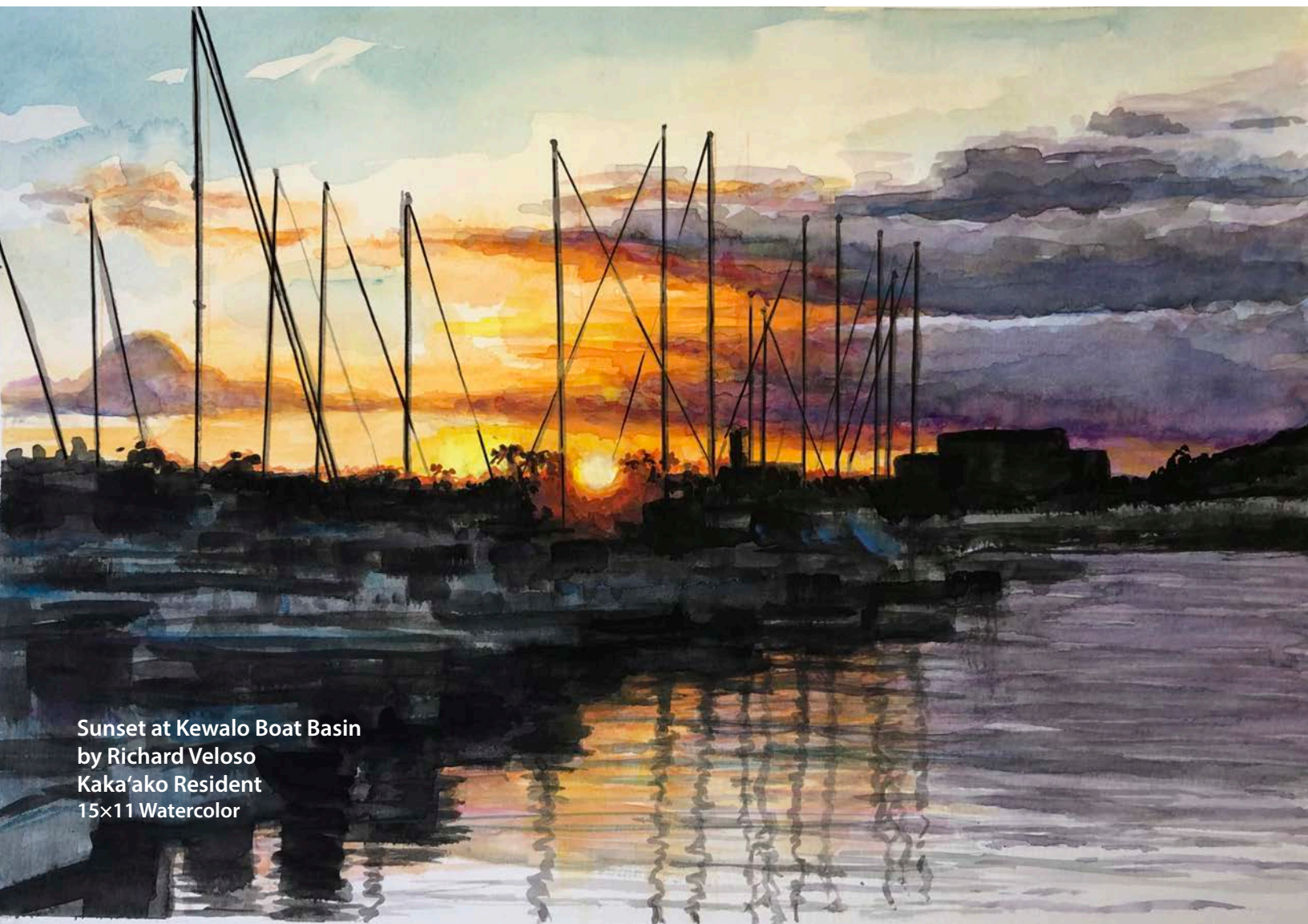




**Hawai'i Community Development Authority
2021 Annual Report
to the
Hawai'i State Legislature
Regular Session of 2022**



Sunset at Kewalo Boat Basin
by Richard Veloso
Kaka'ako Resident
15x11 Watercolor

Message from the Chairperson

“2021: Ensuring Pono Community Development”

This is a “full circle moment” for me. After first serving on the Hawai‘i Community Development Authority in 1992, nearly three decades later I am thrilled to serve again, this time as Chair and to see the work of HCDA as the State’s community development agency come to life. The fruits of the seeds planted from those early years are blossoming. Further, not only has HCDA undertaken urban community development in Kaka‘ako, but it is now facilitating suburban community development of Kalaeloa and rural community development in He‘eia.

Though 2020 was a challenging year for Hawai‘i, 2021 has been a year of economic recovery. Activity in each of our community development districts has been facilitated by HCDA and has continued at a brisk pace keeping people employed, providing new housing, improving infrastructure, developing public facilities, and generating revenues for the State. In each of these districts, HCDA seeks to facilitate a “pono” model of community development, appropriate for the place and community in which it resides.

Development activities in Kaka‘ako and Kalaeloa community development districts reflected continued confidence in the HCDA and its ability to leverage the strengths of private enterprise and public development regulations to create new housing, jobs, and economic growth in the state.

I am proud to share that in this annual report are details of HCDA’s recent collaboration with private entities in both Kaka‘ako and Kalaeloa of which is expected to result in over \$3.14 billion in construction spending and create over 2,600 construction jobs annually, for the next few years, with 4,193 new residential units.

In West Oahu, Kalaeloa is emerging as a suburban model for community economic development. HCDA approved a development permit for the new Veteran’s Administration multi-specialty outpatient clinic. Once completed, the clinic will bring critically needed medical services to West Oahu, and is expected to serve approximately 87,000 veterans. It will create hundreds of jobs, generate tax revenues, and spur the development of much needed infrastructure improvements in the district.

In a totally different kind of community development district, after a long and participatory community consultation process, the HCDA adopted the He‘eia Community Development District Master Plan and Rules. It represents an exciting model for rural development focused on land stewardship, enhancing community engagement and elevating the knowledge of the place.

