

*“Good Things Are
Happening in
Kakaako”*

**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY
1993 Annual Report**



An illustration depicting a possible future urban form scenario for Kakaako's makai area and beyond.

Good

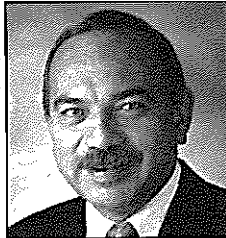
**THINGS ARE
HAPPENING IN
KAKAAKO**



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY
1993 ANNUAL REPORT**

LETTER TO THE GOVERNOR

The Honorable John Waihee
Governor
State of Hawaii



Dear Governor Waihee:

If the Hawaii Community Development Authority (HCDA) were in the business of coining phrases, it would certainly be "Good Things are Happening in Kakaako". It is this theme that we present and support in this document, the HCDA's 1993 Annual Report.

With great pleasure we report that the many years of planning and action on Kakaako's revitalization by many, many individuals and agencies are reaping a bumper crop of "good things" for all of Hawaii's people. One of the greatest and most appealing achievements of the State of Hawaii has been the development of the majestic Kakaako Waterfront Park, which opened last year to unanimous acclaim. This innovative Park sets a high standard for the HCDA to emulate as we progress with the future stages of developing the Kakaako waterfront area. While private development construction slowed down in Kakaako over the past year, public projects continued to be pursued and constructed for the benefit of the State's residents and businesses. The development of affordable rental and for-sale housing projects for families and seniors endures as a top Authority priority, and as the HCDA forges ahead in implementing our ambitious plan to upgrade the roadways and utility systems in Kakaako, the area's merchants, residents and visitors are experiencing the benefits that a revamped infrastructure network assures.

The HCDA has been fortunate to have had the support, participation and cooperation of many parties. These include the State administration and State Legislators, other government agencies, community groups, and certainly, the District's landowners, developers, merchants, tenants and residents who are the lifeline of Kakaako. I would also like to acknowledge the many contributions of HCDA's dedicated, hardworking staff. As we continue to transform and improve the Kakaako District, the vital sustenance provided by these parties will greatly influence the success of the HCDA.

Respectfully yours,

A handwritten signature in cursive script that reads "Gary Caulfield". The signature is written in dark ink and is positioned above the printed name.

Gary Caulfield
Chairman
Hawaii Community Development Authority

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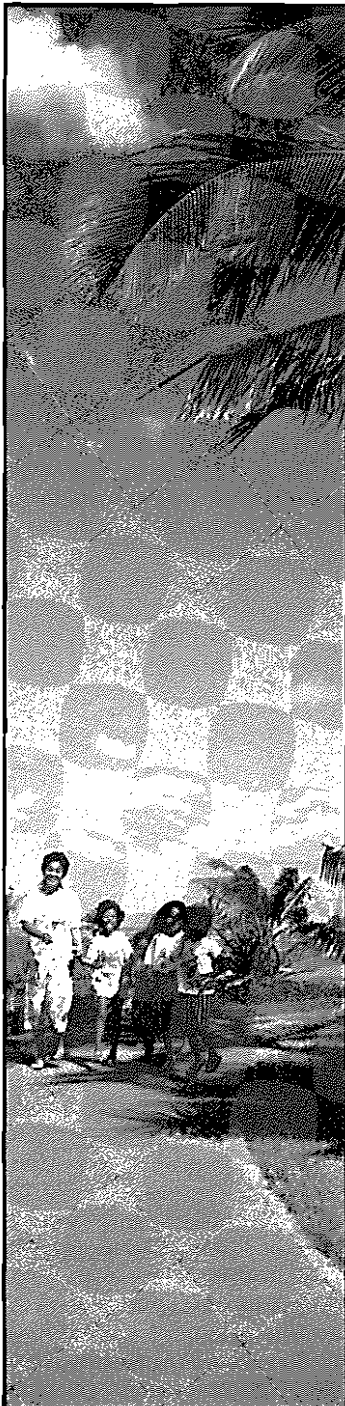
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INTRODUCTION



While our much besieged country grapples with a variety of problems such as the recession, racial hatred and violence and the housing dilemma, it surely gives you some comfort and piece of mind to realize one important fact—that good things are happening in Kakaako. As we near the end of the twentieth century, Hawaii's people are finding that Kakaako is changing into an attractive and important community with something for everyone, and that plans for the future are even more promising.

For many, many years, the Kakaako District held a very dubious reputation. Known, among other things, as the “sleeping giant”, the area—which had become a largely commercial/industrial natured community—gained notoriety for its deteriorating melange of streets, utilities and ramshackled structures. The truth was that aside from seeking the valuable services provided by the area's merchants and trades people, the public tended to stay away from Kakaako.

Today the tide has turned for Kakaako. It seems that what was once perceived as a thorn in Honolulu's backside is blossoming into a beautiful rose with many petals offering different things to many people. The Hawaii Community Development Authority (HCDA)—with the unwavering support of the State administration and legislators, and cooperation from other government agencies and Kakaako's businesses, landowners and developers—is developing an impressive number of affordable residential units for rent and sale to individuals, families and senior citizens. To ensure that the needs of its residents, employees and visitors are met, the HCDA is constructing public facilities such as innovative public parks. And then there are those infrastructure improvements which are not outwardly visible to the eyes, but without which Kakaako could not function properly. The State has thus far expended over \$100 million to upgrade and improve the roadways and utilities a major portion of the District where they are most needed.

LOOKING BACK

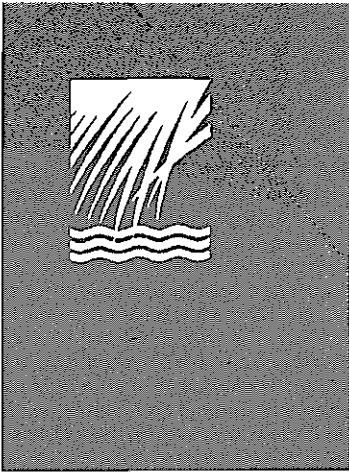
The HCDA was created by the 1976 State Legislature to plan and redevelop areas in the State which lawmakers determined

to be in need of redevelopment. The Legislature at that time designated the Kakaako Community Development District, bounded by King Street, Punchbowl Street, Ala Moana Boulevard and Piikoi Street, as a very strategically located area in need of redevelopment. During the 1981 session, the Legislature amended the Kakaako District boundaries to include a portion of the Kakaako waterfront. In subsequent years, the boundaries affecting the Kakaako area were amended twice by the State Legislature, and the District currently includes all fast and submerged lands from Kewalo Basin up to Pier 4 and the site of the existing Hawaiian Electric power plant. In order to accomplish the legislative mandate, the Legislature provided the HCDA with comprehensive powers including land use and zoning authority within the community development districts.

ORGANIZATION OF THE HCDA

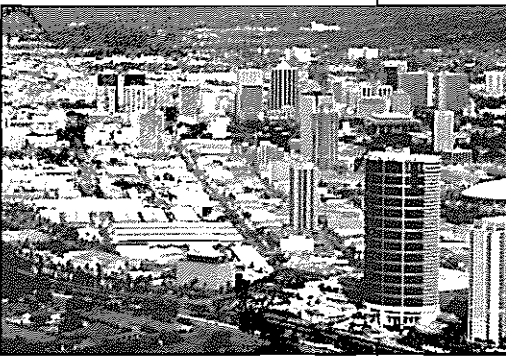
The HCDA is a public corporate entity attached to the Department of Business, Economic Development & Tourism for administrative purposes. The HCDA's board of directors is composed of 11 voting members from the private and public sectors who oversee the HCDA operations and establish policies to implement the legislative objectives. Four members are ex-officio, voting members from the State Departments of Accounting and General Services; Budget and Finance; Business, Economic Development & Tourism; and Transportation. Of the remaining seven members, four are appointed directly by the Governor and three are selected by the Governor from recommendations submitted by the Council of the county in which a community development district is situated. The HCDA Executive Director serves as the chief executive officer and is appointed by the Authority members. The HCDA staff includes experienced personnel from many professional fields. The major functional areas of the agency are Planning, Engineering, Development, Finance, Relocation, Public Information, and Administrative Services.





