

# Hawaii Community Development Authority 2019 Annual Report

to the

## Thirtieth Hawaii State Legislature Regular Session of 2020

Prepared by  
Hawaii Community Development Authority  
Department of Business, Economic Development & Tourism  
State of Hawaii  
January 2020

This report satisfies Hawaii Revised Statutes Section 206E-19.



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# Hawaii Community Development Authority

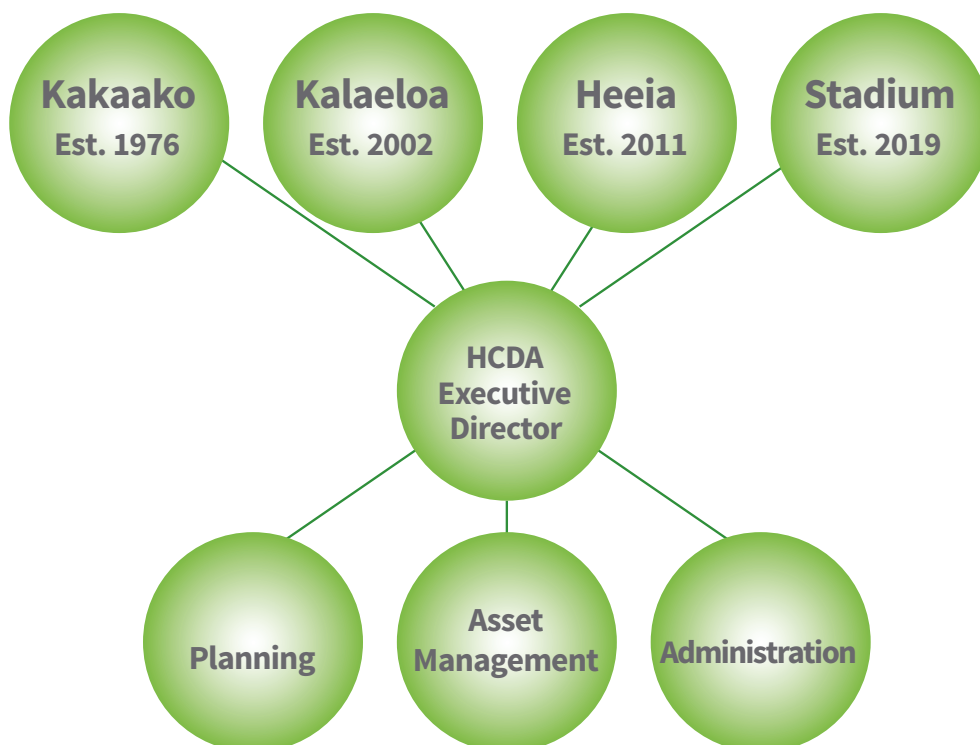
The Hawaii Community Development Authority (HCDA) is a re-development agency established by the legislature in 1976, as a way to plan for the future development and the redevelopment of underutilized urban areas of Hawaii.

Its mission is to establish community development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition.

Lawmakers determined these “Community Development Districts” were underused and deteriorating, but had the potential to provide great economic opportunities to the state once they were redeveloped.

The designated Community Development Districts are Kakaako, Kalaeloa, Heeia, and as of 2019 the new Stadium Development District.

The Authority’s work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawaii’s people.



## Recent Legislation

# New Stadium Development District

Act 268 (2019) was signed into law on July 8, 2019 establishing a new Stadium Development District, which includes all land under the jurisdiction of the Stadium Authority. The bill set aside \$350 million for the new stadium development district and authorizes the HCDA to make optimal use of public land for the economic, residential, educational, and social benefit of the people of Hawaii. The district consists of 98.5 acres in Halawa, Oahu, Hawaii.

Fortunately, the Stadium Authority and the State Department of Accounting and General Services (DAGS) have been working diligently for years, and have made a great deal of progress towards planning and compiling a solicitation for a new stadium, and together the three agencies, the Stadium Authority, DAGS, and HCDA have developed a great team focused on creating a vibrant new gathering place where the people of Hawaii can live, congregate, recreate, attend schools, and shop, as part of a thoughtfully integrated experience, not just a stadium but an entire district to support and enhance the experience for residents and visitors alike.

Several sites for the new stadium were analyzed considering site access, transit connections, regional demographic and development opportunities and incentives. The study concluded and recommended that the current Halawa site is the most appropriate, viable and development ready site for a new 35,000 seat stadium with surrounding ancillary development.

Since Act 268 was signed into the law, the HCDA has been working with DAGS and the Stadium Authority to get up to speed. One of the most critical elements in this process is the need to move expeditiously and efficiently to realize a new facility. The Stadium's maintenance contractor has identified \$16.5 million to \$20 million in necessary repairs to keep the Stadium in operation for the 4-5 years it is estimated to get the Stadium procured, designed, constructed and placed in service. This is one of the key drivers in the process to optimize the use of public resources and expedite the process effectively and efficiently.