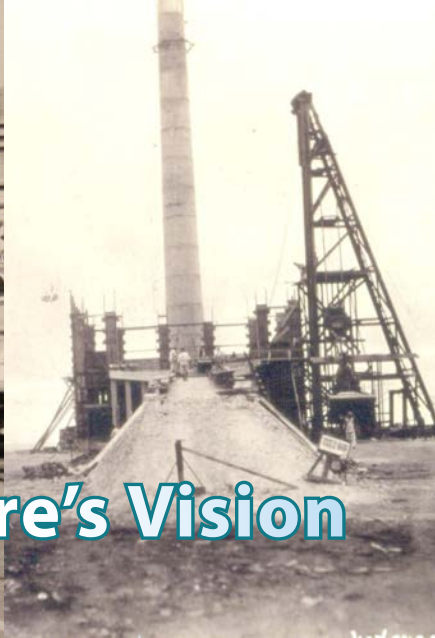
The mana‘o ho‘okō (intent) of the He‘eia Plan is: Recognizing the value of ahupua‘a management principles, promote and cultivate ‘āina momona (abundance) for the lands of He‘eia for present and future generations through culturally appropriate agriculture, education, natural resources restoration and management.

The Heeia CDD Plan and Rules were approved by the Governor and became effective on July 30, 2021.

As the HCDA continues its mission, we would like to acknowledge the contributions and support of many individuals and organizations—the State administration and Legislature, other government agencies, community groups, private developers, concerned citizens and our districts’ landowners and residents. Our success depends on your continued participation and support.

It is my pleasure to present the Hawai‘i Community Development Authority’s 2021 Annual Report to the Governor, Legislature, and community on behalf of the HCDA board and staff.

Susan Todani, Chairperson



Legislature's Vision

The Hawai'i State Legislature saw great potential in Kaka'ako, Kalaeloa and He'eia, and designated these areas Community Development Districts. The legislature believed that establishing the Hawai'i Community Development Authority for planning and development would result in communities that serve the highest needs and aspirations of Hawai'i's people.

Hawai'i Community Development Authority (HCDA)

We build communities

The HCDA is a re-development agency established in 1976 by the Hawai'i State Legislature to improve substantially undeveloped, blighted, or economically depressed areas in the State in need of renewal, renovation or improvement. The Legislative purpose was to alleviate dilapidation, deterioration and other conditions that make these areas an economic or social liability.

The HCDA brings together the strengths of private enterprise, public development and regulations to meet community development needs. Over the years, by creating and implementing long range development plans, the HCDA has facilitated the development of affordable housing, commercial and industrial spaces, and public facilities such as parks and open spaces.

Today, the HCDA is continuing its community development objectives in four community development districts established by the Legislature, the Kaka'ako Community Development District (Kaka'ako), the Kalaeloa Community Development District (Kalaeloa), the He'eia Community Development District (He'eia), and the Stadium Development District (Stadium).

A Glance

Community Development Districts

The Hawai'i State Legislature saw great potential in Kaka'ako, Kalaeloa and He'eia, and designated these areas Community Development Districts. The legislature believed that establishing the Hawai'i Community Development Authority (HCDA) for planning and development would result in communities that serve the highest needs and aspirations of Hawai'i's people.

Kaka'ako *Live, work, play*



Land Area **600 +** acres

Estimated population **16,550**



State Investment
in infrastructure

\$226,000,000+

Economic Impact over
\$10,000,000,000
in construction spending



12,598



Total
Housing
Units



4,249 Affordable
housing units

1,380 Rental units
at 30-60% AMI

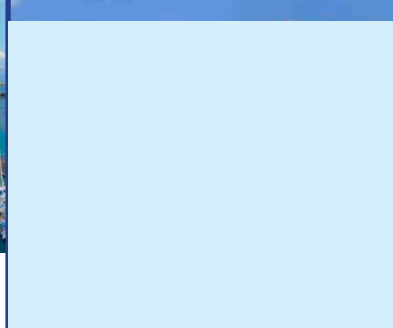
489 Elderly Rental units



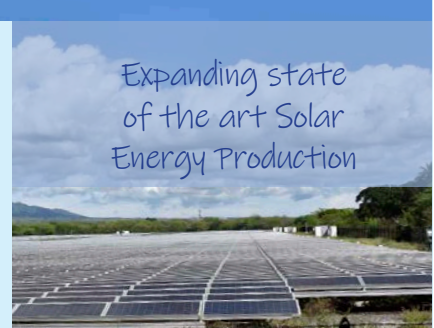
Over **56** acres of Park Space



Kalaeloa *Center of Excellence*



Kalaeloa
Energy
Corridor



Expanding state
of the art Solar
Energy Production



State Investment
in infrastructure:

\$13,000,000+

Housing
Units



- 389** Proposed units for sale
- 480** Transitional housing
- 100** Affordable rental units
- 620** Market Rate Rentals

He'eia

*ahupua'a management of
agriculture and natural resources*



Food Security - working toward increasing
the amount of kalo grown in Hawai'i.



Land Area **406 +** acres

30 acres converted to loi by
HCDA's partner Kāko'o 'Ōiwi

6 acres of invasive
mangrove removed around
Kamehameha Highway

Restored **1.3** miles of
historic farm roads



Kaka'ako Highlights

Planning and Development

Over the past forty years Kaka'ako has transformed from what the legislature found to be an area in need of improvement into a hip pedestrian-friendly gathering place known for its artistic murals, vibrant food, farmers market, locally made brews and recreational activities, as well as urban housing.

Robust development activity in 2021 reflected continued confidence in Kaka'ako by landowners, developers, and businesses as a vibrant place to live, work, and play in urban Honolulu. The activity will create jobs, generate revenue, and further enhance the Kaka'ako community.

In addition to renovations and tenant improvements to numerous existing spaces in the district, there are several new buildings under construction. Among them are the 803 Waimanu housing project, a new Queen Street retail and storage facility in Central Kaka'ako, and Ward Village's mixed-use towers 'A'ali'i, Kō'ula, and Victoria Place.

The Authority also reviewed new applications from Kamehameha Schools and Victoria Ward, Limited that will lead to on-going development in the next few years.

In June 2021, the Authority reviewed and approved Kamehameha Schools' application to amend its permit for the Kaiāulu 'O Kaka'ako master plan (KKMP).

The KKMP amendment extended the time for the master plan permit and allowed for greater flexibility in master plan implementation by allowing for the adjustment of certain KKMP parameters such as unit count, floor area allocation, and the option to develop more affordable housing by utilizing the State's HRS 201H-38 provision.

With the approval of the KKMP amendment and plans underway to begin the second phase of its master plan it is estimated to create an average of 1,900 annual jobs during development with a \$2.14 billion overall economic impact.

