

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DEPT. COMM. NO. 494

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January 11, 2021

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Hawaii Community Development Authority Annual Report, as required by Section 206E-19, Hawaii Revised Statutes, and Act 006 (2020) Hawaii State Legislature, Section 8B. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

With aloha,

Mike McCartney

Enclosure

c: Legislative Reference Bureau



Hawaii Community Development Authority 2020 Annual Report

to the

Hawaii State Legislature Regular Session of 2021

Prepared by
Hawaii Community Development Authority
Department of Business, Economic Development & Tourism
State of Hawaii
January 2021

This report satisfies Hawaii Revised Statutes Section 206E-19,
and Act 006 (2020) Section 8B.

Aloha Kakou,

The year 2020 has been an unusual and challenging year for Hawaii and the world. The COVID-19 pandemic has disrupted our way of life and brought loss of life, serious illness and severe economic hardship. Hawaii has gone from being at close to full employment at the beginning of the year to being the state with one of the highest unemployment rates in the county. Our tourism industry, the economic lifeline of the state, has virtually collapsed.

In these trying times, fortunately, some industries have survived and become the economic engines for the state. Construction has been one such industry, and HCDA has been in the forefront of it. With several development projects under construction in Kakaako and Kalaeloa, HCDA's community development districts are keeping people employed, providing new housing, improving infrastructure and developing public facilities.

In 2020, HCDA processed and approved over eighty permit applications of various types. There are three large developments in Kakaako under construction and one ready to go into construction. The four projects will create approximately 1,800 new residential units in Kakaako, with 367 units designated as affordable to a household with an annual area median income (AMI) of less than 140% (\$142,250 for a 4-person household). These four developments result in approximately \$1 billion in construction spending creating close to 10,000 new construction and related jobs. In addition, three new rental housing projects have recently opened for occupancy for 323 households with incomes at 60% (\$72,300 for a 4-person household) AMI and below.

The two largest landowners in Kakaako, Kamehameha Schools and Howard Hughes Corporation, have indicated that they plan to continue completion of their respective master plans for the district. Completion of the master plans will add at least another 3,000 residential units in Kakaako, of which at least 600 units will be required to be affordable housing units under HCDA guidelines. These developments will invest approximately \$2 billion in construction spending and create close to 20,000 jobs. Looking ahead, Kakaako will continue to support economic growth and create both market and affordable housing as well as public facilities in urban Honolulu.

In Kalaeloa, HCDA completed the Energy Corridor Project along Enterprise Avenue from Kapolei Parkway to Midway Road. HCDA also completed a 5MW photovoltaic project that will contribute towards the state's goal for clean energy. HCDA's investments are expected to spur over \$60 million in private investment in Kalaeloa over the next 5 years.

In 2020, HCDA, with help from the community, prepared a draft of the Heeia community development district plan and administrative rules. HCDA will be conducting additional community and stakeholder consultation in 2021 on the proposed plan and administrative rules and holding a public hearing to adopt them. HCDA is looking forward to growing sustainable agriculture and local food production in Heeia.

As 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 their continued participation and support.

Mahalo,



John P. Whalen, Chairperson

HCDA

Hawaii Community Development Authority

The HCDA is a re-development agency established in 1976 by the Hawaii 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 Kakaako Community Development District (Kakaako), the Kalaeloa Community Development District (Kalaeloa), the Heeia Community Development District (Heeia), and the Stadium Development District (Stadium).