In 2019, the HCDA executive director, the state comptroller and the stadium authority collaborated to draft a memorandum of agreement. The MOA clarifies each party's role in working to achieve the common goal of building a world-class entertainment district. The Stadium Authority will continue to manage and operate the properties and improvements.

Based on the need to move efficiently and effectively, what was generally agreed upon in the group was that DAGS continue to conduct the pre-development due diligence including the master plan and EIS through the request for qualifications stage of the solicitation, with the HCDA taking over the project at the RFP stage. With DAGS initiating the solicitation it was also found appropriate that DAGS Comptroller serve as the Head of Procurement Agency (HOPA) on the NASED solicitation.

The Environmental Impact Statement Preparation Notice (EISPN) was published on September 8, and the 30-day period for public comments ended October 8. The EISPN is available at <http://nased.hawaii.gov/eispn>.

On September 25, an EIS Scoping Meeting was held at the Aloha Stadium Hospitality Room, 99-500 Salt Lake Blvd., Honolulu, HI 96818.





For Potential Developers, the New Aloha Stadium Entertainment District (NASED) team hosted a P3 Industry day on October 3, and presented information and gathered feedback from developers and interested parties in anticipation of the upcoming Request for Qualifications (RFQ) for the NASED development in Halawa.

Separately, DAGS through the Office of the Attorney General has retained special counsel to provide supplemental project oversight including due diligence, legal review and other services.

HCDA shall facilitate the development of all property within the district. It will coordinate with government entities, develop infrastructure necessary to support the development of state property within the District, and provide opportunity for reuse of state property within the District by private enterprise or state and county government.

The construction of the new stadium facility and ancillary development of the entertainment district surrounding the new stadium will be pursued under a Public-Private-Partnership (P3) between the state and a private developer selected through a State Procurement Request for Proposals (RFP) process.

Crawford Architects, with WT Partnership and AHL, are leading the master planning and completion of a Programmatic Environmental Impact Statement on behalf of the State of Hawaii.

The collective vision is to build on the success of the past coupled with modern technologies and new private enterprise and government partnerships to advance in a thriving environment.

# Recent Legislation

## Kakaako Sunset Plan

Act 005 (2019) Relating to the State Budget funded several state agencies including HCDA operating budget and funding for 23 staff. It also featured a provision, Section 4, providing that the HCDA shall submit a comprehensive transition plan and proposed legislation to transfer control of the authority's Kakaako community development district twenty days prior to the convening of the regular session of 2020.

On July 10, 2019, the HCDA Kakaako board approved the creation of a permitted interaction group, in compliance with HRS Chapter 92-2.5, to provide recommendations on the study to transfer control of the Kakaako Community Development District. The members include John Whalen, Philip Hasha, Jason Okuhama and Kevin Sakoda.

In public testimony before the board, members of the community asked whether the goals of HCDA in Kakaako have been met including:

- Building a complete mixed-use community with commercial, retail, amenities, affordable housing, and infrastructure.
- Will housing be allowed Makai of Ala Moana Boulevard after the transfer?
- Will plans, laws, and rules currently in place for the Kakaako community development district and agreed to by the community be honored?
- What city protections would be put in place to honor the community's intent in the district?

The board wanted to evaluate the conditions under which any district would be considered to be "substantially complete."

In addition, the HCDA holds many assets in Kakaako, some fulfill a statewide purpose to provide social services (for example, affordable housing projects or the Family Assessment Center homeless shelter) that provide minimal lease rent but a large public benefit.

Research will need to be done to find the best fit for each asset/service to continue to thrive, whether it be to transfer an asset to the city or another state agency.

HCDA's biggest success has been the master planned communities on the Ewa and Diamond Head ends of the district. HCDA has improved infrastructure in both areas with state investment. However, very little change has occurred in Central Kakaako, where the roads are unimproved and flood without drainage, and the lack of sidewalks with haphazardly parked cars make for dangerous conditions for pedestrians and bicyclists.

Act 005 did not appropriate funds for the plan, however, the Authority authorized the executive director to expend up to \$100,000 for a study to transfer its control of the Kakaako Community Development District. The Office of Planning has agreed to hire a consultant to further delve into the details of what a transfer would entail including but not limited to the state's obligations and liabilities.