Victoria Ward, Limited submitted two applications for development permits under its Ward Neighborhood Master Plan.

One of the permit applications was for the Ulana Ward Village project, located near the intersection of Auahi Street and Kamani Street, which was approved by the Authority in spring 2021. Once completed, Ulana Ward Village will provide nearly 697 reserved housing units, a 30,000 square foot community park, 40,708 square feet of resident recreation space, and over 34,500 square feet of new industrial floor area to the Ward Village area.

Victoria Ward, Limited's second permit application was for the Park Ward Village project, located on the corner of Auahi Street and Ward Avenue, which was also approved in spring 2021. With the completion of the Park Ward Village there will be approximately 546 new residential units, over 37,000 square feet of ground level commercial and retail space, and the addition of over 37,000 square feet of expansion area to the newly created Victoria Ward Park.

Those two projects are anticipated to make a \$1 billion overall economic impact, and create 687 average annual construction jobs.

In 2021, HCDA initiated the process to amend the HRS 15-217 Mauka Area Rules that were originally adopted in 2011. This rule amendment process is an opportunity to introduce development incentives for projects located near existing and future public transportation infrastructure and will allow HCDA to encourage an increased production of affordable housing. The rule amendment process is anticipated to continue until near the end of 2022.

12,598

Housing units completed, under construction, or pending

2 Development permits approved – Ulana and The Park Ward Village, that will provide an approximate combined total of:

49,000 S.F. Open space

1,243 Residential units

116,000 S.F. Recreation space

\$1 billion in overall economic impact

687 avg. annual construction jobs

1,900 Average annual jobs anticipated to be created during the second phase of the Kamehameha Schools Master Plan development, including:

\$2.14 billion in overall economic impact

74,682 S.F. Open space

2,563 Residential units

125,000 S.F. Recreation space

Over **5** development lots

65 Industrial use landowners submitted property tax breaks in central Kaka'ako (City Ordinance 16-21)

5 Projects under construction: Kō'ula, The Block 803 Waimanu, Victoria Place, 'A'ali'i, and Queen Street Storage

78 Rules clearances and improvement permits approved.

697

Number of reserved housing units added once Ulana Ward Village is completed

Kaka'ako Highlights

Asset Management

As we navigate the road to recovery, asset management within a state agency has had to be innovative and flexible, quickly adapting to the needs of the communities we serve. HCDA's Asset Management Team oversees the agency's Reserved Housing Program and manages over 600 acres of HCDA-owned land across three community development districts. These land assets include a diverse mix of residential, commercial, agricultural, and historic properties that are managed through a series of leases, agreements, and contracts.

Helping our neighbors when we could in 2020 and 2021, HCDA waived the lease rent for the non-profit Volunteer Legal Services Hawai'i, which like many other non-profits, saw deep budget cuts despite an increase in people needing their assistance.

Shared Equity

To allow reserved housing unit owners to prepay their shared equity without selling or transferring their unit, in June 2021, HCDA amended its Reserved Housing Rules, Hawai'i Administrative Rules 15-218-41. Previously, the payment of shared equity was only allowed if an owner was selling or otherwise transferring title to their unit after the expiration of the regulated term. As of December 2021, ten Reserved Housing Unit Owners prepaid their shared equity amounts, causing the release of nine of those units from HCDA's Reserved Housing Program.

Ala Moana Pedestrian Bridge

The development of a pedestrian bridge over Ala Moana Boulevard is moving forward. The bridge will create a safe pedestrian friendly mauka-makai connection over Ala Moana Boulevard, connecting Victoria Ward Park and the future Kaka'ako rail station to Kewalo Basin Harbor and Ala Moana Regional Park. The project is funded by a \$20 million federal BUILD grant and supported by the Department of Transportation and Victoria Ward Limited (Howard Hughes Corporation). Construction is anticipated to take place from January 2022 through June 2023. The Authority approved a Right-of-Entry Agreement and Grant of Easement to allow DOT to complete construction and maintain the bridge in the future.

Refinancing

Owners of an HCDA Reserved Housing Unit may refinance under certain conditions with subordination approval from HCDA.

220 subordination requests were approved, allowing reserved housing unit owners to refinance.

July 1, 2020 – June 30, 2021:

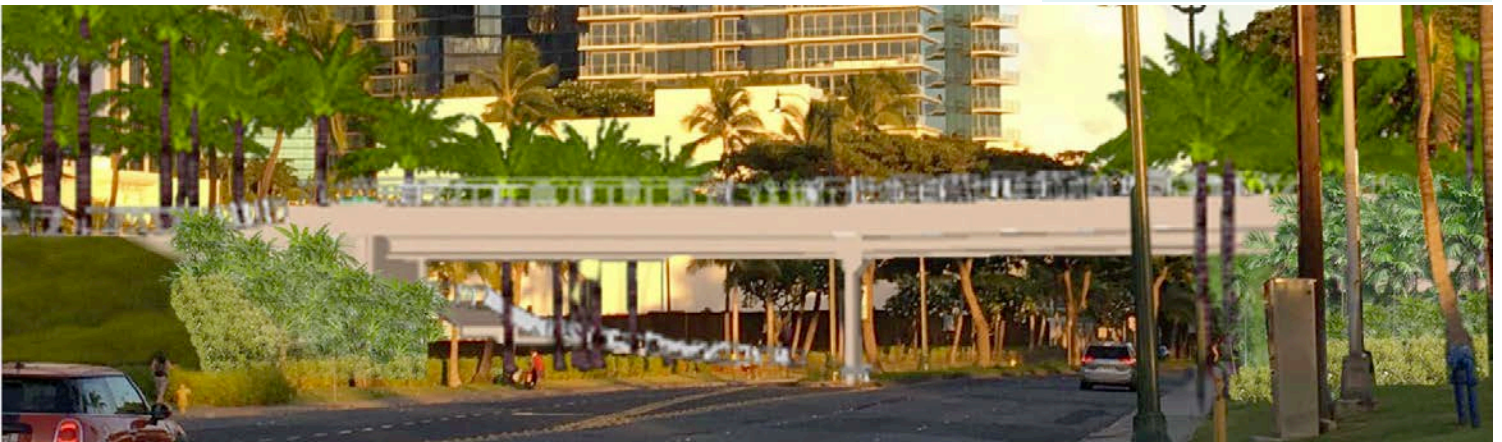
Ke Kilohana	141
Keola Lai	3
Pacifica	10
Keauhou Place	33
400 Keawe	7
Rycroft Terrace	11
Symphony	15

Releases allow Reserved Housing Unit Owners to sell their units and be released from HCDA's Reserved Housing Program, following the expiration of their regulated term and payment of shared equity:

27 releases from the Reserved Housing program.

