The Hawai‘i Community Development Authority (HCDA) is a state agency created by the Hawai‘i State Legislature in 1976 to redevelop historically underutilized areas across the state. The HCDA's mission is to build communities in the designated Community Development Districts of Kaka‘ako, Kalaeloa and He‘eia, to provide more opportunities for residents to grow in a vibrant environment.

In Kaka‘ako, the HCDA is committed to revitalizing the urban core and providing housing opportunities to residents of all income levels. To date, the HCDA has overseen the development of over 8,600 new housing units in Kaka‘ako, with another 2,000 units in various stages of construction. By creating a community where one can live, work, and play, we give the youth of Hawai‘i a reason to stay here in the islands and raise future generations.

“KUPU is grateful to partner with HCDA in Kewalo Basin park to create long-lasting, tangible impact for our youth and the broader community.”

- John Leong, KUPU Chief Executive Officer
Kaka’ako provides us a unique canvas unlike any other in Hawai‘i’s history. Cultural sensitivity and thoughtful urban planning combined with Hawai‘i’s beauty will make our Kaka’ako a world class metropolis. ‘Eo Kaka’ako!”

- Sen. Brickwood Galuteria
What’s new?

New Park Rules and Master Plan

Kewalo Basin Improvements

Proposed Reserved Housing Rules Amendments

The Ka‘a‘ako Community Development District Mauka and Makai Area Plans and Rules are designed to guide the redevelopment of this former warehouse area into a vibrant pedestrian-oriented urban community. The Mauka and Makai Area Plans establish the general redevelopment goals and objectives for each respective area, while the Mauka and Makai Area Rules specify regulations.

In 2017 the Authority amended the Park rules the Makai Parks Master Plan, and the Reserved Housing Rules. At the printing of this report, the proposed Reserved Housing Rules amendments were with Gov. David Ige for approval.

In the current reserved housing rules the ceiling is 140% area median income (AMI). In the proposed rules the ceiling is 140% AMI with an average of 120% AMI.

“affordable longer”

“lower AMI”
Reserved Housing
Rule Amendments

```
You spoke and we listened

Rarely will you hear a politician, government official or developer say, ‘How can we contribute to preserve the lifestyle of the people? How can we make life better for locals?’ Unfortunately, often it is the almighty dollar that motivates them. Ideally, these are the questions the Hawai’i Community Development Authority should be asking the developers. The developments should not only make it convenient for the residents of these towers with their ‘live, work and play’ concept, but emphasize making it convenient and nice for the people who came before them, and consider their desires as well.

-Ronald Iwami, President of the Friends of Kewalos
```

Highlights in the Reserved Housing Rule amendments:

- Ensures affordable units will be affordable longer – Future Reserved and Workforce Housing units will have 30-year terms;
- Allows cash-in-lieu payment as an alternative to built units;
- Removes restriction preventing Workforce Housing program from receiving financial assistance from county, state, and federal sources;
- Reduces sales price from fixed 140% of adjusted median income (AMI) to 120% AMI on average of all Reserved or Workforce Housing units in a project;
- Relaxes off-street parking requirements;
- Applies protections for Reserved Housing units to Workforce Housing units to ensure more affordable units are preserved;
- Includes buyback provision for resale by the Authority to other families needing affordable units will also apply to Workforce Housing units;
- Ensures a portion of the public’s investment is returned to the Authority’s housing programs and the buyer is able to benefit from a portion of the accumulated equity as part of the 30 year reserved term;
- Allows the Authority to designate another buyer for the affordable units, like a land trust, to ensure long-term affordability as a part of its buyback provision; and
- Clarifies certain definitions and existing provisions.

The Amendments do not affect existing incentives and bonuses, like the 100% bonus developable area under the voluntary Workforce Housing program that is an allowed deviation from the community development plan in exchange for additional affordable units. Or, the fact that project area set aside for affordable units are not used to compute public facilities fees and other rule based requirements.
Kaka‘ako

The Kaka‘ako Community Development District consists of 600 acres of land. HCDA’s goal is to use sound planning to encourage use of Kaka‘ako land supporting the legislative intent of a mixed-use district where residential, commercial, industrial, and public uses would complement each other. HCDA has improved infrastructure and public facilities in the district to attract development to increase housing opportunities for all segments of the community.