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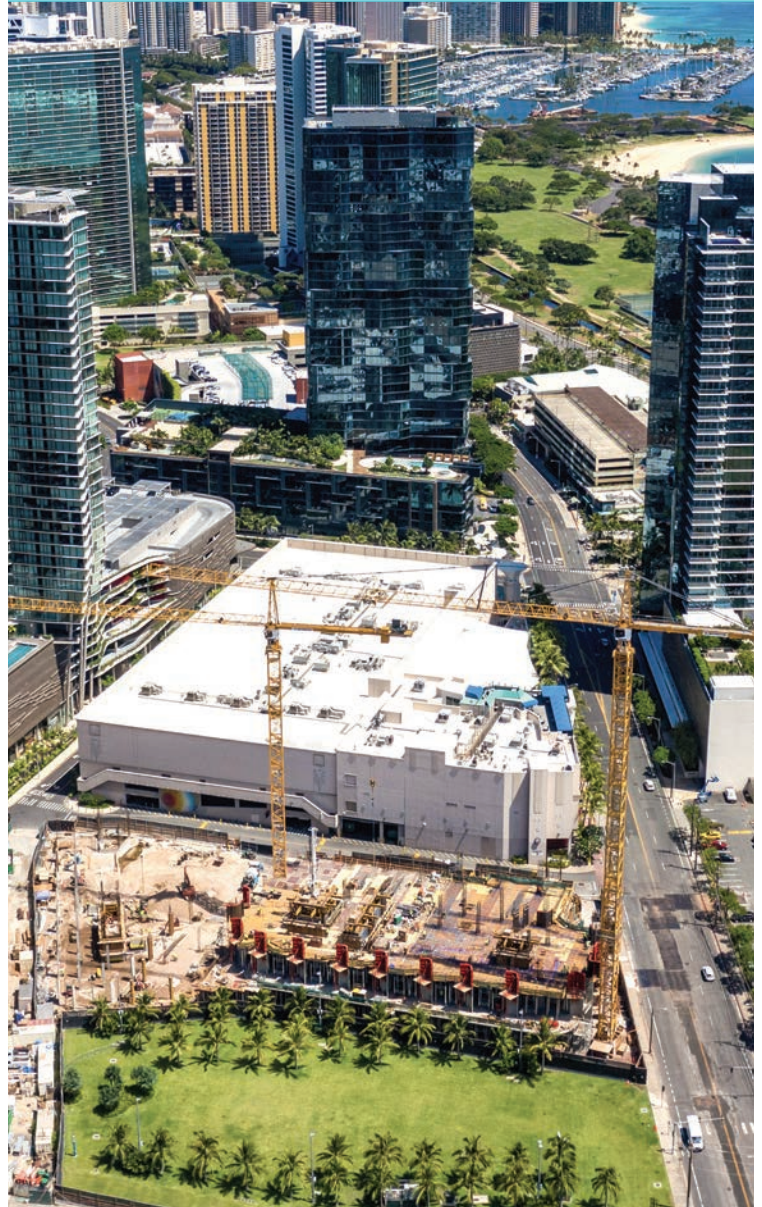
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Bright yellow cranes against the blue sky, fences lined in black construction netting and “Construction Ahead” signs dot Kakaako neighborhoods. In Kakaako, construction cranes mean jobs and housing for local people, investments in the community, and increased revenue for the state and the city.



Today in Hawaii, \$1 million in construction spending creates approximately 10 new jobs.



Live, work, play - Kakaako



Over the past forty years Kakaako 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.

With greener buildings and modern infrastructure, Ward Village is ranked a Platinum Pre-certified Project, winning Kakaako the title of the largest Leadership in Energy & Environmental Design for a Neighborhood Development (LEED-ND), in the nation and the only one in Hawaii. LEED projects throughout the world have demonstrated the benefits of taking a green design approach that reduces the environmental harms of buildings and restores the balance of natural systems. A Platinum certification is the highest of the four ratings developed by the U.S. Green Building Council.

Soon, a pedestrian bridge will be built

over Ala Moana Boulevard with federal funds, providing a safe crossing above traffic between the residential/mixed use Kakaako and all the waterfront has to offer - food trucks at Fisherman's Wharf, Kewalo Basin Harbor and Park, Ala Moana Beach Park, the Gateway and the Waterfront Parks. The walkable neighborhood also has job centers and open spaces near homes, creating a true live, work, play community for all income brackets.