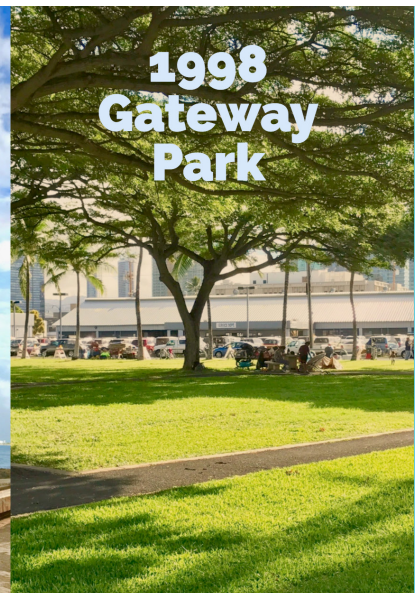




**1990  
Kewalo  
Basin Park**



**1992  
Kakaako  
Waterfront  
Park**



**1998  
Gateway  
Park**

## 2019 Highlights

# Grant property to city

HCDA has the power to condemn land for public use. It can also grant real property to other state agencies or counties.

As a re-development agency after improvements are made to public facilities, ideally, they are transferred to the state department or county best able to maintain them in perpetuity for public use.

In 2019, after years of struggling to maintain public safety across 16 parcels of lands in Kakaako on the makai side of Ala Moana Boulevard, the HCDA transferred control of its state property, including the Kakaako Waterfront Park, Gateway parks and Kewalo Basin Park to the City and County of Honolulu.

The city's Department of Parks and Recreation which oversees 300 city parks and has a staff of over 750 people is well equipped and has the expertise to better manage the Kakaako parks, the roads HCDA improved and created when constructing the parks, and the Children's Discovery Center. The city hired 19 groundskeepers, four security-minded park rangers and a recreation event coordinator making the parks safer for everyone to use.

To assist the city in making greatly needed repairs to the public facilities HCDA gave the city \$2.25 million upon the transfer.

Not only will the parks be better maintained with the new resources, the adjacent roads and properties that now also belong to the city, make it easier for the city's Honolulu Police Department to enforce public safety in the entire area without concerns over jurisdiction.

Kewalo Basin Park was built by HCDA in 1990 with funds from the Legislature, the Kakaako Waterfront was transformed from a city dumpsite into the over 30-acre park in 1992, and the Gateway parks were completed by HCDA as a part of Improvement District in 1998.

## 2019 Highlights

# Micro-unit housing

Nohona Hale will soon be complete, affordable micro-units on a mere 10,000 sq.ft. parcel of HCDA land on Cooke Street, including 105 small thoughtfully-designed, high-quality residential units to be occupied by no more than two people per unit. The first of its kind here in Hawaii.

Elsewhere, micro-unit housing projects provide desirable tradeoffs, with few amenities but instead great accessibility and convenience to surrounding public facilities and active, mixed-use urban environments. Micro-unit housing can serve changing demographics as well as mixed-income groups, including for example seniors who seek to 'age in place' near transit-rich areas, millennials who prefer an urban-centric lifestyle, and individuals who are vulnerable to becoming homeless.

There are many challenges for producing affordable housing that meet the diverse needs and preferences of targeted populations, that can be feasibly financed, that adjusts to an increasing cost of living, and that is compatible with the character and vision for a specific neighborhood. Yet, despite these competing challenges there are many successful case studies and proven solutions in other cities from which to draw comparisons, learn lessons, and further innovate.

Kakaako is an appropriate area to prove these concepts and to prototype a new housing typology that offers housing options which will invite greater inclusion for many target groups.





## 2019 Highlights

### Victoria Place and additional green space

Public hearings were held on September 4 and October 2, and the HCDA approved the Howard Hughes Corporation's application for a development permit for Victoria Place, a 350-unit residential condominium at 1100 Ala Moana Blvd., on a portion of the former Ward Warehouse location.

The project is subject to reserved housing requirements, and the developer will begin work on the reserved housing units prior to the approval of any further projects.



### Kalaeloa Energy Corridor project

The Enterprise Energy Corridor Project consisted of the construction of underground utility systems. Phase 1, which involved Fort Barrette Road, from Kapolei Parkway to Franklin D. Roosevelt Avenue; and Enterprise Street, from Franklin D. Roosevelt Avenue to Langley Street was completed in March 2019. Phase 2, which involves Enterprise Street, from Langley Street to Midway Street, is currently under construction. The contractor is Paul's Electrical Contracting and Notice To Proceed was issued on July 22, 2019. They are scheduled to finish in March 2020.

### Kalaeloa Safe and Reliable Energy Infrastructure

HCDA is working to develop a strategy for safe and reliable energy infrastructure. Kalaeloa is served by a legacy power infrastructure owned and operated by the United States Navy.

HCDA contracted C.H. Guernsey and Company to assist in developing a process and aid HCDA with the selection of an alternative electric utility. The four parts of this project are: 1) Identify viable alternatives to the current utility, including methods for transfer from the Navy, and replacement or upgrade of the electric infrastructure; 2) An environmental review of the district relating to the existing electrical infrastructure; 3) Develop the solicitation plan with a detailed system inventory and condition assessment, an estimated government cost, a Request for Information and prepare the Request for Proposal; and 4) Proposal evaluation and decision analysis. The project is currently on part two.