Public Facilities Dedication Program
The Kaka‘ako community often expresses a strong desire for green open space. The Public Facilities Dedication Program has helped to bring this to fruition 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.
As a result of its public facilities dedication program, the HCDA has on its inventory public facilities, such as parks, roads, and other infrastructure. Unfortunately, HCDA lacks the resources to maintain them. Currently, HCDA revenue sources are not structured to fund necessary management activities.

live, work, play

Kaka‘ako Authority
10 members
(9 voting, 1 non-voting)
At-Large members
John Whalen
Mary Pat Waterhouse
Wei Fang
Beau Bassett (Cultural Specialist)
Ex-Officio members
Ford Fuchigami (DOT)
Wesley Machida (B&F)
Non-Voting ex-officio members
Kathy Sokugawa (City DPP)
Community members
Phillip Hasha
William Oh
Jason Okuhama

950
Housing units completed in 2017

34% of the housing units are affordable to those making 140% area median income (AMI) or less

2,347 new units are pending

HCDA negotiated additional Reserved Housing units to be developed at ‘A‘ali‘i

HCDA is facilitating the production of a major public space for the community. The Central Plaza is planned where Marukai stood

The reconstruction of a traditional Hale Pili is underway at the historic Mission House and Archives

47
Acres of public park
Kaka‘ako Improvement Districts
Any community requires the implementation of a well-planned system of roadways and utilities to ensure public safety, and to thrive. The HCDA works to improve the Kaka‘ako Community Development District’s network of streets and utilities to facilitate and encourage redevelopment. For many years, the District had been burdened with a deteriorating and inadequate infrastructure system, much of which was installed over 75 years ago. Many streets were narrow, unimproved, and susceptible to serious flooding during times of heavy rainfall. Some roadways lacked safe pedestrian walkways and were obstructed by haphazardly parked vehicles. Existing overhead utility poles, cables and equipment gave an unsightly and cluttered character to the Kaka‘ako streetscape and pedestrian experience. Moreover, the District’s obsolete infrastructure network was not only detrimental to its businesses, residents and visitors, but it also stymied the timely redevelopment of properties. Many areas just did not have sufficient capacity to support further development.

The Improvement District (ID) Program undertaken by the HCDA has proven to be a successful method of financing and constructing the massive infrastructure improvements that are necessary for the revitalization of Kaka‘ako. For this program—which has been largely funded by the Hawai‘i State Legislature—the HCDA has joined forces with property owners and the public utility companies to make improvements to Kaka‘ako’s roadways in a systematic, timely and cost-effective manner. The ID Program is used to reconstruct and/or widen streets, adding new streetlights, curbs, gutters and sidewalks. Telephone, electric and cable television systems have also been upgraded and relocated underground. Drainage, sewer and water systems have been improved and upgraded under this program.

To date, HCDA has spent over $226 million on the infrastructure, of which, roughly $210 million were state funds. In addition to the ID Program, HCDA has constructed parks and made other improvements to the infrastructure of the district. These other state funded improvements cost about $42 million. In total, HCDA has invested over $268 million to better the infrastructure of Kaka‘ako.

The $268 million invested in infrastructure has resulted in over $4.8 billion in development, and as of 2016 yields of $37.5 million in real property taxes for the City.

“In coordinating community development in the Kakaako district, the Legislature required the Hawaii Community Development Authority to plan a mixed-use district. We encourage and appreciate the Authority’s efforts to engage with and hear from our community.”

- House Speaker Scott K. Saiki
Kaka‘ako Housing

8,611
Residential units built since 1976

6 Affordable rental housing projects

- Flats at Puunui: 440 Keawe St. 88 units, 88 R
- Halekauwila Place: 665 Halekauwila 204 units, 204 R State Developed
- Kamake'e Vista: 1065 Kawaiaha'o 225 units, 225 R State Developed
- Kauhale Kaka‘ako: 860 Halekauwila 267 units, 267 R State Developed
- Keauhou Lane: 502 Keawe St. 209 units, 209 R
- Six Eighty Ala Moana: 680 Ala Moana Blvd. 54 units, 54 R

10 Reserved & Workforce housing projects

- 400 Keawe: 400 Keawe St. 95 units, 20 RH
- 801 South Street A: 801 South St. 635 units, 467 WF
- 801 South Street B: 801 South St. 410 units, 308 WF
- 1133 Waimanu: 1133 Waimanu St. 282 units, 282 RH R

These were the number of reserved and workforce housing units at the time the projects were completed. Some of them may no longer be within the reserved housing term limit.