There are three senior housing projects, eight affordable rental projects, and thirteen reserved and workforce housing projects. The ongoing construction in Kakaako has helped many small businesses like the Korean Express and Bali Sandwich & Vietnamese Food in Kakaako to survive the statewide shutdowns of 2020. In fact, in 2020 several new restaurants opened in Kakaako and you can support local businesses by dining at or getting take-out from a local restaurant.



New Restaurants

Agostino's Pizza

Sicilian style thin-crust pizza made by a seventh-generation pizza-making Sicilian. The food truck roams around Kakaako, usually on Ahui Street. Hours and location are posted on Instagram www.instagram.com/agostinos_pizza

Holey Grail Donuts truck

The original taro donut. Made to order in organic coconut oil. Sustainably sourced. The yellow food truck is behind Ginza Sushi at Ward Center 1200 Ala Moana. Phone (808) 482-0311, or order online at www.holeygraildonuts.com

1938 Indochine

Kevin Aoki of Doraku and Blue Tree Café calls his newest restaurant Hawaii's premier Southeast Asian cuisine destination, featuring glass noodle shrimp, lemon-grass pork ribs, Thai beef brochette, Krazy fried rice and much more. Located at 602 Ala Moana Blvd. Phone (808) 545-777, or order online at <https://1938indochine.com>



Islander Sake Brewery

Opened in March, just before the world-wide pandemic closed all the bars in the islands. However, the world's smallest sake brewery in the world – saka-gura sold out its bottle brew immediately, and has been selling fresh island brewed bottled sake ever since. 753 Queen Street. Call for hours (808) 517-8188, or find them at the Kakaako Farmers' Market Saturdays 8 a.m. to noon.

Istanbul

First became popular at the farmers' market. Now, it's a hot-spot for delicious Mediterranean cuisine, at 1108 Auahi Street. Phone (808) 772-4440, or order online for curbside pick-up at Istanbulhawaii.com

Nana Ai Katsu

Home of the premium spam katsu mu-subu. The melt-in-your-mouth tonkatsu is made with several thin layers of tender pork put together, then breaded with fresh panko and Waimana eggs. Located on the mauka side of Ohana Hale Marketplace, the Izakaya looking counter has classic dark wood, Japanese banners and lanterns. 333 Ward Avenue, Phone (808) 772-0146, or visit www.nanaaikatsu.com

Qing Mu

Their mission is to bring the experience of an authentic Vietnamese Noodle shop to America. It features Saigon beef stew, green papaya salad, pho, banh mi sandwiches, and more in a beautiful setting, at 602 Ala Moana Blvd. Phone (808) 544-0005, or online at www.qingmunoodles.com.



2020 Kakaako Highlights

“

*Heart of town.
All ages to gather
for ocean, art,
grub, and aloha.
There's something
for everyone
from young
professionals,
families, and
kupunas. We
love being part
of Kakaako
community.”*

- John Kim, resident

“

*Kakaako may be
Hawaii's hippest
place right now.
Not only does
it have some
of the coolest
restaurants, music
venues, galleries,
salons, and
markets on the
island, everything's
accessible by foot.”*

- John Waihee IV,
resident

In 2020, Kewalo Basin Harbor underwent approximately \$20 million in improvements on the Diamond Head, mauka and makai sides of the harbor. The ewa side is still in need of repairs.

Nohona Hale, an affordable rental housing project with 111 micro-units was completed in 2020. It is a first of its kind in Hawaii, affordable housing project on a less than 10,000 square-foot parcel of HCDA land.

The Ola Ka Ilima Artspace Lofts was completed in 2020 on another HCDA owned property. The mixed-use commercial and residential project was developed by Artspace Projects Inc. The 84 affordable rental units feature ample working space, high ceilings, large windows to bring in the natural light, and durable surfaces for working artists, seniors and people with disabilities. The design is simple, yet highly functional and sustainable.