July 1, 2020 - June 30, 2021:

Ke Kilohana	3
Keola Lai	4
Pacifica	4
Keauhou Place	5
400 Keawe	2
Rycroft Terrace	3
Symphony	6



Affordable Housing

HCDA works with developers to build affordable reserved and workforce housing without tax dollars.

40

Housing projects completed under HCDA Administrative rules

In response to requests by numerous reserved housing unit owners, facing extreme financial uncertainty due to the COVID-19 pandemic, in 2020, HCDA increased the refinancing limit for reserved housing units in Kaka'ako. This policy change allowed more people to take advantage of the current low interest rates. In 2021, the phones were ringing off the hook with inquiries. In response, HCDA redesigned its website with online instructions to better serve people, and hundreds have applied for subordination to permit refinancing.

In August 2021, the Authority approved a new policy allowing reserved housing unit owners to obtain a second mortgage (i.e., HELOC) under certain conditions. This allows reserved housing unit owners to further access the equity in their home. Soon after this new change, the HCDA approved its first second mortgage, and received numerous inquiries from other owners, and lenders that are interested.

For HCDA working to keep Kaka'ako a mixed income and mixed-use district, includes increasing and maintaining a supply of affordable housing within Kaka'ako.

The HCDA Reserved Housing program is for Hawai'i residents earning less than 140 percent of the area median income (AMI). The program requires that at least 20 percent of new residential units, either for sale or for rent, are set aside for low- and moderate-income households. The rental or sales prices for these units are calculated so a household would spend no more than a third of its gross monthly income on housing expenses, making them affordable to Hawaii's working families. Housing expenses include mortgage, property taxes, mortgage insurance, and condominium association dues.

The program comes with a few restrictions, such as requiring homeowners to agree to live in their new condominium for a minimum time period and, if they sell the unit, requiring them to share some of the increased equity on the unit with the Authority, which is then put back into the reserved housing program to develop more affordable housing. In exchange for providing reserved housing, developers are provided certain incentives, for example, bonuses allowing them to develop more units, relaxing strict design requirements, and exempting them from certain fees. These units are provided without cost to the taxpayers or the government.

The HCDA oversees over one thousand Reserved Housing units governed by Hawai'i Administrative Rules (HAR), with several hundred more under construction.

To learn more about HCDA's Reserved Housing program visit <http://dbedt.hawaii.gov/hcda/reserved-housing>.

Affordable Rentals

1 in 3

Housing units is affordable

There are currently three affordable senior housing communities in Kaka'ako:

Honuakaha, on Queen Street, was built by HCDA. It contains 244 total units, 150 units are senior rentals, either studios or one-bedroom units with fixed monthly rents from \$960 to 1,150 for new tenants. Rentals are managed by Locations Property Management. Learn more at www.locationsrentals.com/affordable-rentals.aspx.

Na Lei Hulu Kupuna on Cooke Street, across Mother Waldron Park is owned by Mark Development. The five-story residential building features 76 senior furnished studio-units. Rents vary from \$733 to \$1,099. Learn more at www.mdihawaii.com/nalei.

Pohulani senior living has 263 apartments for rent on the corner of Coral and Queen Streets. The project features an emergency call system in each unit. The easy-to-use website tells you how many units are available, rents start at \$1,350 and residents can make rent payments online, at www.pohulani.com.

There are 9 affordable rental housing communities with a total of 1,370 units in Kakaako, for qualified renters with income below 100% AMI (\$101,600 for a 4-person household):

- Hale Kewalo, 128 Units
- Halekauwila Place, 204 Units
- Kamake'e Vista, 225 Units
- Kauhale Kaka'ako, 267 Units
- Keauhou Lane, 209 Units
- Nohana Hale, 111 Units
- Ola Ka 'Ilima Artspace Lofts, 84 Units
- Six Eighty Ala Moana, 54 Units
- The Flats at Pu'unui, 88 Units



- 1. One Waterfront Towers *Nauru Development*
- 2. 1133 Waimanu
- 3. Nauru Towers
- 4. Hawaiki Tower
- 5. Ko'olani
- 6. Waihonua at Kewalo
- 7. Hokua
- 8. Royal Capital Plaza
- 9. Imperial Plaza

- 10. One Archer Lane
- 11. Moana Pacific
- 12. 909 Kapi'olani
- 13. Keola La'i
- 14. Pacifica Honolulu
- 15. Symphony Honolulu
- 16. 801 South Street A - and Building B
- 17. Kamake'e Vista
- 18. Pohulani *

- 19. Kauhale Kaka'ako
- 20. Na Lei Hulu Kupuna *
- 21. Honuakaha *
- 22. Halekauwila Place
- 23. 803 Waimanu Street
- Kaiaulu O Kakaako Master Plan (KS):*
- 24. *The Collection*
- 25. *Keauhou Lane*
- 26. *Keauhou Place*

- 27. *The Flats at Pu'unui*
- 28. *400 Keawe*
- 29. *Six Eighty Ala Moana*
- 30. *Rycroft Terrace*
- 31. *Vanguard Lofts*
- 32. *Hale Kewalo*
- Ward Neighborhood Master Plan:*
- 33. *Waiea*
- 34. *Anaha*
- 35. *Ke Kilohana*

- 36. *Ae'o*
- 37. *A'ali'i*
- 38. *Kō'ula*
- 39. *Victoria Place*
- 40. *Ulana*
- 41. *The Park*
- 42. *Ola Ka 'Ilima Artspace Lofts*
- 43. *Nohana Hale*

* Includes affordable senior rental units.

Kalaeloa Highlights

Planning and Development

New Veterans Affairs Clinic

After hearing a large number of community testimony in support, the Authority approved the development permit for the Department of Veterans Affairs multi-specialty outpatient clinic located at the southeast corner of the Kamokila Boulevard Extension and Franklin Delano Roosevelt Avenue, in Kalaeloa.

The \$100 million new facility expects to create 200 construction jobs and 300 long-term health specialty jobs at full build out. The development will also infuse new roadways and infrastructure into Kalaeloa.

The clinic will bring much needed medical services and care for veterans who live in the district and adjacent areas.

