



## **Hawaii Community Development Authority Annual Report**

### **Executive Summary**

Since Kupu has assumed a long-term lease in November of 2017, the vast majority of this time has been in construction or preparing for construction. This has made the facility unusable for both our programs and the broader public.

With that being said, Kupu continues to provide meaningful support to the community and HCDA. Below is a quick recap of some of this year's highlights:

- Preconstruction started November 2017-April 2018
- Construction began in May 2018 and is anticipated to end in March 2019
- Kupu has provided close to \$300,000 in park infrastructure upgrades that will benefit the entire park and broader community
- Kupu has provided 301 hour of landscape support to HCDA or \$7,645.40 equivalent of labor
- Kupu is developing a public calendar and a list of community offerings to be available soon after its opening in March/April 2019
- Public use of the facility was planned for after construction, however, prior to staff moving out in April 2018, Kupu offered 25 hours per month at its facility and supported eight different community groups
- 60 youth lives were impacted as members in our programs at the facility prior to our team moving out in April
- Kupu experienced a -\$25,000 net operating loss for its programs that support the general public at Kewalo Basin in 2017-2018 fiscal year
- Kupu anticipates a -\$157,000 net operating loss for programs that support the general public at Kewalo Basin in 2018-2019 fiscal year
- Kupu anticipates less of a net operating loss in future years as it begins to charge cost recovery as allowed in the lease

### **1. Facility Program Overview**

#### **Future:**

The facility is under construction with an end date of Mid-March 2019. When the facility re-opens it will provide opportunities for program youth as well as general community members to gather and engage in education, arts & crafts, and cultural events which will enrich and inspire the surrounding community. The facility has been a dream of Kupu since 2010 when we received a month to month lease for the Hawaii Community Development Authority. Over eight years, Kupu engaged community stakeholders to help envision the project which is coming to fruition in the next two months. The facility will open up with a new name "The Harry and Jeanette Weinberg Ho'okupu Center" which will provide multiple uses for the community and Kupu program youth to engage in and enjoy.



### **Over the last year:**

In November 2017 a long term lease was approved by the Hawaii Community Development Authority. Within the month, Kupu began pre-construction work at the facility. The initial hope was to start construction by January 2018, but several delays caused the project to start later in the year in May. Since the construction start date was adjusted several times it was difficult to make public commitments of the space as our staff was preparing to move out and our construction start date changed based on external factors. It was also understood with HCDA staff that Kupu would begin initial community offerings after construction finished.

In May 2018 new construction began on the premises and the facility was completely vacated by Kupu in April with construction schedule to continue until Mid-March 2019. Since May, the facility was completely gutted with construction and heavy equipment throughout

Between November 2017 and May 2018, Kupu continued to offer program services through its Hawaii Youth Conservation Corps Community program to at-risk youth in the Honolulu metropolitan area, which is further detailed in section 1A below. While it was understood that community events would occur after construction concluded, Kupu did its best to honor its commitments prior to construction by making the facility available during this time for at least 25 hours per month for community events, which is further detailed in the attachment. All program activities in addition to the minimum 25 hours per month for community use in the facility was temporarily discontinued in the month of May 2018 with plans to begin again upon completion of construction.

### **1 a. Kupu Program Use**

Kupu's Hawaii Youth Conservation Corps Community (HYCC Community) program served a total of 60 unique (63 non-unique) youth in FY1718. Figure 1 contains additional demographic data representative of the Community program's population served in the past program year.

HYCC Community Demographic Data FY1718

|                  |       |
|------------------|-------|
| Age Range Served | 16-22 |
| Average Age      | 18    |
| Asian            | 12%   |
| Native Hawaiian  | 63%   |
| Pacific Islander | 23%   |
| White            | 2%    |

Figure 1. HYCC Community Demographic Data FY1718



**b. Programs and activities for general public at the Facility**

The facility was made available at a *minimum* of 25 hours per month for community events. Reservations to use the facility could be requested through contacting Kupu's general inquiry phone line, email or submitting a request in person at the facility. In the months stated above, Kupu received requests from groups such as Civil Beat, who wanted to host community talk story for the local surfing community. Upon touring the facility prior to confirming their reservation, Civil Beat staff said that the facility was not in a condition due to pre-construction that was appropriate for their event. After further discussion and showing them examples of what the facility would look like post-renovation, they were very excited to wait until renovations were complete to submit their request again. Not all groups had the same feeling, and regardless of the space's condition, decided to hold their events/activities at the facility anyway. The activities included cultural workshops that were open to the public with no charge, meetings for veterans, community social service providers, and even families seeking to strengthen their connections. All events held at the space had no fees, was open to anyone attending to either view and/or participate, and Kupu did not collect any cost recovery fees.

**c. Future planned public programming for the facility after construction is over.**

Currently the planned opening for the facility is mid-March. There are a few final items such as furniture which could still arrive into April. Our hope is to begin engaging the community as soon as these late items arrive and we have solid standard operating procedures completed no later than May of this year.

**Upgraded Scheduling System:**

We are in the process of developing a upgraded scheduling system where community members will be able to schedule through a widget on our Kupu website. The facility will be available for at least 25 hours a month but believe it will be utilized by community members more often than that.

**Public Programming and workshops:**

We've been discussing with partners about presenting regularly scheduled workshops and speaker series. Some specific organizations we've spoken to are Bishop Museum National Oceanic Atmospheric Administration, US Forest Service, and Department of Land and Natural Resources, and the Honolulu Garden Club. We also are looking at offering a weekly lauhala weaving course to the public and other community opportunities like this. We have also begun to contemplate having sponsored community activities such as a sunset on the beach type event. We are also engaging with other organizations as we prepare for the opening in March.