Another affordable rental housing project, Hale Kewalo, was also completed in 2020. The project has 128 affordable rental units on centrally located Piikoi Street, across from Ala Moana Shopping Center.

All three projects are affordable to households earning 60% or less of area median income (\$72,300 for a 4-person household). At least five percent of the units in these projects are set aside for households earning 30% or less of area median income (\$36,150 for a 4-person household).

Several Kakaako projects were honored including Hale Kewalo, Artspace Lofts, and the Entrepreneurs Sandbox, in the NAIOP Hawaii's 23rd Annual Kukulu Hale Awards, which celebrates the best of Hawaii's commercial real estate industry, honoring individuals and organizations that enrich the community through their projects, professional achievements and civic service.

NAIOP named Nohona Hale a distinguished entry, and Ola Ka Ilima Artspace Lofts received the NAIOP Kukulu Hale Green Building Award.



Nohona Hale has 111 micro-units.



Garrett Kamemoto, Vicky Takamine & Mayor Kirk Caldwell at the Ola Ka Ilima Artspace Lofts grand opening February 2020.



Entrepreneurs Sandbox received the Kukulu Hale Public/Government Project Award in 2020.

2020 Kakaako Highlights Continued



The Entrepreneurs Sandbox received the Public/Government Project Award. This project is a great example of public and private enterprises working together to create a community place for entrepreneurship, technology and creative industry to thrive. With state, federal and private funding the \$7.3 million state facility was built by HCDA, Hawaii Technology Development Corporation (HTDC), and Stanford Carr Development to support the growing tech and innovation economy.

In July 2020, the Historic Hawaii Foundation presented its 46th Annual Preservation Honor Awards, a celebration of those who help preserve the continuity and character of Hawaii's historic places. Among the project award recipients is the HCDA owned, Ala Moana Pumping Station Screen House, built in 1900 and the 1940 Pump House.

The Screen House was built at the same time as the larger building, the Kakaako Pumping Station, which was restored and received an award in 2017. All three buildings are listed as the Kakaako Pumping Station on the National Register of Historic Places, as well as the Hawaii Register of Historic Places.

HCDA leased the largest of the three structures to Pacific Gateway Center to use as a gathering place. The Na Kupuna Makamae Center provides services and programs for seniors, their families and the community.

Grocery Stores

Down to Earth Kakaako

500 Keawe Street; Phone (808) 465-2512

This vegetarian grocery store is on the ground floor of Keauhou Lane Apartments, with free validated parking. It features local, fresh, organic, and natural produce and products as well as grab-and-go meals and supplements.

H Mart

458 Keawe Street; Phone (808) 219-0924

America's number one Korean grocery store opened in March 2020, with free validated parking in the ewa structure or at Salt. The Asian market is on the first floor and there's a food court on the second featuring world-famous Giovanni's Shrimp, Ireh Restaurant, Aloha 'Aina and others.

Whole Foods

388 Kamakee Street; Phone (808) 379-1800

Natural and organic groceries, supplements and household supplies, a bakery, fresh daily pizza, made to order sandwiches, coffee bar, Lanikai Juice and Taqueria Mexican food.

Medical Clinics

Queen's Island Urgent Care

400 Keawe Street, Suite 100; Phone (808) 735-0007

Staffed by residency trained, board certified physicians and physician assistants with training and experience in all branches of medicine including adult medicine, pediatrics, gynecology, orthopedics and others. Providing care for many minor emergencies including allergic reactions, asthma, cough/cold, dehydration, flu, fractures, migraines, pre-employment physicals, school/sports, sprains/strains, stitches, and many more.

Straub Medical Center Ward Village

1001 Queen Street; Phone (808) 462-5200

In the Aeio residential tower, the same building as Whole Foods. The medical clinic is usually open daily until 8 p.m. providing primary care, urgent care, imaging and lab services in the heart of the growing Kakaako community. Due to Covid-19 the hours and service may vary.