Near the planned Veteran's Affairs Clinic, Gentry Homes, Ltd. is proposing to develop approximately 390 multi-family and detached homes, with 20% set aside as affordable reserved housing units for those persons earning below 140% of the area median income.

The estimated \$120 million residential project expects to create 150 construction jobs, open space, and recreational amenities.



Renewable Energy

The district continues to support the State's renewable energy goals. In 2021, the Authority approved the first Community Based Renewable Energy project that will allow the Department of Hawaiian Home Lands (DHHL) beneficiaries and other community residents to benefit from solar power savings although they may not be able to put solar on their own roof-tops.

Phase I of the Kalaeloa Home Land Solar project will produce 3.5 megawatts and anticipates producing 7 megawatts at full build out - this project is expected to provide renewable shared energy for more than 3,000 homes with preferences given to DHHL beneficiaries.



4 Renewable energy projects in the Kalaeloa CDD. **3** currently, provide **15 megawatts** of power to the HECO grid, with another anticipated online in the next 3 years. Moving the entire state closer to its 2045 energy goals.

Kalaeloa Highlights

Planning and Development

Plan and Rules Update

The master plan for the district was adopted in 2006, and the rules were adopted in 2012. Since the plan and rules were adopted, major developments have occurred within or adjacent to the district. HCDA and its consultant, Torti Gallas and Partners continue to work on revising the plan and rules after engaging with stakeholders and the community in 2021.

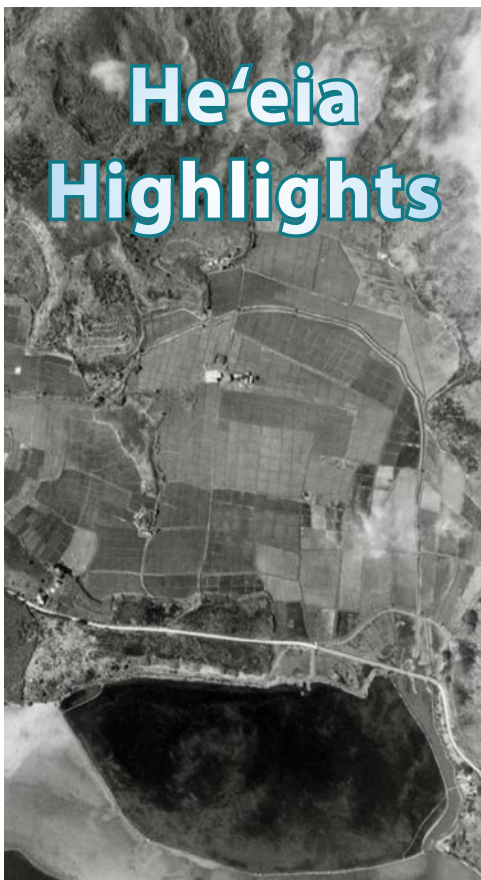
Community Outreach

The Kalaeloa Stakeholders Group forum was restarted in 2021. At these monthly meetings, landowners, tenants, business, federal, state and county agencies, and elected officials can come together, bring awareness and collaborate to address public safety and other Kalaeloa related issues. Meetings are held virtually, for now, on the second Thursday of each month at 9:30 a.m.



13

Regulatory permits were reviewed and processed in 2021 relating to office renovations, fencing, temporary parking, etc. Generating revenue activities of an estimated \$50 million.



He'eia Master Plan and Rules

In 2011, Act 210 was signed into law establishing the He'eia Community Development District (He'eia CDD). The HCDA was designated the redevelopment agency of the He'eia CDD responsible for facilitating culturally appropriate agriculture, education, and natural-resource restoration and management of the He'eia wetlands. The development of a community development plan for the district with guidance policies, a district-wide improvement program and community development rules are required by law, pursuant to HRS §206E-5. In 2017, the Authority approved the transfer of funds from Kaka'ako to He'eia to retain a consultant to develop a master plan and administrative rules for the He'eia CDD. Townscape, Inc. was later selected to prepare the master plans and rules.

Development of the He'eia CDD Master Plan and Rules was based on background research, analysis of site resources and constraints; and consultations with stakeholders, community members, the Kaneohe, Kailua and Kahalu'u neighborhood boards and government agencies, along with the He'eia Permitted Interaction Group. The Authority approved the Master Plan and Rules in June 2021, followed by the Governor's approval in July 2021. The Master Plan and Rules protect, in perpetuity (i) the cultural significance to the Native Hawaiian community and the (ii) culturally appropriate agriculture, education, and resource restoration and management of the He'eia wetlands.

He'eia Highlights

Planning and Development

He'eia was rich with hundreds of acres of agriculture. It has the potential to thrive like that again and produce a quarter of the state's kalo, supporting Hawai'i's goal for food security, and providing jobs.

Loko i'a are unique aquaculture systems that exist throughout Hawai'i, developed to optimize natural patterns of watersheds, nutrient cycles, and fish biology.

Kāko'o 'Ōiwi

In 2010, Kāko'o 'Ōiwi, a community-based nonprofit corporation, was granted a 38-year lease by HCDA for the 405-acre He'eia CDD for the purpose of implementing activities related to and supportive of cultural practices, agriculture, education, and natural-resource restoration and management.

Along with its numerous community sponsors and partners, Kāko'o 'Ōiwi has been working to restore the wetlands by converting fallow land into productive lo'i and agricultural gardens, planting fruit bearing trees, renovating historic roads, and removing invasive flora.

In November 2021, Kāko'o 'Ōiwi completed the construction of 'Ōpūnui, a poi mill and certified kitchen within the He'eia CDD. 'Ōpūnui affords Kāko'o 'Ōiwi the ability to process kalo on site and further secures its goal of providing farm to table produce for the community.