M - Market Rate
R - Rental Housing
RH - Reserved Housing
S - Senior Housing
WF - Workforce Housing

3 Affordable Senior housing projects

- Honuakaha: 545 Queen St. 244 units, 151 S R State Developed
- Na Lei Hulu Kupuna: 640 Cooke St. 76 units, 76 S R State Developed
- Pohulani: 626 Coral St. 262 units, 262 S R State Developed

Flats at Puunui
Halekauwila Place
Kamake'e Vista
Kauhale Kaka‘ako
Keauhou Lane
Six Eighty Ala Moana

Reserved Housing units are for Hawaii residents

Workforce Housing can double density & affordable units

Honuakaha
Na Lei Hulu Kupuna
Pohulani

8,611
Residential units built since 1976

These were the number of reserved and workforce housing units at the time the projects were completed. Some of them may no longer be within the reserved housing term limit.
Projects

14 Market rate projects

- 909 Kapi'olani
  - 909 Kapi'olani Blvd.
  - 227 units M
- Anaha
  - 1108 Auahi St.
  - 318 units M
- Hawaiki Tower
  - 88 Piikoi St.
  - 417 units M
- Hokua
  - 1288 Ala Moana Blvd.
  - 240 units M
- Imperial Plaza
  - 725 Kapi'olani Blvd.
  - 221 units M
- Ko'olani
  - 1177 Queen St.
  - 370 units M
- Moana Pacific
  - 1228 Kapi'olani Blvd.
  - 706 units M
- Nauru Tower
  - 1330 Ala Moana Blvd.
  - 304 units M
- One Archer Place
  - 801 S. King St.
  - 331 units M
- One Waterfront Tower
  - 425 South St.
  - 297 units M
- The Collection
  - 601 Auahi St.
  - 467 units M
- Vanguard Lofts
  - 720 Kapi'olani Blvd.
  - 47 units M
- Waiea
  - 1118 Ala Moana Blvd.
  - 177 units M
- Waihonua at Kewalo
  - 1189 Waimanu St.
  - 277 units M

- Nauru Tower
  - 1330 Ala Moana Blvd.
  - 304 units M
- One Archer Place
  - 801 S. King St.
  - 331 units M
- One Waterfront Tower
  - 425 South St.
  - 297 units M
- The Collection
  - 601 Auahi St.
  - 467 units M
- Vanguard Lofts
  - 720 Kapi'olani Blvd.
  - 47 units M
- Waiea
  - 1118 Ala Moana Blvd.
  - 177 units M
- Waihonua at Kewalo
  - 1189 Waimanu St.
  - 277 units M

2,347 Housing units pending

3 Projects under construction & 5 pending

- 803 Waimanu/The Block
  - 803 Waimanu
  - 153 units, 143 RH
  - TheBlock803.com
- A’ali’i
  - 987 Queen St.
  - 751 units, 150 RH
  - aaliwardvillage.com
- Gateway
  - Ala Moana Blvd.
  - 236 units M
  - wardvillagegateway.com
- Hale Kewalo
  - Piikoi & Kona St.
  - 128 units, 128 RH
- Nohona Hale
  - 630 Cooke St.
  - 105 units, 104 R

1 in 3 Housing units is affordable

Revenue or public facilities are created by developers through the Public Facilities Dedication Program

984 Units are expected to be for 140% AMI or less
“Hunt is working with HCDA and the community to revitalize Kalaeloa and move it closer to achieving its vision as a Wahi Ho’okela, a Center for Excellence.”