“My husband and I have been living in Kakaako for about 3 years now and we love the convenience of it. I am able to walk to work and my husband only has a short drive to downtown. My husband enjoys walking to pau hana's after work at WorkPlay, Bevy and Waikiki Brewing and I like going to exercise classes downstairs of our building at Sweat and Soul. On the weekend we like going on dates to Ya-Yas or SALT and we'll usually grab some groceries at H-Mart on the way back. As more businesses come into the area, we find that we don't have to leave Kakaako to do the things we like to do.”

- Kelly Suzuka, resident

Affordable Housing

The HCDA Reserved Housing program is for Hawaii residents earning less than 140 percent of the area median income (AMI). For example: A family of four with two wage earners, like a Honolulu Police Department police recruit who earns \$68,200 and a Department of Education Teacher making the minimum \$33,000 could qualify to buy a residential unit under this program.

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 Reserved Housing 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 Hawaii Administrative Rules (HAR), with several hundred more under construction.

In 2020, the Authority increased the refinancing limit for reserved housing units in Kakaako allowing more people to take advantage of the current low interest rates. This policy change was made in response to requests by numerous reserved housing unit owners, facing extreme financial uncertainty due to the COVID-19 pandemic. To apply, owners of an HCDA reserved housing unit can visit the HCDA website for detailed instructions at <http://dbedt.hawaii.gov/hcda/refinancing-a-reserved-housing-unit>.

“

I love living and working in Kakaako. Everything is so convenient. My job is walking distance and all the grocery stores, shops, eateries, gyms in my building (Keauhou Lane) are in walking distance. Also, the various modes of transportation available like the biki stations nearby and the Hui car service in my building. The proximity to other major areas (Ward, Ala Moana, Waikiki and Airport) is also a huge plus to living in Kakaako.” - Loyal Galon, resident

12,484

Housing units
completed, under
construction, or
pending

38 housing projects completed
under HCDA Administrative rules

2,347 new units are pending

HCDA works with developers to build
affordable reserved and work-
force housing for Hawaii residents
**without using tax
dollars**

11 Reserved (RH) &
Workforce Housing (WF) projects
with **3,957 total units**,
2,023 affordable with
below **140% AMI**

1133 Waimanu, 282 RH
400 Keawe, 95 units, 20 RH
801 South Street Building A, 635 units, 476 WF
801 South Street Building B, 410 units, 308 WF
Ke Kilohana, 424 units, 375 RH
Keauhou Place, 423 units, 85 RH
Keola Lai, 352 units, 63 RH
Pacifica Honolulu, 489 units, 124 RH
Royal Capitol Plaza, 297 units, 28 RH
Rycroft Terrace, 162 RH
Symphony Honolulu, 388 units, 100 RH

1 in 3

Housing units
is affordable

Affordable Rentals

There are currently three affordable senior housing projects in Kakaako: 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 \$960-1,150. Rentals are managed by Locations Property Management, 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, www.pohulani.com.

There are **9 affordable rental housing projects** 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
Kamakee Vista, 225 Units
Kauhale Kakaako, 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 Puunui, 88 Units

Other HCDA Programs

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.

\$226 million

investment in infrastructure has led to

\$10 billion

in construction spending alone. The total economic activity is much higher with multipliers for employment and new economic opportunities in its district.

Public Facilities Dedication Program creates a revenue stream for developing public facilities such as parks, open spaces, community centers, and public parking.



Kakaako 1974



Kakaako 2021 Google Maps

2020 Kalaeloa Highlights

Energizing the district

In 2020, HCDA completed the Kalaeloa Enterprise Energy Corridor Project (Project), which consisted of the construction of underground utility systems on Fort Barrette Road and Enterprise Avenue from Kapolei Parkway to Midway Road.