### Kalaeloa metes and bounds

Working in Kalaeloa HCDA found it had become increasingly more important to have metes and bounds and rights of way maps for all the streets in the districts. There were none existing, and they were needed for new projects consistent with the street plan proposed in the Kalaeloa Master Plan. Thus, HCDA contracted a consultant to conduct the land surveys for the Kalaeloa Right of Way. The project's three major deliverables are: 1) A full survey of the existing roadways including documentation, maps and relevant notes, 2) Community consultation regarding the existing versus proposed roadways, and 3) Iteration of the documents upon feedback from relevant parties. The first draft of maps were shared with the Authority in 2019.





# Heeia



## 2019 Highlights

In 2011, Act 210 was signed into law establishing the Heeia Community Development District (CDD). HCDA was designated the redevelopment agency of the district responsible for facilitating culturally appropriate agriculture, education, and natural-resource restoration and management of the Heeia wetlands.

The development of a community development plan for the district with guidance policies, a district-wide improvement program and community development rules is required by law, HRS 206E-5. However, the Heeia CDD struggled to secure funding and the resources to develop the plan and rules.

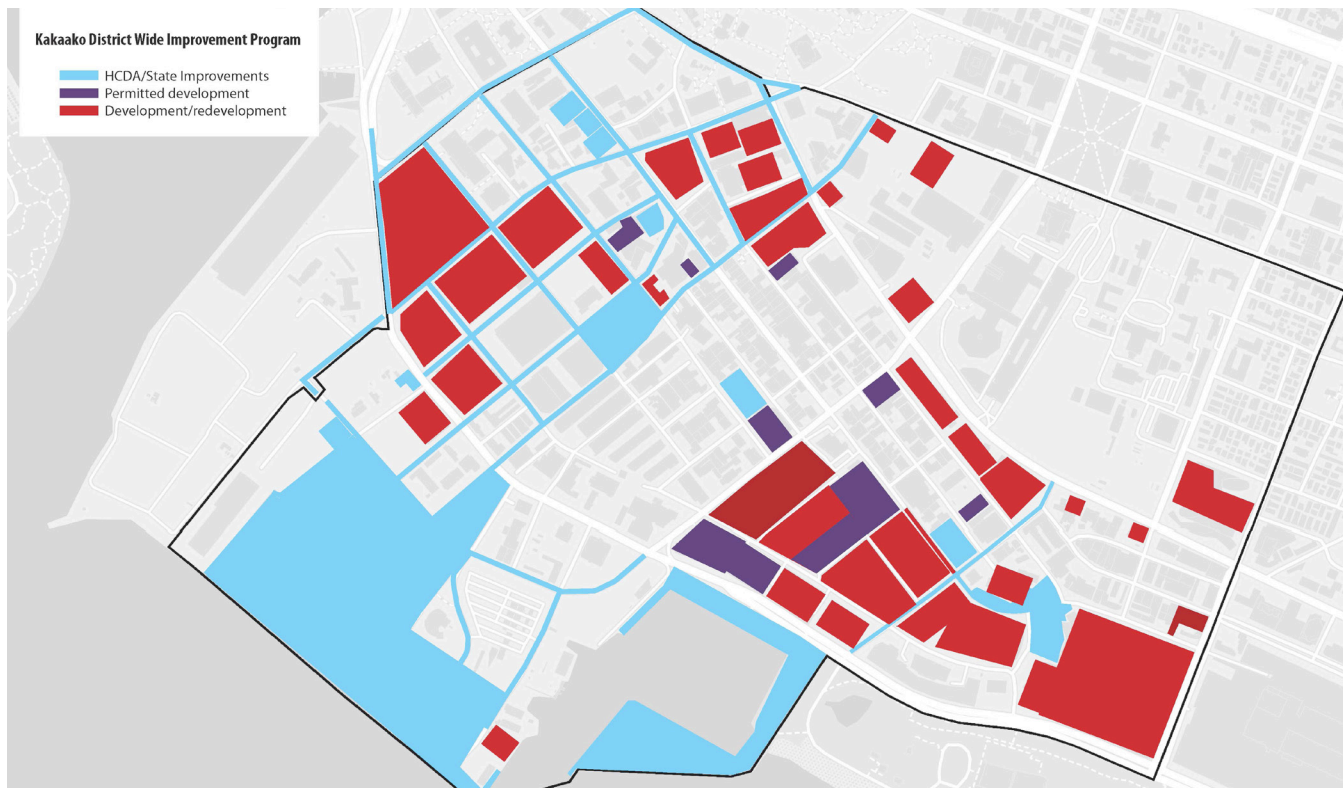
In 2017, the Kakaako CDD Board approved the transfer of funds from Kakaako to Heeia to retain a consultant to develop a plan and administrative rules for the Heeia CDD. Townscape, Inc. was later selected to prepare the plans and rules.