- Thomas Lee, Hunt Companies, Senior Vice President - Hawaii Region
The Kalaeloa Community Development District encompasses approximately 3,700 acres of land within the former Naval Air Station Barbers Point. The legislature designated the district in 2002, to facilitate the redevelopment of the area in accordance with the Barbers Point Naval Air Station reuse plan. HCDA has been working on various projects to bring infrastructure improvements to the district, including projects to bring firm energy to Kalaeloa. Facilitating the redevelopment of Kalaeloa is a complex undertaking. There are several challenges to development because of the existing infrastructure, and lack thereof. For example there are 20 miles of roadways that do not meet city or state standards, drainage in parts of the district is inadequate and the electrical system is not reliable.

The Authority has partnered with the Hawai’i State Energy Office, U.S. Department of Energy and Sandia National Laboratories to plan, analyze and design a micro-grid to provide reliable energy throughout the 3,700-acre district and help Hawai’i meet its clean energy goals.

**Highlights**

- Cloudbreak Communities and the Veterans Administration celebrated the opening of the Hale Uhiwai Nalu Project in December 2017. The new phase adds 50 affordable rental units to the existing complex, which includes a community lounge, gym, and a space for service providers for veterans.

- Sandia National Laboratories completed their final report on Kalaeloa energy system redevelopment options including advanced microgrids. The full report can be found at https://dbedt.hawaii.gov/hcda.

- The Kalaeloa Energy Corridor project began in November 2017, down Enterprise Avenue. Work includes excavating of roadways and shoulders for new underground ductlines (electric conduits) and manholes for Hawaiian Telcom, Hawaiian Electric Company, and Spectrum and the repair of affected roadways.

- Aloha Solar Energy Fund II LLC will be leasing HCDA land to develop a 5 megawatt solar farm on approximately 44.28 acres on land. The project will contribute renewable energy to HECO’s existing power grid and to the Kalaeloa Community Development District, and help the state achieve its renewable energy goals.

---

“As the Senator and a resident of the Kalaeloa community, I know first-hand the dire need for reliable electricity. I’m stoked that HCDA has started construction on the Kalaeloa Energy Corridor Project.”

- Sen. Mike Gabbard

**Kalaeloa Authority**
11 members (9 voting, 2 non-voting)
**At-Large members**
John Whalen
Mary Pat Waterhouse
Wei Fang
Beau Bassett (Cultural Specialist)
**Ex-Officio members**
Ford Fuchigami (DOT)
Wesley Machida (B&F)
**Non-Voting ex-officio members**
Kathy Sokugawa (City DPP)
Jobie Masagatani (DHHL)
**Community members**
Michael Golojuch, Sr.
Maeda Timson
Shirley Swinney
He‘eia is a model for the rest of the state and, really, the rest of the world. The protection, restoration, and effective management of our natural resources must come from the ground up. Empowering our communities to take the lead in this work is the right way to do this. That is what is going on in He‘eia right now, and why it is so exciting.”

- Rep. Jarrett Keohokalole
In 1991, the HCDA acquired approximately 400 acres of land in He’eia on the windward side of O’ahu as part of a land exchange with the Estate of Bernice Pauahi Bishop. HCDA facilitates culturally appropriate agriculture, education, and natural resource restoration and management in alignment with the Honolulu Board of Water Supply’s Ko‘olauapoko Watershed Management Plan and the City and County of Honolulu’s Ko‘olauapoko Sustainable Communities Plan.

In January 2010, the HCDA and Kāko‘o ‘Ōiwi, a community-based non-profit corporation entered into a 38-year lease. Kāko‘o ‘Ōiwi’s primary mission is to restore the He’eia wetlands into a working agricultural and cultural district.

**Highlights**

On January 19, 2017, He’eia was designated the 29th research reserve in the National Estuarine Research Reserve System (NERRS). NERRS is a network of 29 estuaries, representing different biogeographic regions of the United States, that are protected for long-term research, water-quality monitoring, education and coastal stewardship. The He’eia NERR is managed by the University of Hawai‘i, Hawai‘i Institute of Marine Biology along with its local partners.

As HCDA works on establishing the community development plan and rules for He‘eia, it will be able to gain significant efficiencies by leveraging work and studies conducted in support of the NERR application. As needed, the HCDA may be able to supplement its funding for additional studies or work in He‘eia with NERR funding.