The Project was funded with a \$13 million Capital Improvement Projects (CIP) appropriation. This state investment is expected to spur over \$60 million in private investments in the district over the next five years. Benefiting from the Project the Department of Transportation has contracted with the Hawaiian Electric Company to energize the Energy Corridor to Kalaeloa Airport. This phase of the project is expected to continue through 2021, creating jobs as well as reliable energy.



Aloha Solar Energy Fund (ASEF)

The 5 mega-watt (MW) photovoltaic (PV) project is the third PV power generation project for the Kalaeloa Community Development District (KCDD), but the first public-private partnership that is a solar project for HCDA. The ASEF PV project will generate over 12,400 MW of sun power during its first year of operation and will contribute to Hawaii's goal of generating 100 percent of its electricity from renewable resources by 2045.

In addition, the ASEF's interconnection to the Hawaiian Electric Company (HECO) along Coral Sea Road provides new HECO standard power to the east-side of the district. The project is the first of its kind on HCDA owned land, and will generate monthly revenue that will be used to help build future infrastructure projects in Kalaeloa.



HCDA Chairman John Whalen, State Representatives Stacelynn Eli and Sharon Har, Governor David Ige, and HCDA Interim Executive Director Garrett Kamemoto attended the Aloha Solar dedication in March 2020.

Updating plans and rules

The Kalaeloa Community Development District (KCDD) encompasses approximately 3,700 acres of land within the former Barbers Point Naval Air Station (BPNAS) in Leeward Oahu. The lands within Kalaeloa are presently owned by various federal, state, and county agencies.

In 2002, the Hawaii State Legislature passed Act 184, transferring responsibility for Kalaeloa to HCDA. Pursuant to Act 184, HCDA assumed the responsibility for implementation of the Community Redevelopment Plan, overseeing remaining conveyances, contract administration, promulgation of administrative rules, and other responsibilities relating to the former BPNAS.

Act 184 expanded the designation of the KCDD to encompass all of the land within the former BPNAS, including land retained by the Navy and land conveyed to other Federal agencies.

The Act also transferred the Kalaeloa Community Development Revolving Fund to HCDA and authorized HCDA to assess non-federal land users for a proportionate share of its staff and operating costs for Kalaeloa.

The Kalaeloa Master Plan (Plan) was adopted in 2006, and the Hawaii Administrative Rules Chapter 215 and 216 Kalaeloa Community Development District were adopted in 2012. The Plan and Rules govern all development activities within the KCDD except for federally controlled parcels.

Since the Kalaeloa Plan and Rules were adopted, major developments have occurred within and adjacent to the KCDD. An assessment of the current state of the KCDD and surrounding area is needed. HCDA has begun to update the KCDD Plan and Administrative Rules, and will seek community input in 2021.