THE KAKAAKO DISTRICT

Kakaako is largely comprised of retail and commercial businesses, wholesale and semi-industrial companies, and single and multi-family residences. It is a busy, urbanized community in the heart of Honolulu. Much of today's Kakaako has come a long way from being a swampland or submerged under water. This area was filled, developed and redeveloped over the years. From the early 1900s until World War II, Kakaako was an important residential area, sprinkled with stores and commercial activities to service the neighborhood. Over the years Kakaako has changed from a residential neighborhood to a primary industrial area and finally to an economic center of varied commercial and service activities. Prior to the creation of HCDA in 1976, Kakaako has remained relatively underutilized and underdeveloped. There were, however, concerns and pressures then, as there are now, for better and more efficient use of existing urban lands in Hawaii. The Legislature recognized the potential for Kakaako to become an economically and socially viable community providing a range of public benefits including the



following:

- o increasing housing opportunities for all segments of the population;
- o improving and coordinating infrastructure and public improvements;
- o increasing business (commercial and industrial) opportunities;
- o increasing economic activity;
- o increasing public recreation and open space; and
- o establishing an efficient transportation system.

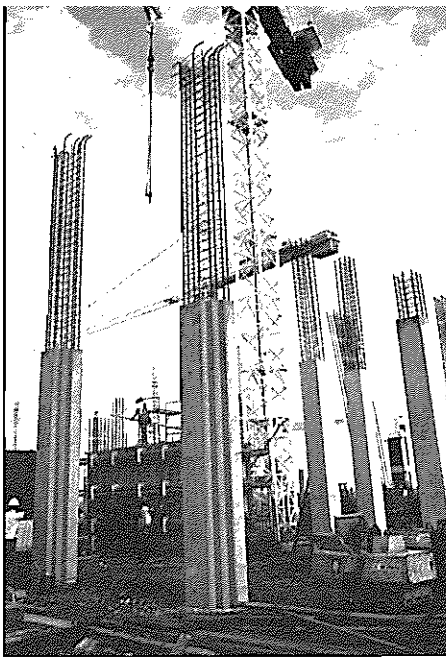
In creating the HCDA, the Legislature set directions for Kakaako's revitalization and development. They envisioned a mixed-use district where residential, commercial, industrial and public uses would coexist compatibly. Lawmakers also believed it important to respect and support the present functions of Kakaako as a major economic center.



With these and other very specific directives, the HCDA undertook an intensive planning process involving extensive public and private participation to develop a comprehensive plan for the redevelopment of Kakaako. The Kakaako Community Development District Plan took effect in February 1982. It was subsequently amended to include the Kakaako waterfront area and is currently comprised of two Plan documents—Mauka Area Plan and Makai Area Plan. The Kakaako Plan serves as the basis for guiding both public and private development activities in the revitalization of Kakaako.

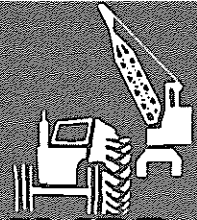
REGULATING KAKAAKO'S FUTURE

Since the adoption of the Kakaako Plan in 1982, the HCDA has performed regulatory activities to ensure that any development occurring in the District meets the provisions of the Kakaako Plan. In accordance with the Kakaako Plan, the HCDA regulates planning, land use, zoning and development of land within the Kakaako District. The Plan includes specific requirements and restrictions relating to height, density, building set backs, front yards, open space, view corridors, streetscapes, landscapes and tower footprints. Additionally, the Plan contains schemes for transportation, open space and recreation, public facilities, infrastructure and relocation. As a comparison, the HCDA's regulatory responsibilities are similar to the combined functions of the City's Department of Land Utilization and Planning Department. In addition to processing permits for major development projects, the HCDA also issues permits for small projects and building renovations. During the 1992-93 Fiscal Year, the HCDA processed approximately 200 permits for smaller scale projects. In July 1993, the HCDA processed and approved the planned development permit for the Hale Kewalo affordable rental housing project. (See housing chapter for more details on this project.) To date, the HCDA has approved planned development permits for nine major private projects. In total, these projects have a market value of well over \$1.45 billion, and if all are constructed, they will add about 3,800 new housing units and about two million square feet of commercial and light industrial space to



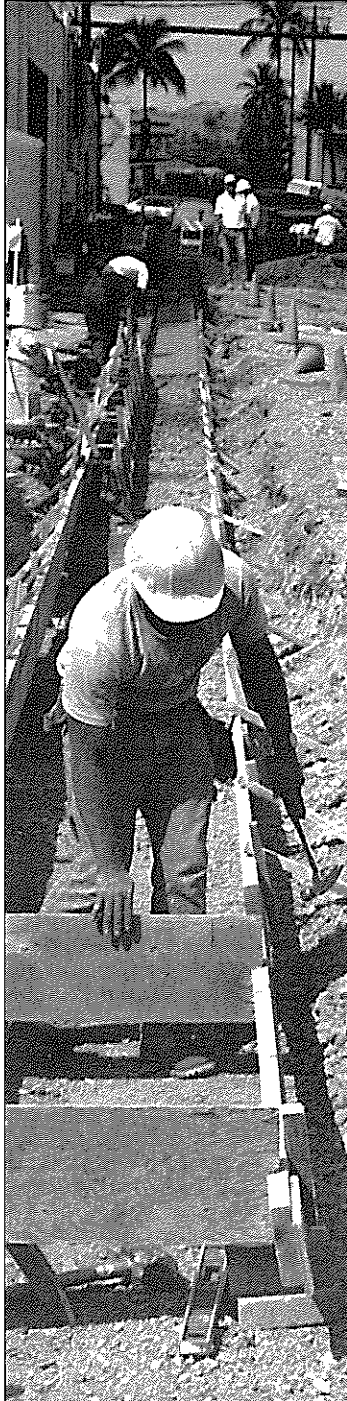
Kakaako. Projects which have been constructed include: One Waterfront Plaza and Towers, The Pacific Park Plaza, The Royal Capitol Plaza, The Imperial Plaza, and the Nauru Tower. Although others have received HCDA approval, they are awaiting the right market conditions to commence construction. Because of its compact size, Kakaako is a true microcosm of the market. What happens in this strategic District truly reflects the situation in the State at-large. To meet the realities of the current market, some Kakaako developers with permits in hand are looking at ways to redesign their projects and at dramatically lowering the prices on their units.