“The He‘eia Reserve recognizes Native Hawaiian and western management science and will use both to study the Kane‘ohe Bay estuary,” said U.S. Sen. Schatz. “The proposed reserve includes a taro lo‘i, managed by Kāko‘o ‘Ōiwi, and a fishpond, managed by Paepae o He‘eia, in addition to a portion of Kane‘ohe Bay and the University of Hawai‘i’s Hawai‘i Institute of Marine Biology. I am excited to see what we may discover when Native Hawaiian cultural practitioners work with UH’s scientists to understand He‘eia.”

On August 26 2017, Governor David Y. Ige and Lieutenant Governor Shan S. Tsutsui proclaimed He‘eia National Estuarine Research Reserve Day. Kāko‘o ‘Ōiwi continues to work on the expansion and maintenance of the He‘eia Wetlands referred to as hoi. Wetland restoration includes the planting of taro and new crops, restoring historic farm roads and removing invasive species. Approximately 20 acres of additional lo‘i and farm land has been restored to productive agricultural use. In addition, a mangrove removal project has been initiated through a grant from the National Oceanic Atmospheric Administration. The project will remove approximately 6 acres of invasive mangrove on the mauka and makai sides of Kamehameha Highway. Removal of the mangrove forest will allow the restoration of a key historic road that runs parallel to Kamehameha Highway. This historic road will allow access along the entire makai side of the hoi.

**He‘eia Authority**

10 members (9 voting, 1 non-voting)
At-Large members
John Whalen
Mary Pat Waterhouse
Wei Fang
Beau Bassett (Cultural Specialist)
Ex-Officio members
Ford Fuchigami (DOT)
Wesley Machida (B&P)
Non-Voting ex-officio members
Kathy Sokugawa (City DPP)
Community members
Donna Ann Camvel
Jo-Ann C. Leong
Amy Luersen

**The He‘eia Community Development District**

Regenesis of 1.3 miles of historic farm roads
Kako‘o ‘Ōiwi converted 20 acres of wetland to loi
Restored 1.3 miles of historic farm roads
Working on doubling the amount of wetland taro grown on ‘Oahu
2016-2017

AUDITED FINANCIAL STATEMENTS

State of Hawai‘i
Hawai‘i Community Development Authority

The analysis and financial statements contained herein follow the state’s fiscal year, beginning July 1, 2016 and ending June 30, 2017. 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.
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, which also includes the operation and maintenance of HCDA parks.
- 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, including parks.
- 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, 2017, the HCDA received approximately $6 million in revenues. Of those revenues, approximately $2.2 million was generated by HCDA leasing and management operations and approximately $1.8 million 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, 2017, the total expenditures for the HCDA were approximately $5.5 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.
## STATEMENT OF NET POSITION • GOVERNMENT ACTIVITIES

**As of June 30, 2017**

### CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash is State Treasury and petty cash</td>
<td>$26,864,535</td>
</tr>
<tr>
<td>Due from State</td>
<td>$12,261,221</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$953,149</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$1,391</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$40,080,114</strong></td>
</tr>
</tbody>
</table>

### NONCURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan receivable – Halekauwila Partners, LLC</td>
<td>$17,000,000</td>
</tr>
<tr>
<td>Investment in limited partnerships</td>
<td>$106,735</td>
</tr>
<tr>
<td>Water source allocation credits</td>
<td>$249,642</td>
</tr>
<tr>
<td>Land, improvements, infrastructure networks, and construction in progress</td>
<td>$112,234,818</td>
</tr>
<tr>
<td>Other capital assets, net of depreciation</td>
<td>$33,625,911</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>$163,217,106</strong></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**                                                            **$203,297,220**

### DEFERRED INFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td><strong>$1,012,895</strong></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS AND DEFERRED INFLOWS OF RESOURCES**                           **$204,309,895**

### CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$290,511</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>$171,510</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>$121,178</td>
</tr>
<tr>
<td>Rental security deposits</td>
<td>$90,994</td>
</tr>
<tr>
<td>Current portion of long-term obligations</td>
<td>$88,204</td>
</tr>
<tr>
<td>Due to State Treasury</td>
<td>$1,268,923</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$2,031,320</strong></td>
</tr>
</tbody>
</table>