HCDA and Townscape, Inc. have continued working on the Windward side of Oahu with stakeholders and the community to develop the Heeia Community Development District Plan and rules. In November 2019, the Authority held a board meeting in the evening at Windward Community College to present an update to the community and gather input and feedback.

The next steps will be to: 1) Incorporate the public and authority comments and prepare the draft final Heeia CDD Plan, 2) Draft the Rules, solicit comments on the draft rules and incorporate them, 3) Present both the Plan and Rules to the Authority for review and approval, 4) Hold public hearings, 5) Submit to the governor for final approval.







## Other HCDA programs

**The HCDA Improvement District Program** has proven to be a successful method of financing and constructing the massive infrastructure improvements that were necessary for the revitalization of Kakaako. Sewer and drainage systems, utilities, roads, gutters and sidewalks have been improved and upgraded under this program.

- HCDA spent over \$226 million to improve the infrastructure in Kakaako
- The improved infrastructure has resulted in over \$6 billion in development, and over \$40 million in property taxes.

**HCDA Reserved Housing Program** is for Hawaii residents. It reserves at least 20% of the residential floor area constructed as reserved housing with buyback and shared equity provisions. Reserved housing units are affordable to residents making 140 percent of the Area Median Income (AMI) or less.

- 36 housing projects have been completed in Kaka'ako under HCDA plan and rules
  - 3 senior housing projects
  - 7 affordable rental housing projects
  - 11 reserved and workforce projects
- 10,579 residential units have been built since 1976
- 3,687 affordable housing units (1 in 3 units in Kakaako were affordable)

**HCDA Workforce Housing Program** generates and creates incentives for developers to build affordable housing. HCDA rules double the allowed density of a project and there is no public facilities dedication requirement for reserved housing.

- 75% of units in a project are affordable ( $\geq 140\%$  AMI)
- 1,045 Workforce Housing units were completed, 775 of those units were affordable

**Public Facilities Dedication Program** creates a revenue stream intended to mitigate the impacts of development by requiring that developers, as a condition of developing, dedicate land, facilities, or cash payments for public facilities including infrastructure (i.e. roads, utilities) and open space.

State of Hawai'i • Hawai'i Community Development Authority

# 2018-2019 AUDITED FINANCIAL STATEMENTS

As of June 30, 2019

## Financial Position

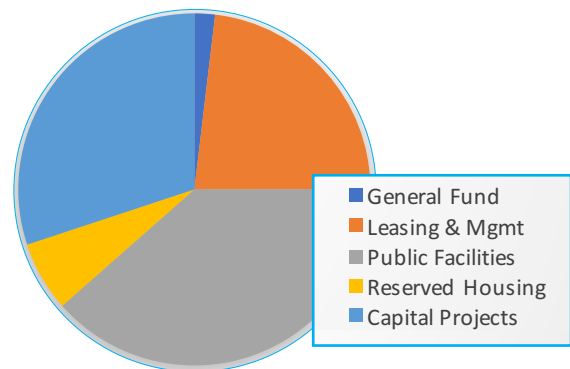
The HCDA's audited financial statements is presented over four governmental funds. To evaluate the HCDA's financial position, special attention should be placed on the HCDA's restricted and committed fund balance, which provides the amount of available funds the HCDA has to expend on future operations and investments in its community development districts.

A general description of the four governmental funds is provided below along with a chart with further details HCDA's available fund balance.

- General Fund – funded by the State's General Fund, represent a legislative appropriation for operations and as of fiscal year end, represent a portion of HCDA payroll costs. Leasing and Management – Special funded by revenues generated from leasing and management of HCDA assets. These funds are used towards HCDA operations.
- Community Redevelopment – Special funded by revenues generated by HCDA programs, which further restrict their use to the following purposes:
  - Development and maintenance of public facilities and infrastructure.

- Development and operation of HCDA's reserved housing program.
- Capital Projects – funded by legislative appropriations, these are for specific projects. These funds cover the planning, design and construction costs of HCDA managed projects. As of the fiscal year end, the majority of these funds were for the construction of the Enterprise Energy Corridor in Kalaeloa.

The HCDA relies greatly on State funding in fulfilling its mission, as the Leasing and Management, and Community Redevelopment Funds provide only limited revenues.