He'eia Highlights

Planning and Development

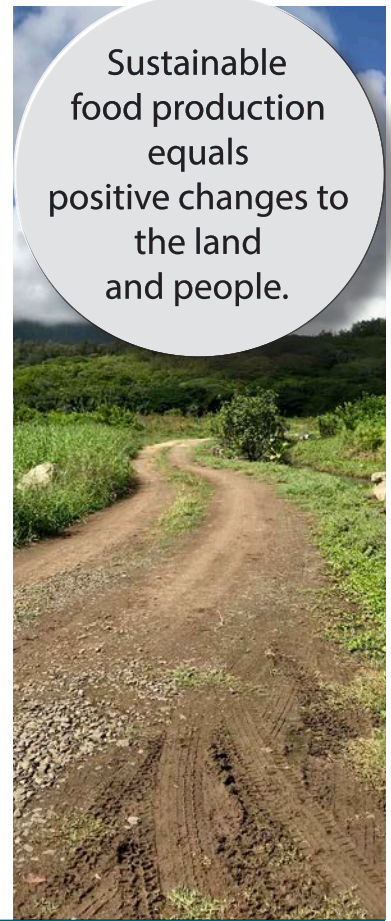
He'eia National Estuarine Research Reserve

The National Estuarine Research Reserve (NERR) system is a network of 29 coastal sites designated to protect and study estuarine systems. Established through the Coastal Zone Management Act, the reserves represent a partnership program between NOAA and the coastal states. NOAA provides funding and national guidance, and each site is managed on a daily basis by a lead state agency or university with input from local partners.

The He'eia National Estuarine Research Reserve, designated in 2017 as the 29th site, encompasses 1,385 acres of unique and diverse upland, wetland, stream, estuarine, coastal, and marine habitats within the He'eia ahupua'a, and includes the He'eia CDD. The lead state agency is the University of Hawai'i Institute of Marine Biology.

Act 166 (2019) directed HCDA to invite and consult with designated community stakeholders to develop a He'eia state park community-based long-range plan for the He'eia NERR. HCDA, along with its consultant PBR Hawai'i, held numerous one-on-one and community meetings, with the most recent community meeting being held in September 2021. A final report with recommendations for incorporating the NERR into the He'eia State Park will be presented to stakeholders and is anticipated to be completed by the end of the 2021 calendar year.

Sustainable food production equals positive changes to the land and people.

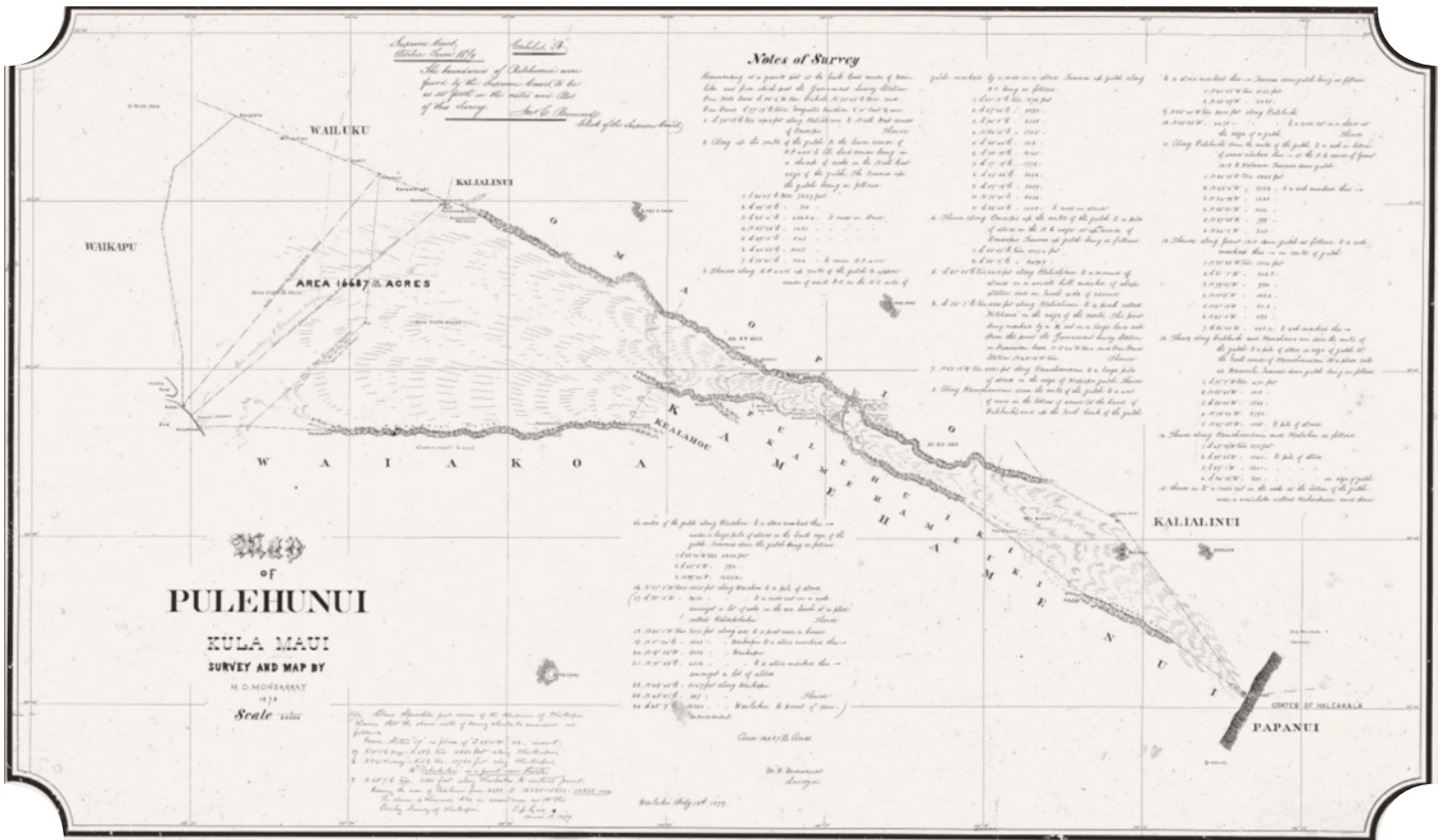


Stadium Highlights



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, O'ahu, Hawai'i. 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.

In 2021, Act 146, Relating to the Stadium Development District became law, broadening the powers and duties of the Stadium Authority to acquire and hold real property, and to delegate to other state agencies implementation of capital improvement projects with approval of the governor. All development responsibilities for the stadium and surrounding areas were given to the Stadium Authority under the bill.



Recent Legislation

Pulehunui, Maui

In 2020, Act 006, Relating to Capital Improvement Projects became law. The purpose of the bill was to appropriate supplemental funds for the capital costs of the Executive Branch for fiscal years 2019-2020 and 2020-2021.

Among the appropriations to Public Safety was \$5 million for the fiscal year 2020-2021, for the planning, and design of a new Maui Regional Public Safety Complex in Pulehunui, Maui.