### LONG-TERM LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncurrent portion of long-term obligations</td>
<td>$16,880,389</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>$16,880,389</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**                                                        **$18,911,709**

### NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>$145,860,729</td>
</tr>
<tr>
<td>Restricted for capital projects</td>
<td>$11,468,250</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$28,069,207</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td><strong>$185,398,186</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**       **$204,309,895**
<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Program Changes in Revenues</th>
<th>Net (Expenses) Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>$2,901,074</td>
<td>$-</td>
<td>$(2,901,074)</td>
</tr>
<tr>
<td>Leasing and management</td>
<td>2,510,795</td>
<td>2,135,731</td>
<td>$(375,064)</td>
</tr>
<tr>
<td>General government</td>
<td>1,667,862</td>
<td>$-</td>
<td>$(1,667,862)</td>
</tr>
<tr>
<td>Community redevelopment</td>
<td>1,239,598</td>
<td>1,646,312</td>
<td>$(406,714)</td>
</tr>
<tr>
<td><strong>Total government activities</strong></td>
<td>$8,319,329</td>
<td>$3,782,043</td>
<td>$(4,537,286)</td>
</tr>
<tr>
<td><strong>General Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State allotments, net of lapsed appropriations</td>
<td>$2,064,142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>201,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total general revenues</strong></td>
<td>$2,265,335</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td></td>
<td></td>
<td>$(2,271,951)</td>
</tr>
<tr>
<td><strong>Net Position – Beginning of Year</strong></td>
<td></td>
<td></td>
<td>$187,670,137</td>
</tr>
<tr>
<td><strong>Net Position – End of Year</strong></td>
<td></td>
<td></td>
<td>$185,398,186</td>
</tr>
</tbody>
</table>
State of Hawai‘i • Hawai‘i Community Development Authority

BALANCE SHEET • GOVERNMENT FUNDS

As of June 30, 2017

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Leasing and Management</th>
<th>Community Redevelopment</th>
<th>Capital Projects</th>
<th>Total Government Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in State Treasury and petty cash $41,920</td>
<td>$10,145,992</td>
<td>$16,675,441</td>
<td>$-</td>
<td>$26,864,353</td>
</tr>
<tr>
<td>Due from State 777,431</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,483,790</td>
</tr>
<tr>
<td>Accounts receivable - net -</td>
<td>413,768</td>
<td>539,381</td>
<td>-</td>
<td>953,149</td>
</tr>
<tr>
<td>Prepaid expenses -</td>
<td>1,391</td>
<td>249,642</td>
<td>-</td>
<td>251,033</td>
</tr>
<tr>
<td>Loan receivable - Halekauwila Partners, LLC -</td>
<td>$7,000,000</td>
<td>-</td>
<td>-</td>
<td>17,000,000</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$819,351</td>
<td>$10,561,151</td>
<td>$34,464,464</td>
<td>$11,483,790</td>
</tr>
</tbody>
</table>

| **LIABILITIES** |                        |                         |                 |                       |
| Accounts payable $- | - | $194,298 | $80,673 | $15,540 | $290,511 |
| Accrued payroll 94,779 | 26,399 | - | - | 121,178 |
| Unearned revenues - | - | 171,510 | - | 171,510 |
| Renatl security deposits - | - | 90,994 | - | 90,994 |
| Due to State Treasury 3,500 | 1,268,923 | - | - | 1,272,423 |
| **Total liabilities** | $98,279 | $1,752,124 | $80,673 | $15,540 | $1,946,616 |

| **FUND BALANCES** |                        |                         |                 |                       |
| Nonspendable: $- | - | $1,391 | $249,642 | - | $51,033 |
| Prepaid expenses - | - | - | 17,000,000 | - | 17,000,000 |
| Loan receivable - - | - | - | - | - |
| **Total nonspendable fund balances** | $- | $1,391 | $17,249,642 | - | $17,251,033 |
| Restricted 74,769 | - | - | - | $11,468,250 | 11,543,019 |
| Committed 646,303 | $8,807,636 | 17,135,149 | - | 26,589,088 |
| **Total fund balances** | $721,072 | $8,809,027 | $34,384,791 | $11,468,250 | $5,383,140 |

| **TOTAL LIABILITIES AND FUND BALANCES** | $819,351 | $10,561,151 | $34,464,464 | $11,483,790 | $57,329,756 |

The complete financial and compliance audit report can be found at http://dbedt.hawaii.gov/hcda.
### STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES • GOVERNMENT FUNDS

