUNDS	PROJECT FUNDS	TOTAL	
PERSONAL SERVICES				
Payroll	\$ 151,539.42	\$ 211,110.72	\$ 362,650.14	\$ 321,082.93
Fringe Benefits	---	37,714.46	37,714.46	33,027.36
Total Personal Services	\$ 151,539.42	\$ 248,825.18	\$ 400,364.60	\$ 354,110.29
OTHER CURRENT EXPENSES				
Contractual Fee	\$ ---	\$ 135,834.77	\$ 135,834.77	\$1,190,815.76
Legal Services	5,200.00	---	5,200.00	---
Office Supplies	1,902.54	1,001.87	2,904.41	5,466.93
Educational/Other Supplies	4.22	---	4.22	4,716.00
Library Books/Publications	10.50	153.96	164.46	98.95
Dues/Subscriptions	102.90	67.80	170.70	156.05
Postage	750.00	2,298.00	3,048.00	4,502.80
Telephone	3,517.32	702.91	4,220.23	3,290.84
Printing	498.68	5,847.96	6,346.64	10,555.80
Legal Notices	57.15	---	57.15	---
Auto Mileage	159.70	113.81	273.51	320.48
Travel	195.40	1,408.69	1,604.09	3,371.31
Blueprint/Computer Services	---	---	---	5,873.00
Office Rental	17,437.11	23,095.81	40,532.92	31,000.84
Equipment Rental	3,838.12	5,860.09	9,698.21	11,109.00
Copying Machine Rental	833.62	285.76	1,119.38	---
Repairs and Maintenance	92.98	158.00	250.98	999.38
Conferences and Seminars	54.00	350.00	404.00	592.00
Miscellaneous	585.03	5,233.84	5,818.87	1,862.12
Total Other Current Expenses	\$ 35,239.27	\$ 182,413.27	\$ 217,652.54	\$1,274,731.26
EQUIPMENT				
Furniture and Other Equipment	\$ ---	\$ 1,503.75	\$ 1,503.75	\$ 7,401.52
TOTAL EXPENDITURES	\$ 186,778.69	\$ 432,742.20	\$ 619,520.89	\$1,636,243.07

Table 2

Hawaii Community Development Authority
STATEMENT OF APPROPRIATIONS, EXPENDITURES, ENCUMBRANCES, AND UNEXPENDED BALANCES
For the Year Ended June 30, 1981

	Prior Year Available Funds 07/01/80	Appropriations	Transfers	Expenditures	Unexpended Balances					
					Encumbrances	Allotments	Unallotted Appropriations	Revolving Fund	Lapsed	
<u>OPERATING FUNDS</u>										
Act 300, SLH 1980 Operating	\$ --	\$ 212,516.00	\$ 24,128.28 ^{1/}	\$ 186,778.69	\$ 754.42	\$ --	\$ --	\$ --	\$ --	\$ 854.61
<u>PROJECT FUNDS</u>										
Act 243, SLH 1978 Kakaako Community Development District	30,172.61			28,312.61	1,860.00					
Act 214, SLH 1979 Kakaako Community Development District	1,427,098.39		(60,000.00) ^{2/}	320,778.88	517,106.24	4,423.27	524,790.00			
Act 300, SLH 1980 Kakaako Community Development District		800,000.00		83,650.71		194,549.29	521,800.00			
<u>REVOLVING FUND</u>	123,232.19		60,000.00 ^{2/}						183,232.19	
Totals	<u>\$1,580,503.19</u>	<u>\$1,012,516.00</u>	<u>\$ 24,128.28</u>	<u>\$ 619,520.89</u>	<u>\$ 519,720.66</u>	<u>\$ 198,972.56</u>	<u>\$1,046,590.00</u>	<u>\$183,232.19</u>	<u>\$ 854.61</u>	

^{1/} Payroll allotments transferred by DPED to cover deficiencies in other program areas under DPED.

^{2/} Refund for advance from revolving fund.

Table 3

Hawaii Community Development Authority
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES
 For the Period June 1, 1976* to June 30, 1980

	<u>FY 1976-78*</u>	<u>FY 1978-79</u>	<u>FY 1979-80</u>	<u>FY 1980-81</u>	<u>TOTALS</u>
<u>APPROPRIATIONS</u>					
OPERATING FUNDS	\$ 200,000	\$ 190,626	\$ 207,445	\$ 212,516	\$ 810,587
PROJECT FUNDS					
Act 243, SLH 1978		1,883,000			1,883,000
Act 214, SLH 1979			1,862,000		1,862,000
Act 300, SLH 1980				800,000	800,000
Total Appropriations	<u>\$ 200,000</u>	<u>\$ 2,073,626</u>	<u>\$ 2,069,445</u>	<u>\$ 1,012,516</u>	<u>\$ 5,355,587</u>
<u>EXPENDITURES</u>					
Personal Services	\$ 88,896	\$ 203,264	\$ 354,110	\$ 400,365	\$ 1,046,635
Consultative Services	--	770,108	1,190,816	135,835	2,096,759
Other Current Expenses	20,044	59,578	83,915	81,817	245,354
Furniture & Equipment	<u>7,267</u>	<u>8,535</u>	<u>7,402</u>	<u>1,504</u>	<u>24,708</u>
Total Expenditures	<u>\$ 116,207</u>	<u>\$ 1,041,485</u>	<u>\$ 1,636,243</u>	<u>\$ 619,521</u>	<u>\$ 3,413,456</u>

*The agency's operations began in June, 1977.

Table 4

Hawaii Community Development Authority
 ESTIMATED VARIANCE
Kaka'ako Community Development District Planning Phase

<u>EXPENDITURES</u>	<u>1978 PLANNING BUDGET</u>	<u>ESTIMATED PLANNING EXPENDITURES*</u>	<u>VARIANCE</u>
Personal Services	\$ 1,726,800	\$ 1,593,504	\$ 133,296
Consultant Services	3,600,000	2,898,425	701,575
Other Current Expenses	560,000	385,633	174,367
Furniture & Equipment	<u>22,730</u>	<u>24,708</u>	<u>(1,978)</u>
Totals	<u>\$ 5,909,530</u>	<u>\$ 4,902,270</u>	<u>\$ 1,007,260</u>

*Includes actual expenditures from June 1, 1976 to June 30, 1981 and estimated planning expenditures for FY 1981-82.