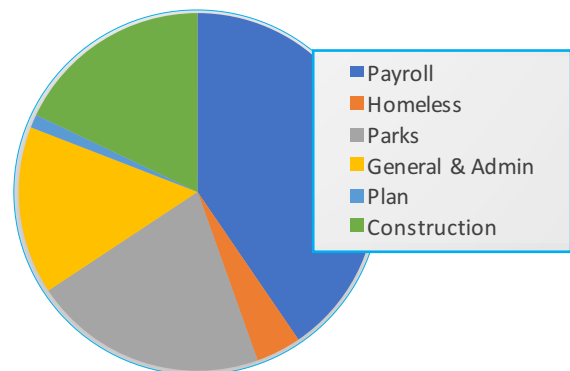
## Financial Results

For the fiscal year ended June 30, 2019, the HCDA received approximately \$3 million in revenues. Of those revenues, approximately \$1.78 million was generated by HCDA leasing and management operations and approximately \$640,000 was generated by HCDA community redevelopment programs. Revenues from HCDA's community redevelopment programs are directly related to the development cycle and are expected to decline further this year.

For the fiscal year ended June 30, 2019, the total expenditures for the HCDA were approximately \$8 million. The following chart details HCDA expenditures for the year.

Historically, park expenses were funded from the Leasing and Management Fund to focus Community Redevelopment Fund on new development. However, after the HCDA lost approximately \$2 million in annual revenue with the transfer of approximately 30 acres of makai property to the Office of Hawaiian Affairs in 2012, the Leasing and Management Fund can no longer cover

these costs. At approximately \$1.2 million per year, if funded from this fund, the fund would operate at an annual deficit of approximately \$500,000. With the transfer, the Community Redevelopment fund is also expected to operate at a deficit, especially with program revenues for this fund forecasted to decline. The Community Redevelopment Fund, however, has a larger fund balance to sustain it longer, until a long-term solution can be identified.



The analysis and financial statements contained herein follow the state's fiscal year, beginning July 1, 2018 and ending June 30, 2019. The audited financial statements were prepared for the State of Hawai'i Office of the Auditor. The complete financial and compliance audit report can be found at <http://dbedt.hawaii.gov/hcda>.



**STATEMENT OF NET POSITION**

As of June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash in State Treasury and petty cash	\$ 26,062,890
Due from State	6,980,874
Accounts receivable, net	439,933
Interest receivable	<u>605,058</u>
Total current assets	34,088,755
Noncurrent assets	
Loan receivable - Halekauwila Partners, LLC	15,599,236
Investment in limited partnership	73,185
Water source allocation credits	249,642
Capital assets, net	<u>148,715,162</u>
Total noncurrent assets	164,637,225
Total assets	<u>198,725,980</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pension	829,873
Related to other postemployment benefits	<u>411,989</u>
Total deferred outflows of resources	1,241,862
Total assets and deferred outflows of resources	<u>\$ 199,967,842</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 986,384
Unearned revenue	150,480
Accrued payroll	188,221
Rental security deposits	71,882
Current portion of long-term obligations	123,492
Stockpile remediation liability	875,076
Due to State Treasury	<u>1,318,263</u>
Total current liabilities	3,713,798
Long-term liabilities	
Due in more than one year	11,102,043
Net pension liability	3,770,830
Net other postemployment benefits liability	<u>2,793,725</u>
Total long-term liabilities	17,666,598
Total liabilities	<u>21,380,396</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions	92,048
Related to other postemployment benefits	<u>19,708</u>
Total deferred inflows of resources	111,756
Total liabilities and deferred inflows of resources	<u>21,492,152</u>
<b>NET POSITION</b>	
Investment in capital assets	148,715,162
Restricted for capital projects	6,556,227
Unrestricted	<u>23,204,301</u>
Total net position	<u>\$ 178,475,690</u>

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program revenues</u>	<u>Net revenues (expenses) and changes in net position</u>
Governmental activities			
General government	\$ 2,423,433	\$ --	\$ (2,423,433)
Leasing and management	2,472,456	1,779,349	(693,107)
Community redevelopment	1,779,682	640,049	(1,139,633)
Capital projects	1,790,454	--	(1,790,454)
Total governmental activities	\$ <u>8,466,025</u>	\$ <u>2,419,398</u>	(6,046,627)
General revenues			
State allotted appropriations, net of lapsed appropriations			(469,791)
Investment earnings			800,256
Other			259,159
Total general revenues			<u>589,624</u>
Change in net position			(5,457,003)
Net position, beginning of year, as previously reported			183,069,675
Prior period adjustment			<u>863,018</u>
Net position, beginning of year, as restated			<u>183,932,693</u>
Net position, end of year			\$ <u>178,475,690</u>

State of Hawai'i • Hawai'i Community Development Authority  
**BALANCE SHEET • GOVERNMENT FUNDS**  
As of June 30, 2019