While the private sector adjusted to the changing market in the 1992-93 period, the HCDA also took actions to keep abreast with the evolving economic and social climate. Because the Kakaako Plan and Rules have been in place for nearly 12 years now, the HCDA makes an ongoing effort to be flexible and to adjust its plans and policies to make sure that all needs and goals are met in Kakaako. The public's input and concerns are solicited and considered as we go about this. In late 1992, the HCDA adopted a number of important amendments to the Kakaako Plan and Rules which involved: the deletion of inland waterways provisions in Kakaako's makai area, relocation assistance and the refinancing of improvement district bonds. Due to the high construction costs and the weighty impacts on existing utilities, the rationale to construct inland waterways was found to be less feasible than the benefits associated with the development of water features (ponds, fountains, waterfalls, etc.) and non-water options with considerably less cost. The Authority will pursue these latter options as they would serve to maximize circulation and park access in Kakaako's makai area, create increased opportunities for varied recreational activities, increase available commercial area and frontage and lessen the impacts on the existing utilities and roadways. Through another amendment, the HCDA set the stage for the refinancing of outstanding bonds issued for the completed Improvement District 1 and 2 projects. By refinancing outstanding ID bonds, the HCDA will be able to pass-through interest cost savings to the landowners and lessees currently making semiannual payments to the HCDA.



IMPROVEMENT DISTRICT:

Building the Framework for a Better District



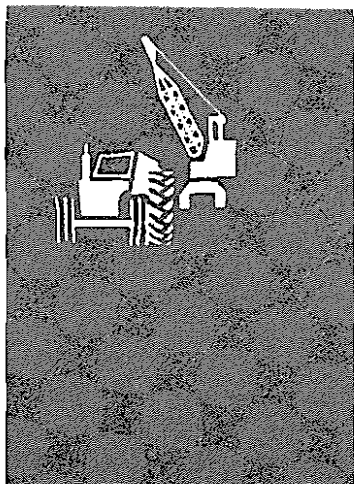
"I think this was a good project (Improvement District 3). The streets look a lot better now and the traffic flow has been improved. Our customers are benefitting from the improvements."

*Tom Fraser, Manager
Hawaii Blueprint & Supply
(a business in the ID-3 area)*

For any city to function properly, the infrastructure system must have sufficient and expandable capacity and be in operable condition. Without these prerequisites, the locale's residents and businesses may suffer the consequences of inadequate roadways and utility system shortcomings. Visitors to such areas may stay away due to safety concerns, and the area's landowners and developers may be stymied in their efforts to develop and realize the full value of their properties due to insufficient capabilities of the infrastructure.

Such was the case of some sections of the Kakaako District even as recently as a decade ago. For many years, the District had been afflicted with a deteriorating and inadequate infrastructure system, much of it installed over 70 years ago. Many streets were narrow and unimproved, and susceptible to serious flooding during heavy rainfall. Some roadways lacked safe pedestrian walkways and were choked with haphazardly parked vehicles. Existing overhead utility poles, cables and equipment provided a cluttered and unsightly blemish to the Kakaako streetscape. And the District's obsolete infrastructure network was not only detrimental to its current inhabitants, but it also set up an impenetrable gauntlet to redevelopment of properties. Many areas just did not have the capacity to support further development.

The HCDA's Improvement District Program has proven to be a successful means of financing and constructing the massive infrastructure improvements that are required in Kakaako. Under this program, the HCDA has joined forces with property owners and the public utility companies to ensure that the construction is carried out in a planned, timely and cost-effective basis.



With the completion of the third Improvement District project in late 1993, the HCDA has achieved about one-third (approximately 150 acres) of the urgently needed improvements in Kakaako's mauka area. Although many of the improvements are hidden underground and not readily visible to the eye, streets are now safer and more conducive to traffic and pedestrian flow. More sidewalks, curbs, signage and fire hydrants augment roadways where once there were none. Streets that were flooded under normal rainfall conditions no longer hamper daily activities. And equally important, the functioning of utilities have been dramatically improved.

HOW IT ALL WORKS



The HCDA's Improvement District Program is employed to reconstruct and widen Kakaako's streets, and to improve and expand the utility systems for drainage, sewer and water. Telephone, electric and cable television lines are expanded and moved underground to enhance the District's appearance and services. The cost of each improvement district is shared by State government, the public utility companies and by landowners who realize special benefits from the improvements. To provide financing for property owners who are being assessed for the improvements, the HCDA arranges the sale of assessment area bonds. With this arrangement, landowners are allowed to pay their assessed amounts in installments over a period of up to 20 years.

Construction of HCDA's first \$35.2 million improvement district project (ID-1) was completed in September 1988, vastly revamping the infrastructure and appearance of the area generally bounded by Punchbowl, King, Cooke, Queen, South and Auahi Streets and Ala Moana Boulevard. The HCDA's ID-2

Project, after an equally rigid two-year construction schedule, was successfully completed by the end of 1990. This project included the area generally bounded by Keawe, Auahi, Coral, Pohukaina, Cooke Streets and Ilalo Street to the ocean.

The HCDA began its third improvement district (ID-3) in late 1990 and construction activities came to fruition in late 1993. The ID-3 Project involved the roadway and utility system improvements on the following streets: Cooke Street (from Pohukaina to King Streets), Kapiolani Boulevard (from King to Dreier Streets), Halekauwila Street (from South to Koula Streets), Keawe and Coral Streets (from Auahi to Queen Streets), Victoria Street (from King to Young Streets) and Curtis Street. As in the former two ID projects, the ID-3 construction was of a large magnitude, involving the installation of drainage, water, sewer and roadway systems and the undergrounding of overhead utility lines.

BUSINESSES ARE A TOP PRIORITY

The intent of the HCDA is to get the infrastructure improvements completed quickly, and at the same time to maintain safety in the area and minimize the unavoidable disruptions and inconveniences to merchants and the public. To help compensate for the loss of on-street parking spaces due to the construction, the HCDA operated temporary parking lots at the former Pohukaina School site and at Waimanu and Pensacola Streets. The total of 460 parking stalls are offered on a first-come, first served basis, with employees of businesses most impacted by the ID construction given priority into the lot.

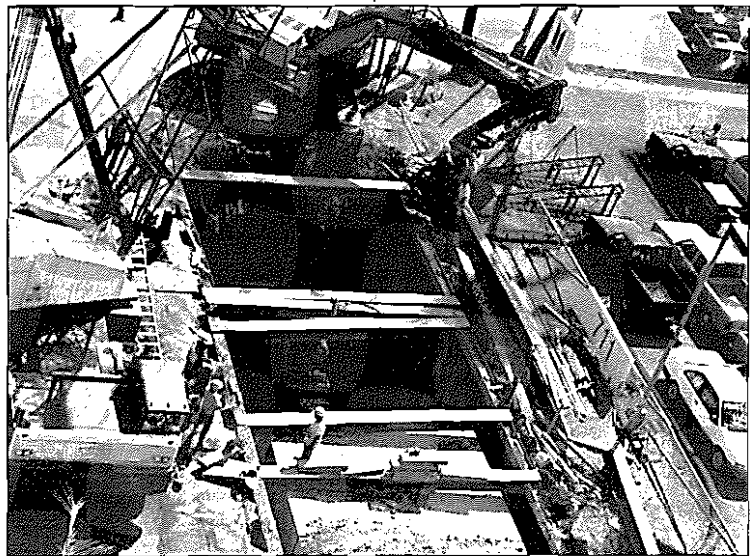
To ensure that the ID-3 proceeded smoothly, the HCDA staff took to the streets on a regular basis to serve as a liaison between the Authority and businesses, and to deal with problems on a case-by-case basis as they occurred. Through personal, in-the-field contact, the HCDA staff were able to keep the merchants



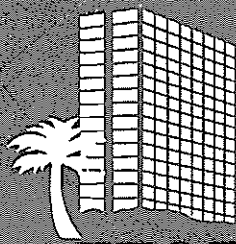
informed of pending roadway/utility system improvements in their areas and to remedy problems and complaints immediately, when possible. Recognizing that access to businesses is mandatory, the HCDA kept all walkways and driveways to establishments open at all times, or alternative access were provided.