Act 006 states, with the approval of the governor, the Department of Public Safety may delegate responsibility and transfer funds to the Hawai'i Community Development Authority for the implementation of planning for the Maui Regional Public Safety Complex at Pulehunui, when it is determined by the agencies that it is advantageous to do so. It also requires that the HCDA shall submit to the legislature a summary report of all uses of this authority for the previous twelve-month period from December 1 to November 30.

Pursuant to Act 006, this is the Hawai'i Community Development Authority's report to the legislature for the period from December 1, 2020 (the end date of the last 12-month reporting period) to November 30, 2021.

The Department of Public Safety has not yet delegated responsibility or transferred funds to the Hawai'i Community Development Authority for the implementation of planning for the Maui Regional Public Safety Complex at Pulehunui. It has not yet been determined by the agencies that it is advantageous to do so.



Financial Statements

Fiscal Year Ended June 30, 2021

AUDITED FINANCIAL STATEMENTS

State of Hawai'i

Hawai'i Community Development Authority

The financial statements contained herein follow the state's fiscal year, beginning July 1, 2020 and ending June 30, 2021.

The audited financial statements were prepared for the State of Hawai'i Office of the Auditor.

STATEMENT OF NET POSITION

As of June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash in State Treasury and petty cash	\$ 27,518,864
Due from State	1,672,253
Accounts receivable, net	578,580
Interest receivable	44,793
Total current assets	<u>29,814,490</u>
Noncurrent assets	
Loan receivable - Halekauwila Partners, LLC	15,377,214
Investment in limited partnership	50,880
Water source allocation credits	249,642
Capital assets, net	94,053,133
Total noncurrent assets	<u>109,730,869</u>
Total assets	<u>139,545,359</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	520,954
Related to other postemployment benefits	118,969
Total deferred outflows of resources	<u>639,923</u>
Total assets and deferred outflows of resources	<u>\$ 140,185,282</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 187,724
Unearned revenue	225,024
Accrued payroll	143,801
Rental security deposits	71,882
Current portion of long-term obligations	100,999
Due to State Treasury	1,316,862
Total current liabilities	<u>2,046,292</u>
Long-term liabilities	
Due in more than one year	11,052,349
Net pension liability	4,237,183
Net other postemployment benefits liability	2,669,722
Total long-term liabilities	<u>17,959,254</u>
Total liabilities	<u>20,005,546</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	55,380
Related to other postemployment benefits	133,502
Total deferred inflows of resources	<u>188,882</u>
Total liabilities and deferred inflows of resources	<u>20,194,428</u>
NET POSITION	
Net investment in capital assets	94,053,133
Restricted for capital projects	2,659,654
Unrestricted	23,278,067
Total net position	<u>\$ 119,990,854</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 140,185,282</u>

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	Expenses	Program revenues		Net Revenue (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government	\$ 2,799,111	\$ --	\$ --	\$ (2,799,111)
Leasing and management	866,856	1,903,062	--	1,036,206
Community redevelopment	364,590	2,151,390	--	1,786,800
Capital projects	<u>2,482,412</u>	<u>--</u>	<u>--</u>	<u>(2,482,412)</u>
Total governmental activities	\$ <u>6,512,969</u>	\$ <u>4,054,452</u>	\$ <u>--</u>	<u>(2,458,517)</u>
		General revenues		
			State allotted appropriations, net of lapses	2,799,542
			Interest and investment earnings	255,030
			Nonimposed employee wages and fringe benefits	419,566
			Other	<u>72,359</u>
			Total general revenues	<u>3,546,497</u>
			Change in net position	1,087,980
			Net position at June 30, 2020, as previously reported	165,172,324
			Prior period adjustment	<u>(46,269,450)</u>
			Net position at June 30, 2020, as restated	<u>118,902,874</u>
			Net position at June 30, 2021	\$ <u>119,990,854</u>

State of Hawai'i • Hawai'i Community Development Authority
BALANCE SHEET • GOVERNMENTAL FUNDS
As of June 30, 2021

	General Fund	Hawaii Community Development	Kalaeloa Community Development	He'eia Community Development	Capital Projects	Total Governmental Funds
Assets						
Cash in State Treasury and petty cash	\$ 3,500	\$ 25,888,371	\$ 1,607,918	\$ 19,075	\$ --	\$ 27,518,864
Due from State	--	--	--	--	1,672,253	1,672,253
Accounts receivable - net	--	573,186	5,394	--	--	578,580
Interest receivable	--	44,559	230	4	--	44,793
Water source allocation credits	--	249,642	--	--	--	249,642
Loan receivable - Halekauwila Partners, LLC	--	15,377,214	--	--	--	15,377,214
Total assets	<u>\$ 3,500</u>	<u>\$ 42,132,972</u>	<u>\$ 1,613,542</u>	<u>\$ 19,079</u>	<u>\$ 1,672,253</u>	<u>\$ 45,441,346</u>
Liabilities						
Accounts payable	\$ --	\$ 107,204	\$ 51,068	\$ 9,204	\$ 20,248	\$ 187,724
Unearned revenues	--	225,024	--	--	--	225,024
Accrued payroll	--	136,159	7,642	--	--	143,801
Rental security deposits	--	71,882	--	--	--	71,882
Due to State Treasury	3,500	1,313,362	--	--	--	1,316,862
Total liabilities	<u>3,500</u>	<u>1,853,631</u>	<u>58,710</u>	<u>9,204</u>	<u>20,248</u>	<u>1,945,293</u>
Fund Balances						
Nonspendable						
Water source allocation credits	--	249,642	--	--	--	249,642
Loan receivable	--	15,377,214	--	--	--	15,377,214
Total nonspendable fund balances	--	15,626,856	--	--	--	15,626,856
Restricted						
Total fund balances	<u>--</u>	<u>24,652,485</u>	<u>1,554,832</u>	<u>9,875</u>	<u>1,652,005</u>	<u>27,869,197</u>
Total fund balances	<u>--</u>	<u>40,279,341</u>	<u>1,554,832</u>	<u>9,875</u>	<u>1,652,005</u>	<u>43,496,053</u>
Total liabilities and fund balances	<u>\$ 3,500</u>	<u>\$ 42,132,972</u>	<u>\$ 1,613,542</u>	<u>\$ 19,079</u>	<u>\$ 1,672,253</u>	<u>\$ 45,441,346</u>

**STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES • GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2021

	General Fund	Hawaii Community Development	Kalaeloa Community Development	He'eia Community Development	Capital Projects	Total Governmental Funds
Revenues						
State allotted appropriations, net	\$ 639,227	\$ --	\$ --	\$ --	\$ 2,160,315	\$ 2,799,542
Contributions from property owners	--	252,571	325,623	--	--	578,194
Dedication and reserve housing fees	--	1,573,196	--	--	--	1,573,196
Investment earnings	--	252,063	2,834	133	--	255,030
Leasing and management	--	1,713,100	187,497	2,465	--	1,903,062
Nonimposed employee wages and fringe benefits	419,566	--	--	--	--	419,566
Other	--	65,634	6,725	--	--	72,359
Total	<u>1,058,793</u>	<u>3,856,564</u>	<u>522,679</u>	<u>2,598</u>	<u>2,160,315</u>	<u>7,600,949</u>
Expenditures						
General government	1,235,898	1,201,756	--	--	--	2,437,654
Leasing and management	--	433,330	197,773	--	--	631,103
Community redevelopment	--	203,461	--	18,374	--	221,835
Capital outlays	--	139,092	--	--	1,191,245	1,330,337
Total	<u>1,235,898</u>	<u>1,977,639</u>	<u>197,773</u>	<u>18,374</u>	<u>1,191,245</u>	<u>4,620,929</u>
Excess of revenues over (under) expenditures	(177,105)	1,878,925	324,906	(15,776)	969,070	2,980,020
Other financing sources (uses)						
Transfers out	--	(22,783,739)	(1,142,362)	(11,150)	--	(23,937,251)
Transfers in	--	22,783,739	1,142,362	11,150	--	23,937,251
Total	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(177,105)	1,878,925	324,906	(15,776)	969,070	2,980,020
Fund balances, beginning of year as previously reported	<u>232,105</u>	<u>38,400,416</u>	<u>1,263,371</u>	<u>25,651</u>	<u>682,935</u>	<u>40,604,478</u>
Prior period adjustment	(55,000)	--	(33,445)	--	--	(88,445)
Fund balances, beginning of year, as restated	<u>177,105</u>	<u>38,400,416</u>	<u>1,229,926</u>	<u>25,651</u>	<u>682,935</u>	<u>40,516,033</u>
Fund balances, end of year	<u>\$ --</u>	<u>\$ 40,279,341</u>	<u>\$ 1,554,832</u>	<u>\$ 9,875</u>	<u>\$ 1,652,005</u>	<u>\$ 43,496,053</u>



Hawai'i Community Development Authority

Department of Business, Economic Development & Tourism - State of Hawai'i

Susan Todani, Chairperson
Chason Ishii, Vice Chairperson
Wei Fang, Secretary

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

At Large members

Peter Apo (Cultural Specialist)
Wei Fang
Chason Ishii
Susan Todani

Ex-Officio members

Jade Butay (DOT)
Craig Hirai (B&F)

Non-Voting ex-officio members

William Aila (DHHL)
Dean Uchida (City DPP)

Community members

Donna Ann Camvel
Phillip Hasha
Jo-Ann C. Leong
Joe Lewis

Vernon Inoshita

Kaiwipuni Lipe

David Rae

Kevin Sakoda

Mitchell Tynanes

Kakaako Authority

10 members
(9 voting, 1 non-voting)

Peter Apo
Jade Butay
Wei Fang
Phillip Hasha
Craig Hirai
Vernon Inoshita
Chason Ishii
Kevin Sakoda
Dean Uchida
Susan Todani

Kalaeloa Authority

11 members
(9 voting, 2 non-voting)

William Aila
Peter Apo
Jade Butay
Wei Fang
Craig Hirai
Chason Ishii
Joe Lewis
David Rae
Susan Todani
Mitchell Tynanes
Dean Uchida

Heeia Authority

10 members
(9 voting, 1 non-voting)

Peter Apo
Jade Butay
Donna Ann Camvel
Wei Fang
Craig Hirai
Jo-Ann C. Leong
Kaiwipuni Lipe
Susan Todani
Dean Uchida

Mahalo nui loa to all the other authority members who served this board in 2021

John Whalen, Chair
July 2015 to June 2021
Member March 2015 to June 2021

Jason Okuhama, Chair July to Oct 2021
Member March 2015 to Oct 2021
Daniel Ito (Cultural Specialist)
Member July 2020 to July 2021

Shirley Swinney (Kalaeloa)
Member March 2015 to June 2021
Maeda Timson (Kalaeloa)
Member Sept 2017 to May 2021

HCDA Staff

Executive Director

Deepak Neupane, P.E., AIA

Administration

Tommilyn Soares
Kapili Kidder
Renee Reed

Administrative Services

Garet Sasaki
Xiaojin Christy Kiyabu
Chrissie Lu
Wendi Reyes

Asset Management

Lindsey Doi
Charlyn Ontai
Craig Uemura
Alicia Wailehua-Hansen

Kakaako Planning & Development

Carson Schultz
Neal Imada
Cara Kimura
Germaine Salim-Hagihara

Mark Hakoda

Susan Tamura

Kalaeloa Planning & Development

Tesha Malama
Janice Biletnikoff

Public Information

Craig Nakamoto
Francine Murray

HCDA reached out to the residents of Ka Ola 'Ilima ArtSpace to see if any of them were interested in having their artwork featured in this annual report without compensation. We learned that many residents are performing artists. Mahalo to Richard Veloso and Pamela Mathis for submitting the art on the front and back covers of this report.



Artist - PAMELA MATHIS

A fine arts photographer, "Living at Ola Ka 'Ilima Artspace Loft is a great opportunity to live and create my art," said Pamela. "Thank you for the opportunity and appreciate all that your agency is doing in the Kakaako district." She has worked on motion picture movies in post-production, Woody Allen movies and MIRAMAX Films in the past. Pamela can be reached by email at pamelamathis05@yahoo.com or pamelamathisphotos@gmail.com.



Front Cover Artist - RICHARD VELOSO

In 2019, the artist, Richard Veloso, was fortunate enough to get a loft in Ola Ka 'Ilima ArtSpace, in Kaka'ako. A vibrant new art and cultural district in Honolulu. This new artist community has provided the perfect live and workspace for Richard to pursue his dream of painting. Fueled by the beauty of the nature and culture of Hawai'i, his inspiration is endless, and this is evident in his current paintings. Richard can be reached at richvelozo@aol.com or visit velosoart.com.

Hawai'i Community Development Authority

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