	General Fund	Hawaii Community Development	Kalaheo Community Development	He'eia Community Development	Capital Projects	Total Governmental Funds
<b>Assets</b>						
Cash in State Treasury and petty cash	\$ 3,500	\$ 25,270,338	\$ 757,771	\$ 31,281	\$ —	\$ 26,062,890
Due from State	—	—	—	—	6,980,874	6,980,874
Accounts receivable - net	—	438,529	1,404	—	—	439,933
Interest receivable	—	588,137	16,357	564	—	605,058
Water source allocation credits	—	249,642	—	—	—	249,642
Loan receivable - Halekauwila Partners, LLC	—	15,599,236	—	—	—	15,599,236
<b>Total assets</b>	<b>3,500</b>	<b>42,145,882</b>	<b>775,532</b>	<b>31,845</b>	<b>6,980,874</b>	<b>49,937,633</b>
<b>Liabilities</b>						
Accounts payable	—	518,873	42,864	—	424,647	986,384
Unearned revenues	—	150,480	—	—	—	150,480
Accrued payroll	—	171,577	16,644	—	—	188,221
Rental security deposits	—	71,882	—	—	—	71,882
Stockpile remediation liability	—	—	875,076	—	—	875,076
Due to State Treasury	3,500	1,314,763	—	—	—	1,318,263
<b>Total liabilities</b>	<b>3,500</b>	<b>2,227,575</b>	<b>934,584</b>	<b>—</b>	<b>424,647</b>	<b>3,590,306</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Water source allocation credits	—	249,642	—	—	—	249,642
Loan receivable	—	15,599,236	—	—	—	15,599,236
<b>Total nonspendable fund balances</b>	<b>—</b>	<b>15,848,878</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,848,878</b>
<b>Restricted</b>	<b>—</b>	<b>24,069,429</b>	<b>—</b>	<b>31,845</b>	<b>6,556,227</b>	<b>30,657,501</b>
<b>Unassigned</b>	<b>—</b>	<b>—</b>	<b>(159,052)</b>	<b>—</b>	<b>—</b>	<b>(159,052)</b>
<b>Total fund balances</b>	<b>—</b>	<b>39,918,307</b>	<b>(159,052)</b>	<b>31,845</b>	<b>6,556,227</b>	<b>46,347,327</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,500</b>	<b>\$ 42,145,882</b>	<b>\$ 775,532</b>	<b>\$ 31,845</b>	<b>\$ 6,980,874</b>	<b>\$ 49,937,633</b>

See accompanying notes to the financial statements

State of Hawai'i • Hawai'i Community Development Authority  
**BALANCE SHEET • GOVERNMENT FUNDS**  
As of June 30, 2019

<b>Total fund balances - governmental funds</b>	<b>\$ 46,347,327</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	148,715,162
Investments in limited partnerships are not financial resources and therefore not reported in the governmental funds	73,185
Accrued compensated absences are not due in the current period and therefore are not reported in the governmental funds.	(396,313)
Unearned reserved housing and public facility credits are not reported in the governmental funds	(10,829,222)
Deferred amounts related to pensions reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements	737,825
Deferred amounts related to other postemployment benefits reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements	392,281
Net pension liability is not reported in the governmental funds	(3,770,830)
Net other postemployment benefits liability is not reported in the governmental funds	<u>(2,793,725)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>178,475,690</u></b>

See accompanying notes to the financial statements



# STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES • GOVERNMENT FUNDS

For the Year Ended June 30, 2019

	General Fund	Hawaii Community Development	Kalaeloa Community Development	He'eia Community Development	Capital Projects	Total Governmental Funds
<b>Revenues</b>						
State allotted appropriations, net	\$ (1,117)	\$ —	\$ —	\$ —	\$ (468,674)	\$ (469,791)
Contributions from property owners	—	210,814	—	—	—	210,814
Dedication and reserve housing fees	—	351,894	—	—	—	351,894
Investment earnings	—	777,491	20,949	1,816	—	800,256
Leasing and management	—	1,773,269	6,080	—	—	1,779,349
Other	—	252,290	6,869	—	—	259,159
<b>Total</b>	<u>(1,117)</u>	<u>3,365,758</u>	<u>33,898</u>	<u>1,816</u>	<u>(468,674)</u>	<u>2,931,681</u>
<b>Expenditures</b>						
General government	—	2,450,704	263,319	—	—	2,714,023
Leasing and management	—	957,814	1,030,961	—	—	1,988,775
Community redevelopment	—	1,153,427	106,874	46,000	—	1,306,301
Capital outlays	—	238,050	293,941	—	3,209,553	3,741,544
<b>Total</b>	<u>—</u>	<u>4,799,995</u>	<u>1,695,095</u>	<u>46,000</u>	<u>3,209,553</u>	<u>9,750,643</u>
Excess of revenues over (under) expenditures	(1,117)	(1,434,237)	(1,661,197)	(44,184)	(3,678,227)	(6,818,962)
<b>Other financing sources (uses)</b>						
Transfers in	—	27,615,833	141,920	41,281	—	27,799,034
Transfers out	—	(27,189,820)	(567,933)	(41,281)	—	(27,799,034)
<b>Total</b>	<u>—</u>	<u>426,013</u>	<u>(426,013)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(1,117)	(1,860,250)	(1,235,184)	(44,184)	(3,678,227)	(6,818,962)
Fund balances, beginning of year	<u>1,117</u>	<u>41,778,557</u>	<u>1,076,132</u>	<u>76,029</u>	<u>10,234,454</u>	<u>53,166,289</u>
Fund balances, end of year	\$ <u>—</u>	\$ <u>39,918,307</u>	\$ <u>(159,052)</u>	\$ <u>31,845</u>	\$ <u>6,556,227</u>	\$ <u>46,347,327</u>