UP THE ROAD

During the 1992-93 Fiscal Year, the HCDA initiated the design work for the Improvement District 4 Project, which will involve improvements on Kamakee Street (from Kapiolani Boulevard to Queen Street) and Queen Street (from Kamakee Street to Ward Avenue). This proposed project will be similar in nature to the past three IDs and will cost approximately \$16 million for construction and land acquisition. When constructed, the ID-4 improvements will dramatically improve drainage and flooding problems, and the traffic and pedestrian circulation will be enhanced by the street improvements. If approvals are granted, the HCDA is forecasting the start of construction for ID-4 in the third quarter of 1994.



The completion of infrastructure improvements to the entire Kakaako District will take many years to accomplish and require the continued financial support of the State Legislature. The cooperation of Kakaako's landowners, businesses, lessees and residents are also very important for the successful implementation of all ID projects. In initiating and carrying out these improvements, the HCDA will continue to be concerned not only with the timely completion of construction, but also for the welfare and comfort of the Kakaako community.



AFFORDABLE HOUSING IN KAKAAKO



"Not a day passes without a feeling of gratitude to be living here (Na Lei Hulu Kupuna) in this lovely apartment...I am most thankful to the HCDA and Locations, Inc. for making it possible for me to live here. The need for such housing projects such as Na Lei Hulu Kupuna in Honolulu is very great. For folks like me, it is virtually impossible otherwise to find somewhere like this, attractive and affordable."

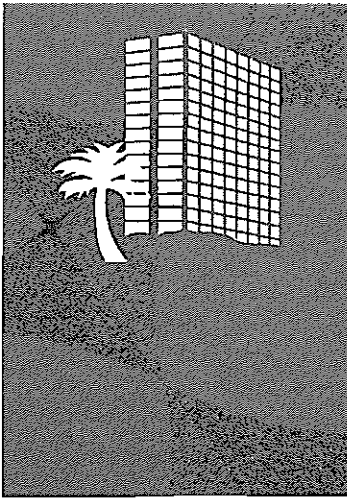
*Ellen A. Corrie
Resident of Na Lei Hulu Kupuna*

Every day of the year, many people in Hawaii must contend with the unglamorous fact that there are just not enough opportunities to purchase or rent decent affordable housing in Hawaii.

For families on a limited budget, or for the elderly population making do with their fixed income, finding affordable residential units in a dwindling market can be an onerous and frustrating task. And for government lawmakers and administrators, housing groups and private developers who are working diligently to quell the housing demand, their travails seem all the more hard fought in the face of limited developable land and the high cost of land and construction.

While the efforts to produce affordable housing in Hawaii have been successful, the challenge of delivering even more units continually persists. It is estimated that by the beginning of the next century, about 85,000 housing units (including 64,000 affordable units) need to be built to accommodate the projected new family population. Over 35 percent of the State's families, couples and singles earn below 80 percent of the median income and must rent housing for shelter. To deal with this formidable housing need, the State is employing its resources and creativity to develop residential units statewide.

The good news is that ongoing endeavors of the Hawaii Community Development Authority (HCDA) to develop affordable housing for rent and purchase in Kakaako clearly casts a



brighter light for the future. Since its inception, one of the main thrusts of the HCDA has been to develop affordable housing and the public facilities to support new development in the Kakaako District. When it created the HCDA, the State Legislature directed the agency to ensure that residential development in Kakaako increase the supply of housing for residents of varying incomes, ages and family groups. To date, the HCDA—in association with the Housing Finance and Development Corporation (HFDC)—has in the works approximately 1,361 affordable rental housing units for Oahu's families and the elderly. Many of these units have been built or are currently under construction. By the close of the Fiscal Year 1993, the HCDA was firming up plans to develop another affordable housing/senior citizens' center project which would produce 150 affordable senior rental units and 93 affordable studio and one-bedroom condominium units for sale.

The HCDA is directing the delivery of housing in Kakaako in several ways. The Authority's "reserved housing" provision of the Kakaako Plan requires private developers to provide below market priced units as a condition for development. A private developer must "reserve" 20 percent of the total number of residential units in the development for families earning between 65% to 140% of median income.

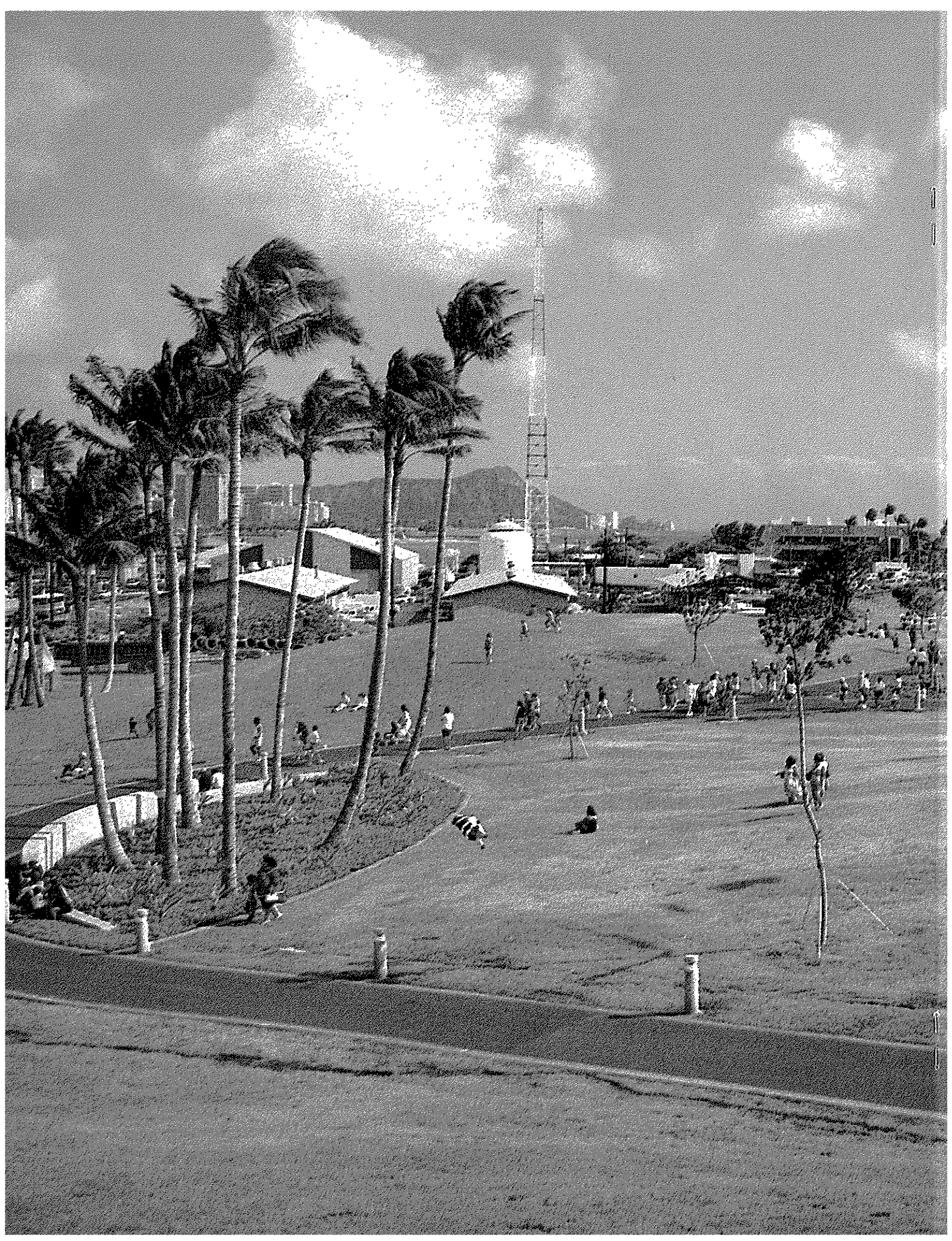
Under certain conditions, the Authority may allow a developer to meet the reserved housing requirement through various alternatives such as providing the required number of units elsewhere in Kakaako, selling the units at a negotiated price to the Authority, or providing a cash payment in lieu of providing the reserved units. In lieu funds collected thus far have been used by the HCDA to construct its affordable housing projects.