For the Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Leasing and Management Fund</th>
<th>Community Redevelopment Fund</th>
<th>Capital Projects Fund</th>
<th>Government Funds Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State allotted appropriations</td>
<td>$1,544,573</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>$519,569</td>
</tr>
<tr>
<td>Contributions from property owners</td>
<td>-</td>
<td>-</td>
<td>375,249</td>
<td>-</td>
<td>375,249</td>
</tr>
<tr>
<td>Dedication and reserve housing fees</td>
<td>-</td>
<td>-</td>
<td>747,752</td>
<td>-</td>
<td>747,752</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>-</td>
<td>56,960</td>
<td>144,233</td>
<td>-</td>
<td>201,193</td>
</tr>
<tr>
<td>Leasing and management</td>
<td>-</td>
<td>2,104,711</td>
<td>-</td>
<td>-</td>
<td>2,104,711</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>31,019</td>
<td>523,312</td>
<td>-</td>
<td>554,331</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,544,573</td>
<td>$2,192,690</td>
<td>$1,790,546</td>
<td>$519,569</td>
<td>$6,047,378</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>672,568</td>
<td>444,658</td>
<td>872,226</td>
<td>1,989,452</td>
<td></td>
</tr>
<tr>
<td>Capital outlays</td>
<td>225,702</td>
<td>1,631,769</td>
<td>789,841</td>
<td>881,795</td>
<td>3,529,107</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$898,270</td>
<td>$2,076,427</td>
<td>$1,754,021</td>
<td>$5,518,559</td>
<td></td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>$646,303</td>
<td>$116,263</td>
<td>$1,000,705</td>
<td>$(1,234,452)</td>
<td>$528,819</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>$24,286,983</td>
<td>$51,929</td>
<td>-</td>
<td>$24,338,912</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>$(24,194,873)</td>
<td>$(144,039)</td>
<td>-</td>
<td>$(24,338,912)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>$92,110</td>
<td>$(92,110)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCES</strong></td>
<td>$646,303</td>
<td>$208,373</td>
<td>$908,595</td>
<td>$(1,234,452)</td>
<td>$528,819</td>
</tr>
<tr>
<td><strong>FUND BALANCES, BEGINNING OF YEAR</strong></td>
<td>$74,769</td>
<td>$8,600,654</td>
<td>$33,476,196</td>
<td>$12,702,702</td>
<td>$54,854,321</td>
</tr>
<tr>
<td><strong>FUND BALANCES, END OF YEAR</strong></td>
<td>$721,072</td>
<td>$8,809,027</td>
<td>$34,384,791</td>
<td>$11,468,250</td>
<td>$55,383,140</td>
</tr>
</tbody>
</table>
STATE OF HAWAI’I
HAWAI’I COMMUNITY
DEVELOPMENT AUTHORITY

Web: http://dbedt.hawaii.gov/hcda/
Email: dbedt.hcda.contact@hawaii.gov

HCDA Kaka'ako Office
547 Queen St.
Honolulu, HI 96813
Phone: (808) 594-0300
Fax: (808) 587-0299

He'eia Community Development
District Inquiries
547 Queen St.
Honolulu, HI 96813
Phone: (808) 594-0300

HCDA Kalaeloa Field Office
91-5420 Kapolei Parkway
Kapolei, HI 96707
Phone: (808) 620-9641
Fax: (808) 620-9645

Copyright © 2017 State of Hawai‘i • Hawai‘i Community Development Authority. All Rights Reserved. No part of this report may be reproduced or transmitted in whole or in part in any form without the express written permission of the Hawai‘i Community Development Authority.