See accompanying notes to the financial statements

# STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES • GOVERNMENT FUNDS

For the Year Ended June 30, 2019

Net change in fund balances - total government funds	\$	(6,818,962)
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**Amounts reported for governmental activities in the statement  
of activities are different because:**

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets are depreciated over their estimated useful lives  
as depreciation expense.

Capital outlays		3,741,544
Depreciation expense		(2,747,516)

Change in unearned housing and public facilities dedication credits  
reported in the statement of activities as they do not require the  
use of current financial resources, and therefore not reported  
as an expenditure in the governmental funds.

106,033

Net limited partnership losses and distributions reported  
in the statement of activities do not require the use of current  
financial resources and, therefore, are not reported as  
expenditures in governmental funds.

(28,692)

Expenses reported in the statement of activities do not  
involve current financial resources and therefore, are not  
reported as expenditures in the governmental funds:

Change in compensated absences		26,930
Net pension activity		(63,041)
Net other post employment benefit obligation activity		<u>326,701</u>

Change in net position of governmental activities	\$	<u>(5,457,003)</u>
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See accompanying notes to the financial statements



**Hawaii Community Development Authority**  
Department of Business, Economic Development & Tourism  
State of Hawaii  
John Whalen, Chairperson  
Phillip Hasha, Vice Chairperson  
Wei Fang, Secretary

**Full Authority** - 17 members (15 voting, 2 non-voting)

**At Large members**

John Whalen  
Chason Ishii  
Wei Fang  
Vacant (Cultural Specialist)

**Ex-Officio members**

(same for all boards)  
Jade Butay (DOT)

Robert Yu (B&F)

**Non-Voting ex-officio**

(same for all boards)  
Kathy Sokugawa (City DPP)  
William Aila (DHHL)

**Community members**

Donna Camvel (Heeia)  
Phillip Hasha (Kakaako)

Jo-Ann C. Leong (Heeia)

Amy Luersen (Heeia)  
Jason Okuhama (Kakaako)  
Kevin Sakoda (Kakaako)  
Shirley Swinney (Kalaeloa)  
Maeda Timson (Kalaeloa)  
Mitchell Tynanes (Kalaeloa)

**Kaka'ako Authority**

10 members (9 voting, 1 non-voting)

John Whalen  
Wei Fang  
Chason Ishii  
Vacant (Cultural Specialist)  
Jade Butay (DOT)  
Robert Yu (B&F)  
Kathy Sokugawa (City DPP)  
Phillip Hasha  
Jason Okuhama  
Kevin Sakoda

**Kalaeloa Authority**

11 members (9 voting, 2 non-voting)

John Whalen  
Wei Fang  
Chason Ishii  
Vacant (Cultural Specialist)  
Jade Butay (DOT)  
Robert Yu (B&F)  
Kathy Sokugawa (City DPP)  
William Aila (DHHL)  
Shirley Swinney  
Maeda Timson  
Mitchell Tynanes

**Heeia Authority**

10 members (9 voting, 1 non-voting)

John Whalen  
Wei Fang  
Chason Ishii  
Vacant (Cultural Specialist)  
Jade Butay (DOT)  
Robert Yu (B&F)  
Kathy Sokugawa (City DPP)  
Donna Camvel  
Jo-Ann C. Leong  
Amy Luersen

**HCDA Staff**

**Executive Director**

Aedward Los Banos

**Administration**

Tommilyn Soares  
Kuulei Moses  
Samantha Bleser

**Administrative Services**

Xiaojin Christy Kiyabu  
Chrissie Lu

Wendi Reyes

**Asset Management**

Lindsey Doi  
Charlyn Ontai  
Craig Uemura  
Alicia Wailehua-Hansen

**Communications**

Francine Murray

**Planning**

Garett Kamemoto  
Neal Imada  
Amy Mutart  
Germaine Salim-Hagihara  
Susan Tamura

**Kalaeloa**

Tesha Malama

**Hawaii Community  
Development Authority**

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