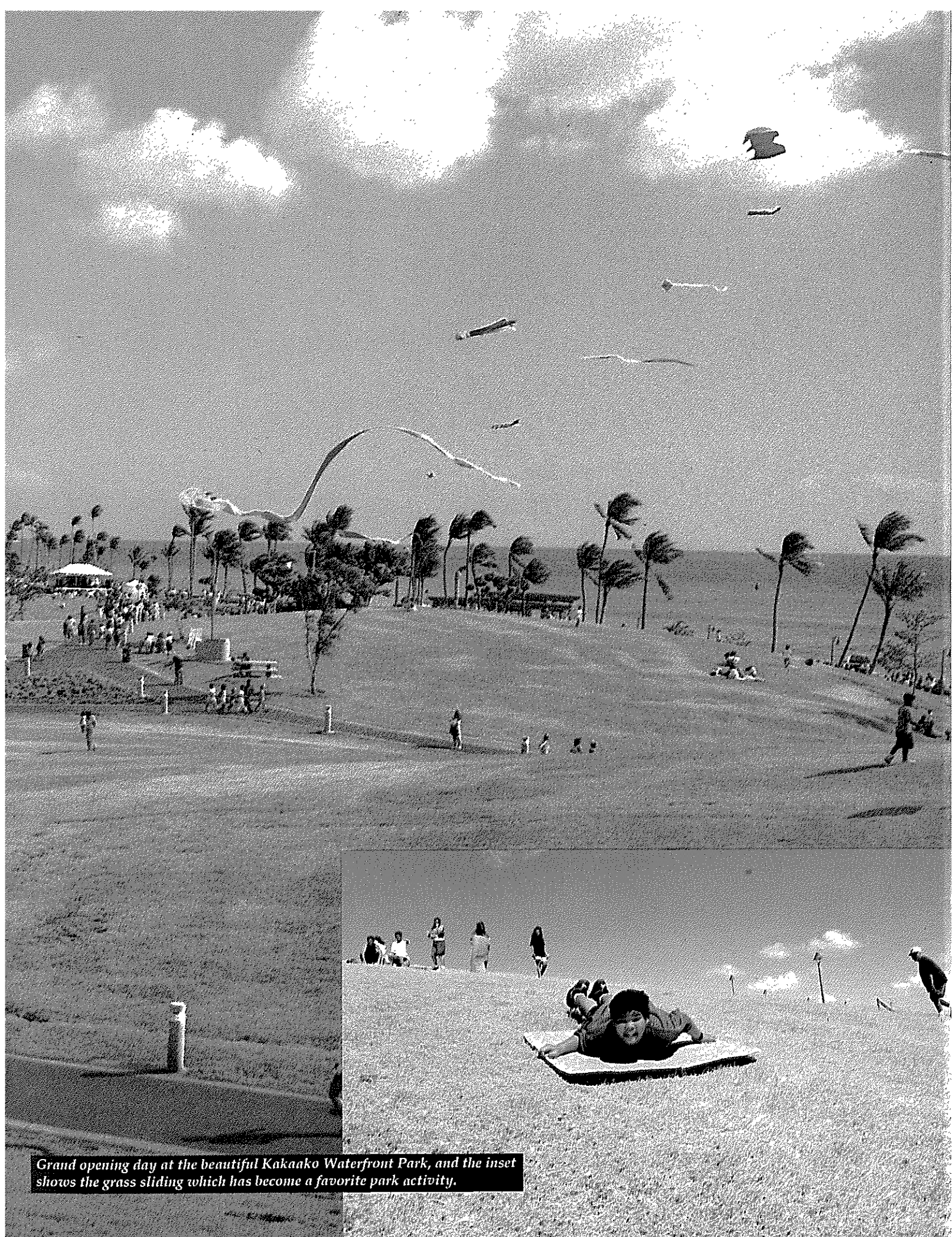


The Pohulani



Residents of the Na Lei Hulu Senior Affordable Rental complex enjoy the beautiful serenity of the center courtyard/waterfall area.





Grand opening day at the beautiful Kakaako Waterfront Park, and the inset shows the grass sliding which has become a favorite park activity.



The Kamakee Vista affordable family rental complex includes the Muriel Pre-School on its premises.

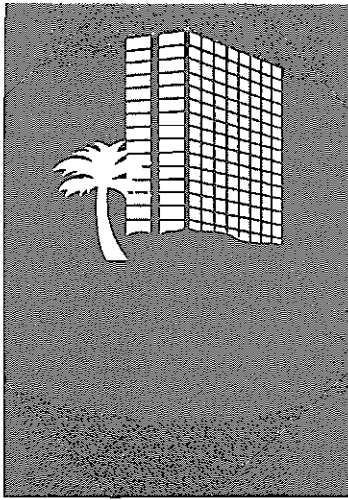
COMPLETED PROJECTS

The **KAMAKEE VISTA** mixed-use affordable family rental project at Queen and Kamakee Streets provides 225 one- and two-bedroom units and over 41,000 square feet of commercial space. The Muriel Pre-School operates on the premises. Under the HFDC's rental assistance program, 60 percent of the units at Kamakee Vista are rented for \$520 and \$745 per month for one- and two-bedroom units, respectively. The remaining units are rented for about 10 percent below market rents.

The HCDA officially opened the **POHULANI** (translated as "Heavenly Calm") senior affordable rental housing complex in July 1992. Praised by many, this facility provides affordable and attractive living space for Hawaii's valued senior citizens. The Pohulani—located on land bounded by Keawe, Queen and Coral Streets—contains 262 studio and one-bedroom units. Each unit is furnished with a refrigerator, oven/range, ceiling fan, carpeting and drapes, and amenities include a recreation deck, lap pool and barbeque area, and garden plots for tenants to cultivate. Each apartment in the Pohulani is equipped with an emergency call system and the building has a fully-secured entrance and a convenience store on the ground floor. Using the HFDC rental assistance program, Pohulani tenants are able to rent studios starting at \$325 per month and one-bedroom units starting at \$445 per month.



The Pohulani's BBQ area.



NA LEI HULU KUPUNA, another affordable rental project designed especially for Hawaii's senior citizens, was dedicated and occupied in late 1992. Conveniently located between Coral, Cooke and Halekauwila Streets, this low-rise development provides 75 attractive and fully-furnished studio units which are available at State subsidized rents that seniors can afford. Na Lei Hulu Kupuna was made possible through the unique alliance of the HCDA, HFDC, the City and County of Honolulu and the Bank of Hawaii. State and Federal tax credit programs were employed to finance this project. Na Lei Hulu Kupuna (translated as "The Elders, Our Cherished Ones") provides for pleasant living quarters in a very ideal location near downtown Honolulu, major medical facilities, the Ala Moana Shopping Center and Beach Park, public bus lines and other recreational and cultural activities. Each of the 75 studios contain a bed, dresser, dining table and chair, air-conditioning, television, range, microwave oven, refrigerator, carpet, drapes and emergency call system. Utilities are included in the rent, which can be as low as \$325 per month with State subsidies.