**2. Public and Community Facility Use**

| Group/Indv. Name                        | Activity                                 | # of People Attended | Demographics  | Total Hours | Fees Charged |
|---|--|----------------------|---|-------------|--------------|
| Bert McDonald                           | Lomi Workshop/Services                   | 300                  | Oahu Residents, All Ages                                | 240         | 0            |
| Friends of Kewalo                       | Beach Clean Up                           | 300                  | Oahu Residents, Kaka'ako and Kewalo Community, All Ages | 5           | 0            |
| Lorna Pacheco                           | Lauala Weaving Workshop                  | 25                   | Oahu Residents, All Ages                                | 8           | 0            |
| National Scholastic Surfing Association | 2018 NSSA Hawaii Championship Contests   | 1200                 | Oahu Residents, All Ages                                | 72          | 0            |
| Pili Group                              | Documentary Filming                      | 10                   | Local Oahu Chefs, Filming Crew                          | 3           | 0            |
| The American Legion Hawaii Department   | Veterans Group Meeting                   | 25                   | Oahu Community Residents, Veterans, All Ages            | 2           | 0            |
| Trust for Public Lands                  | Lei of Parks Event                       | 300                  | Oahu Residents, All Ages                                | 6           | 0            |
| Emma Broderick                          | Stanford Univ. Design Your Life Workshop | 10                   | Oahu Residents, Stanford Alumni, All Ages               | 2           | 0            |
|   |  |                      | <b>TOTAL</b>  | <b>336</b>  | <b>0</b>     |
|   | Hours Per Month                          |                      |   |             |              |
| Oct-17                                  | 32                                       |                      |   |             |              |
| Nov-17                                  | 36                                       |                      |   |             |              |
| Dec-17                                  | 36                                       |                      |   |             |              |
| Jan-18                                  | 34                                       |                      |   |             |              |
| Feb-18                                  | 34                                       |                      |   |             |              |
| Mar-18                                  | 116                                      |                      |   |             |              |
| Apr-18                                  | 37                                       |                      |   |             |              |
| May-18                                  |  |                      |   |             |              |
| Jun-18                                  | 5  |                      |   |             |              |
| Jul-18                                  |  |                      |   |             |              |
| Aug-18                                  |  |                      |   |             |              |
| Sep-18                                  | 6  |                      |   |             |              |
| Oct-18                                  |  |                      |   |             |              |
| Nov-18                                  |  |                      |   |             |              |
| Dec-18                                  |  |                      |   |             |              |



### 3. Financials

#### a. Kupu's entire organization overall revenue and expenses

##### Revenue Budget for year 2019

|                      |                    |
|----------------------|--------------------|
| Private              | \$2,805,064        |
| Federal              | \$3,427,294        |
| State/Local          | \$1,753,116        |
| Site Fees            | \$1,149,580        |
| Donation             | \$498,552          |
| <b>Total Revenue</b> | <b>\$9,633,606</b> |

##### Expenses

|                       |                    |
|-----------------------|--------------------|
| Staff Wages           | \$3,092,878        |
| Participant           | \$3,708,178        |
| Other                 | \$1,832,911        |
| <b>Total Expenses</b> | <b>\$8,633,967</b> |

|                   |                  |
|-------------------|------------------|
| <b>Net Income</b> | <b>\$999,640</b> |
|-------------------|------------------|

For fiscal year 2019, on an operational level, we expect to run at approximately a flat to \$100k net income. Therefore, approximately \$900k of the net income above is related to the construction of the facility. For accounting purposes this figure is presented as net income; however, this is because all construction costs are booked as an asset when spent (versus an expense), but once the facility is complete, this amount will be depreciated over the life time of the facility.

#### b. Facility breakdown for serving the general public FY 2017 '18 (show as percentage of entire organizational revenue/expenses)

##### i.

|                          |                     |
|--------------------------|---------------------|
| Net Revenue              | \$0.00              |
| Staff Salary             | \$9,261             |
| Supplies                 | \$3,027             |
| Consultant               | \$1,250             |
| Insurance                | \$300               |
| Depreciation             | \$9,088             |
| Utilities                | \$2,160             |
| <b>Total Net Income</b>  | <b>(\$25,086)</b>   |
| <b>% of Total Budget</b> | <b>Less than 1%</b> |

Kupu did not charge cost recovery from any community groups which utilized the facility. The decision was based on the poor condition of the facility prior to move out during pre-construction months since Kupu was moving all program supplies, equipment, and storage items out of the facility and coordinating new homes for items Kupu wouldn't need after the renovation of the facility.



ii. Accounting of annual expenses for managing, implementing, and presenting community programs and engagement activities at the facility for the general public.

Kupu has placed \$100,000 in a reserve fund for the facility to help with future repairs and maintenance. Kupu has paid for park improvements such as design and civil work for a new fire hydrant and FM meter in the park as well as an upgraded the HECO transformer. The total expense for these park improvements \$283,957. This total will be split between Howard Hughes and Kupu.

iii. Rough budget for previous year and upcoming year specifically for managing, implementing, and presenting community programs and engagement activities at the facility for the general public.

See 3b i above for Fiscal Year 2017-2018

**2018-2019 Facility Operating Cost**

|                       |                     |
|-----------------------|---------------------|
| Staff                 | \$35,864            |
| Supplies              | \$5,500             |
| Insurance             | \$900               |
| Depreciation          | \$105,561           |
| Occupancy             | \$9,900             |
| <u>Total Net Loss</u> | <u>\$(-157,725)</u> |
| % of total budget     | 3.5%                |



**Construction Photos:**