UNDER CONSTRUCTION

A substantial portion of construction was completed on the HCDA's KAUAHALE KAKA'AKO affordable family housing development by the end of 1993. Located on land between Ilaniwai and Halekauwila Streets, this project will provide a total of 268 handsome and affordable rental one- and two-bedroom units in a central and convenient location. The Kauahale Kaka'ako includes approximately 11,000 square feet of commercial/industrial space



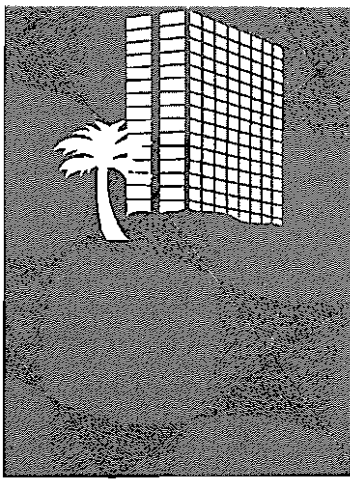
Na Lei Hulu Kupuna

on the ground floor. All of the partly furnished units include a range/oven, refrigerator and ceiling fan, and tenants can use the active recreation deck with basketball court, exercise and BBQ area, children's playground and meeting room. The Kauhale Kaka'ako includes an adjoining parking structure with 268 tenant parking space and 500 stalls for the general public to use on a shared basis. Qualified families will be able to rent one- and two-bedroom units starting at about \$560 and \$800 per month, respectively, using HFDC rental subsidies.



FUTURE PROJECTS

In July, 1993, the HCDA approved the development permit for a project which will provide urgently needed affordable rental housing, while also attempting to meet some of the educational space requirement of the Department of Education (DOE) and the University of Hawaii. The HALE KEWALO complex, to be built by the HCDA/HFDC alliance on the former Pensacola Street campus of the Kapiolani Community College (KCC), will deliver 529 affordable rental apartments for the general public and University of Hawaii faculty. The 529 units will include: 78 studios with subsidized rents at approximately \$425 per month, 194 one-bedroom units with subsidized rents at approximately \$575 per month, and 251 two-bedroom units with subsidized rents at approximately \$825 per month, and six three-bedroom units. Also included in the Hale Kewalo site are: 22,658 square feet of offices and classrooms for the UH Employment Training Office, retention of Building 857 (consisting of 42,068 square feet) for educational use by the DOE, a 1.75-acre park/open space at the corner of Kapiolani Boulevard and Pensacola Street, and 716 parking stalls.



In addition to providing affordable rental housing for Hawaii's families, Hale Kewalo will greatly help to mitigate housing affordability problems for UH faculty. The high cost of Hawaii's housing has negatively influenced the recruitment and retention of qualified teaching personnel for the UH. Although certain groups have spoke out against using the KCC site for other than educational purposes, the HCDA found that the site would achieve the highest and best use of the land for the broadest public good, to accommodate both critical and distinct housing and educational needs. In 1992, the State Legislature appropriated \$28 million for construction of the Hale Kewalo and the project site was set aside to the HCDA in August 1992 via Executive Order for that purpose.

By the close of the 1992-93 Fiscal Year, the HCDA was fine-tuning a scenario to develop the HONUAKAHA housing complex—an affordable housing and senior citizens' center on the historic Royal Brewery site on Queen Street.



Construction of Kauhale Kaka'ako

HCDA's plans call for the rehabilitation of the Brewery building to allow for five stories of newly constructed loft space. The first three floors of the building would be designated for the 7,000 square foot senior citizens' community center, while the top two floors would provide commercial office space. As planned, the multi-purpose senior center could provide a wide array of services such as educational courses, recreational and leisure activities, volunteer opportunities, club meetings and activities, housing assistance and other social services. The HCDA would also build a housing complex adjacent to the rehabilitated red brick

As planned, the multi-purpose senior center could provide a wide array of services such as educational courses, recreational and leisure activities, volunteer opportunities, club meetings and activities, housing assistance and other social services. The HCDA would also build a housing complex adjacent to the rehabilitated red brick

brewery building to contain affordable senior rental units and condominium units for sale. A six-story, low-rise structure would house 150 fully-furnished studio apartments for rent to qualified senior citizens. Each studio unit would have its own bathroom and kitchen, along with a bed, dresser, dining table, chairs, television set, emergency call system, air-conditioning, range, refrigerator and microwave oven. Projected rent for each unit is \$375. The HCDA will enter into a limited partnership agreement with First Hawaiian Bank to develop and finance the affordable senior rental component of this project.

Ninety-three for-sale studio and one-bedroom condominium units for single-member households would be contained in a complex located behind the senior rental project. These fee simple units would be approximately 550 square feet in size and the sales prices would be set at about \$160,000 to \$180,000 per unit. Each unit would include one parking stall, a refrigerator, range/oven, washer and dryer, and air-conditioning units. The entire project will cost approximately \$44 million and the State would recoup about \$15 million through the sale of the 93 fee simple condominiums. If project approvals are obtained, the HCDA would like to start construction on the Honuakaha Affordable Housing complex in March 1994.



Rendering of Hale Kewalo



FRONT RENAISSANCE: A Gift to Hawaii's People



"We visited the Kakaako (Waterfront) Park one Saturday afternoon and was just amazed at the beauty...vast landscape...the fun people (families) were having...the privacy a group could have but still feel the spirit of Hawaii...all around. What a beautiful area!...At the Kakaako Park, we felt like everyone was there to have fun...and the grass sliding...what fun!...You recycled an area which was an eyesore to a beautiful park in the heart of Honolulu. My family loves the Kakaako (Waterfront) Park!"

*Lorraine S. Inouye
Hawaii Resident*

Of all of nature's gifts to the people of Hawaii, the waterfront is a fabulous treasure. It's a special place where the harmonizing of land and sea offers an undeniable treat to the human soul. Its legacy can be as basic as providing a place where visitors can enjoy the serene beauty and tranquility of an area removed from urban madness. And the waterfront also contributes the potential to accommodate expanding recreational and cultural needs of Honolulu's residents, as well as serving the maritime and economic essentials of the State.

Recognizing the Honolulu waterfront as a remarkable resource with vast unrealized potential, the State administration in 1987 embarked on a mission to develop and improve the entire six-mile coastal stretch of the Honolulu Waterfront, from the Ala Wai Canal to the Honolulu International Airport.

"The time has come to again enjoy our waterfront as a people-oriented gathering place, to introduce new forms of life into our vital, yet dormant waterfront areas... For the past 20 years, there has been talk of harvesting the fruits of waterfront development. The time has come to turn those dreams into reality," said Governor John Waihee. With these words the Governor in September 1987 launched the State's waterfront revitalization program, setting forth a dynamic vision and aggressive strategy to capitalize on the enormous potential of the Honolulu waterfront to accommodate a variety of new recreational, cultural and commercial activities.

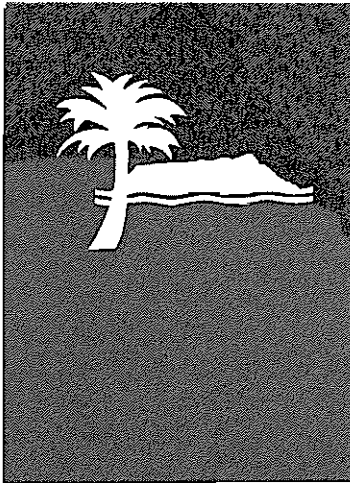
One important part of this vision was the reopening of major portions of the waterfront that had for years been neglected or closed to public access. The Kakaako Waterfront—the area between Ala Moana Beach Park and Pier 4 in Honolulu Harbor—was recognized as the centerpiece of this unprecedented redevelopment effort. The HCDA, therefore, played a key role in this concerted effort. After the Master Plan for the Honolulu waterfront was completed, the Authority in 1990 adopted its Kakaako Makai Area Plan, which regulates the renewal of the area makai of Ala Moana Boulevard to the Kakaako waterfront shoreline. Taking its direction from the State's waterfront Master Plan, the Kakaako Makai Area Plan attempts to accommodate the ever increasing recreational, cultural, commercial and maritime needs of Honolulu's population. Intrinsic to the goals of the Plan is the importance of attracting Hawaii's residents back to the waterfront by reviving and transforming the area into a vibrant people-oriented gathering place. The emphasis is on creating an exciting and convenient site where people can enjoy recreation, entertainment and cultural activities in a park-like setting.

Strong legislative support enabled the HCDA to embark on an accelerated program to transform the Kakaako waterfront into a alluring, new "Central Park" for Honolulu. The cornerstone of the transformation of the Kakaako Waterfront was laid in 1990 when HCDA completed the four-acre Kewalo Basin Park, located in Kewalo Basin. This scenic shorefront park has become a favorite picnic spot for Honolulu's residents. The Park's pedestrian promenade and observation areas offer breathtaking views of Ala Moana Beach, Magic Island and Diamond Head.

In November 1992, an estimated 15,000 people took part in the Grand Opening festivities of the Kakaako Waterfront Park. Speaking at the opening, Governor John Waihee exclaimed, "We are going to have a wonderful waterfront that will rival anything any city has in this world. But more importantly, it will bring out



*Grand opening of the
Kakaako Waterfront Park*



people to their own ocean.” Visitors to the day-long event experienced the Park’s magnificent landscape and views, as well as jazz, Hawaiian and children’s entertainment, boat cruises and “keiki” rides. The day came to a stunning climax with a colorful aerial fireworks display.

Reclaiming of the Kakaako Waterfront for the use and

enjoyment of Hawaii’s residents is a fitting conclusion to the historic progression of uses that have occurred in the area. The park site once served as an inland waterway for ships which would anchor in the area now occupied by Queen Street. From 1927 through most of the 1970s, the site was operated as a depository for ash from municipal trash incinerators and a dump for excess debris. The site was closed as a municipal landfill in 1987, but it continued to attract rubbish and other debris until it was redeveloped by the HCDA.



The landfill prior to construction of the Kakaako Waterfront Park

The Kakaako Waterfront Park’s first phase, including 30 acres of passive recreational park space, is a totally unique experience. It consists of contoured, rolling landscaped mounds, and at the shoreline, a breathtaking pedestrian promenade with comfort stations and picnic areas. The 20 feet wide promenade runs the entire length of the park, linking five oceanfront observation areas. The HCDA used an innovative approach in converting the landfill area to park usage. It installed over 23,000 square yards of polyvinyl membrane on five acres of the park site. This mem-

brane, in conjunction with a passive collecting and venting system, collects and vents methane gas that may be generated by the decomposition of remaining organic materials. The entire Park was then covered with layers of imported fill, top soil, landscaping and hardscapes. While the Kakaako Waterfront Park has elicited enthusiastic public praises, it has also garnered a number of professional accolades. These include the Outdoor Circle 1993 Beautification Award, the American Society of Landscape Architects—Hawaii Chapter 1993 Design Excellence Award, the Commercial Landscaping category of the Building Industry Association of Hawaii's 1993 Hawaii Renaissance Award, and Honorable Mention in the American Society of Civil Engineers "Outstanding Civil Engineering Achievement".

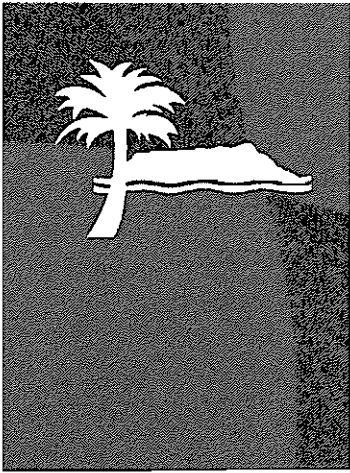
LOOKING AHEAD

The HCDA is planning to develop 40 additional acres of park space for the second phase of the Kakaako Waterfront Park between 1994 and 1998. The Authority anticipates special cultural and educational facilities to be located in the area generally bounded by Ilalo Street and the first phase of the Kakaako Waterfront Park.

At the close of the Fiscal Year 1992-93, the HCDA was going through the permitting process to develop a new Kakaako Beach Park on the westerly reach of the Kakaako peninsula shoreline. The Kakaako Beach Park will provide Hawaii's residents

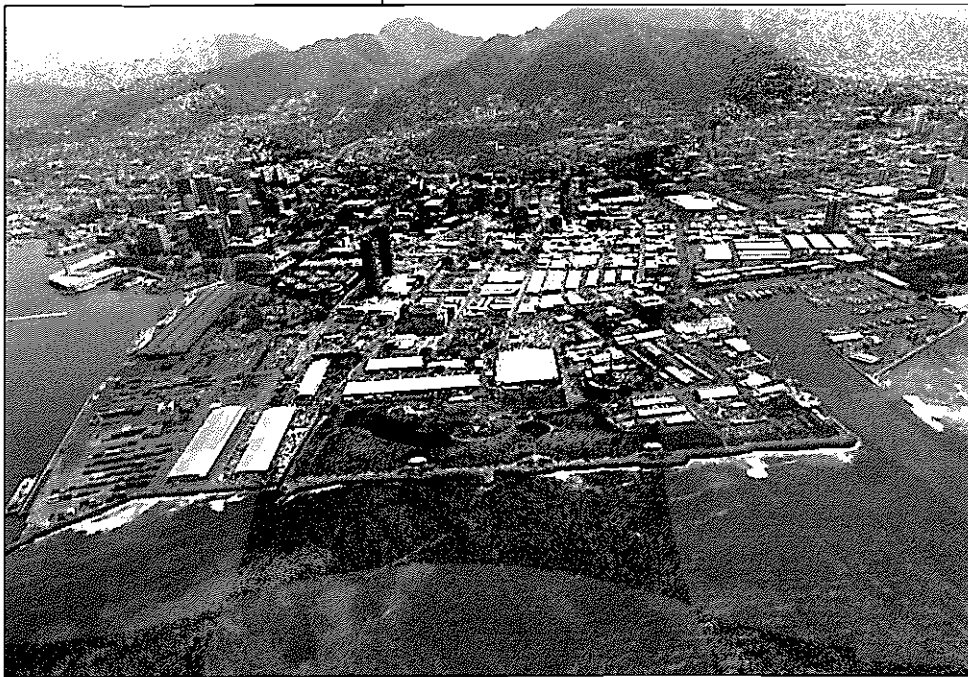


Kakaako Waterfront Park



and visitors with much needed recreational beach park facilities and access to ocean recreation activities in urban Honolulu. The proposed Kakaako Beach Park would be created by offshore filling to form three acres of stable sandy beach facing Diamond Head. Eleven acres of park fast lands are also envisioned to provide support facilities for beach users. These include landscaped open space, picnic facilities, comfort stations with showers, and parking. The HCDA has conducted environmental and feasibility studies on the proposed Beach Park. As proposed, the fast lands portion of the Park and the sandy beach would be protected by 1,250 feet of revetment, 800 feet of breakwater, a 400-foot extension of an existing groin, and 500 feet of submerged reef shoal. These protective structures will create new tidal habitats by providing additional vertical relief, and enhanced environment for marine

biota and reef fish. Additional mitigation would be provided by the construction of artificial reefs in waters offshore. These artificial reef habitats should increase the biological diversity and abundance of fish and reef organisms in the vicinity. The Beach Park has been sited and configured such that none of the existing popular surf sites would



Kakaako Waterfront Park

be impacted by the offshore filling and protective structures. In addition, the Beach Park will provide another access to the "Flies" surf site.

The 1993 State Legislature appropriated \$1.2 million for the HCDA to proceed with detailed design work and construction drawings for the Kakaako Beach Park, which will cost an estimated \$30 million to construct. The HCDA has responded to community concerns during the planning process and, in addition, the Beach Park will go through public hearings to elicit further comments.

Other future improvements that the HCDA envisions for the second phase of the Kakaako Waterfront Park include:

- o Renovation and transformation of the historic Ala Moana Sewage Pump Station into a Heritage Education Center, a project of the Historic Hawai'i Foundation.
- o The development of a 37,000 square foot museum facility on the Kewalo Incinerator Building site (located at Olomehani and Ohe Streets) by the Children's Museum of Arts, Culture, Science and Technology.

Other projects being studied or under consideration include:

- o The development of a performing arts center which would serve a range of community performance groups.
- o An exhibition center to provide a prominent display of local visual arts, crafts and historical artifacts.

Longer-range plans for the Kakaako makai area include greenway extensions into the Fort Armstrong area and the connection of the Kakaako Waterfront Park to new commercial developments. It is hoped that upon completion, the entire Kakaako Waterfront Park will span 60-70 acres and will serve Hawaii as a premier gathering place enriched by cultural and education resources.





FINANCIAL INFORMATION

HAWAII COMMUNITY DEVELOPMENT AUTHORITY Statement Of Appropriations, Expenditures, Encumbrances

	Prior Year Available Funds 7/1/92	Appropriations	Transfers
OPERATING FUNDS			
Act 300, SLH 1992	—	\$ 268,395	\$10,090
PROJECT FUNDS			
Kakaako Community Development District			
Act 264, SLH 1982	\$ 22,816	—	—
Act 301, SLH 1983	19,118	—	—
Act 300, SLH 1985	84,469	—	—
Act 216, SLH 1987	261,265	—	—
Act 316, SLH 1989	4,492,564	—	—
Act 299, SLH 1990	3,141,474	—	—
Act 296, SLH 1991	14,768,329	—	—
Act 300, SLH 1992	—	11,260,000	—
Delegations	3,467,739	—	—
IMPROVEMENT DISTRICT			
BOND FUNDS			
	4,490,938	—	—
REVOLVING FUND			
	<u>12,441,865</u>	<u>13,824,815^{1/}</u>	<u>—</u>
	<u>\$43,190,577</u>	<u>\$25,353,210</u>	<u>\$10,090</u>

^{1/} Variance, dedication fees, assessment fees, etc., collected.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY Statement Of Expenditures (For the Fiscal Years Ending June 30, 1992)

	Operating Funds
Personal Services	\$255,192
Other Current Expenses	23,293
Equipment	—
TOTAL EXPENDITURES	<u>\$278,485</u>

And Balances (For Fiscal Year Ended June 30, 1993)

Expenditures	Encumbrances	Allotments	Unallotted	Funds	Lapsed
\$ 278,485	—	—	—	—	—
—	\$ 22,816	—	—	—	—
—	19,118	—	—	—	—
71,811	12,658	—	—	—	—
106,169	155,096	—	—	—	—
2,774,503	1,718,056	—	—	—	\$5
1,973,013	1,168,461	—	—	—	—
9,213,208	3,552,826	\$1,027,671	\$ 974,624	—	—
5,905,060	292,090	2,100,850	2,962,000	—	—
907,863	2,559,876	—	—	—	—
3,577,856	—	913,082	—	—	—
<u>9,526,529</u>	<u>1,582,008</u>	<u>—</u>	<u>—</u>	<u>\$15,158,143</u>	<u>—</u>
<u>\$34,334,497</u>	<u>\$11,083,005</u>	<u>\$4,041,603</u>	<u>\$3,936,624</u>	<u>\$15,158,143</u>	<u>\$5</u>

and June 30, 1993)

June 30, 1993		June 30, 1992
Project	Total	Total
Funds	Expenditures	Expenditures
\$ 1,624,055	\$ 1,879,247	\$ 1,709,550
32,399,879	32,423,172	36,929,874
<u>32,078</u>	<u>32,078</u>	<u>43,522</u>
<u>\$34,056,012</u>	<u>\$34,334,497</u>	<u>\$38,682,946</u>

AUTHORITY MEMBERS

(July 1, 1992 - June 30, 1993)

Chairman

Gary L. Caulfield, Senior Vice President
First Hawaiian Bank

Vice Chairman

Stanley K. Kawaguchi, Vice President
Parsons Brinckerhoff
Quade & Douglas, Inc.

Secretary

Michael K. Kawaharada
Vice President & Director
Hawaii Office/Robert Englekirk
Consulting Structural Engineers, Inc.

Sam Callejo

(served until Jan. 1993)

Richard B.F. Choy
President, Paradise Optical Company

Alvin K.T. Goo

Assistant Branch Manager
First Hawaiian Bank/Waikiki Branch

Mufi Hannemann

Director, Department of Business, Economic
Development & Tourism

Rex D. Johnson

Director, Department of Transportation

Russel Nagata, Comptroller,

Dept. of Accounting and General Services
(served until Sept. 92)

Yukio Takemoto

Director, Department of Budget & Finance

Robert Takushi, Comptroller

Dept. of Accounting and General Services

Susan Todani

Management Consultant,
KPMG Peat Marwick

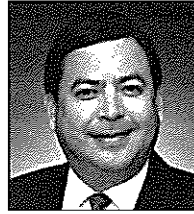
Murray E. Towill

Director, Department of Business, Economic
Development & Tourism
(served until July 1992)

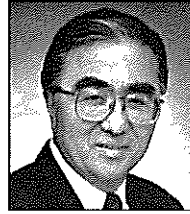
**R. Brian Tsujimura, Attorney and
Real Estate Developer**
(served until July, 1993)

T.C. Yim

Michael N. Scarfone
Executive Director
Hawaii Community Development Authority



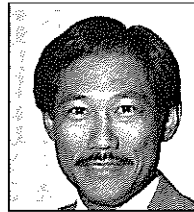
Caulfield



Kawaguchi



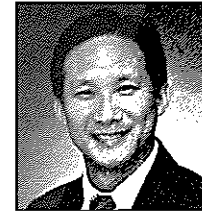
Kawaharada



Callejo



Choy



Goo



Hannemann



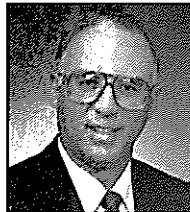
Johnson



Nagata



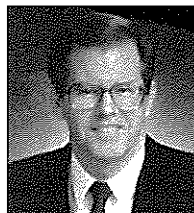
Takemoto



Takushi



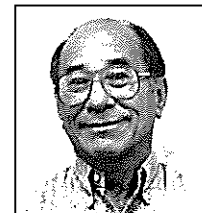
Todani



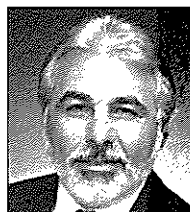
Towill



Tsujimura



Yim



Scarfone





HAWAII COMMUNITY
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KAKAIAKO