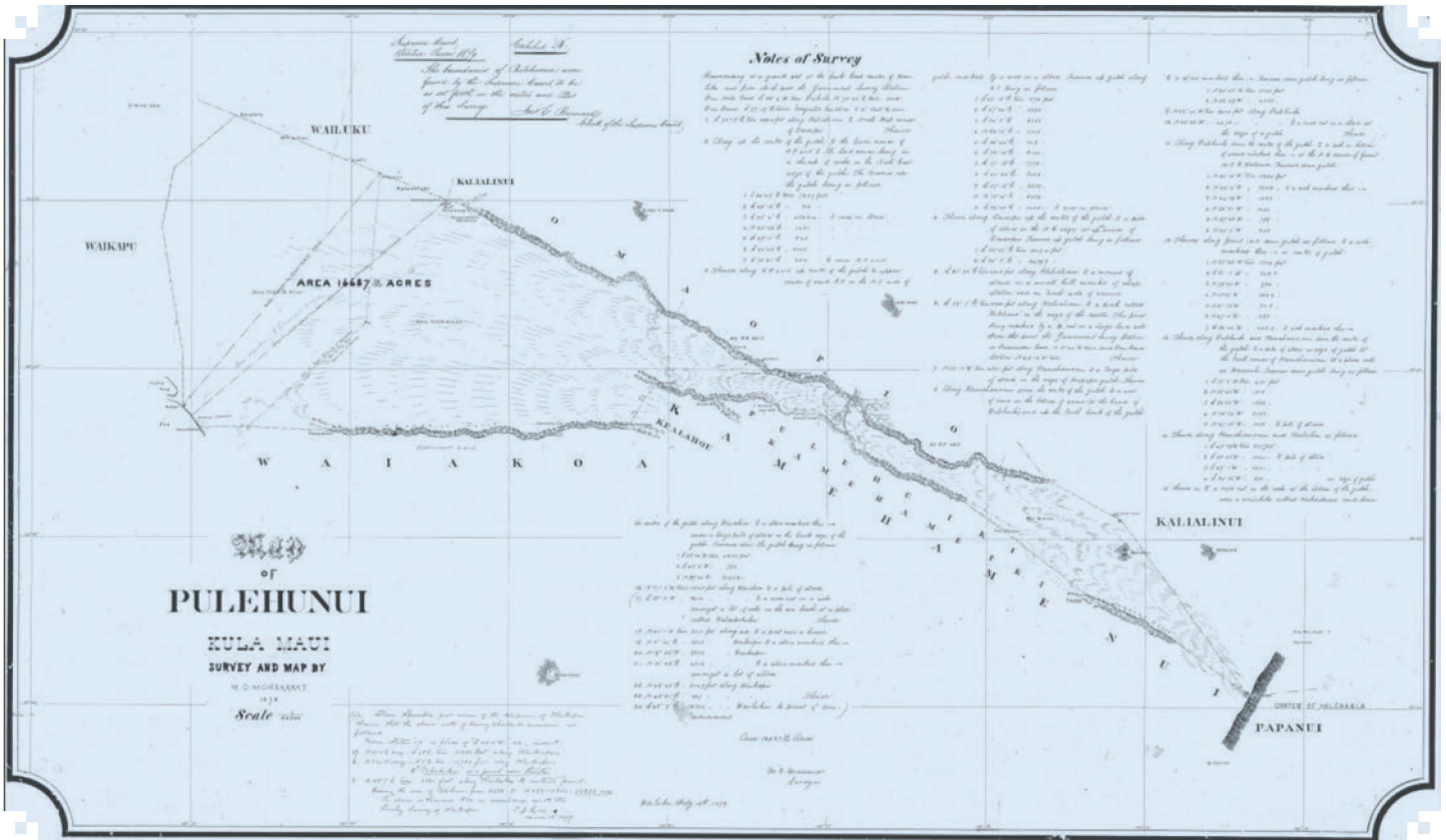
2020 Heeia Highlights

Heeia Plans & Rules

In 2011, Act 210 was signed into law establishing the Heeia Community Development District (Heeia CDD). The 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. The HCDA has been working with the community and its consultant on its plans for the Heeia CDD and has prepared draft plan and administrative rules. Community consultations and public hearings for adopting the plan and administrative rules are expected in 2021. The 400-acre community development district, primarily owned by the State, is a tremendous asset to the State's food security goals, and has increased food production greatly since the transfer to HCDA.

Heeia NERRS

HCDA commenced work pursuant to Act 166 2019 Hawaii Session Laws, which establishes in part that the HCDA shall invite and consult with various entities for the development of a Heeia state park community-based long-range plan for the Heeia National Estuarine Research Reserve System.



Recent Legislation

Pulehunui, Maui

In 2020, Act 006, Relating to Capital Improvement Projects became law. The purpose of this 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 is \$5 million for the fiscal year 2020-2021, for the planning, land 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 Hawaii 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.

Pursuant to Act 006, this is the Hawaii Community Development Authority's report to the legislature for the period from December 1, 2019 to November 30, 2020. The Department of Public Safety has not yet delegated responsibility or transferred funds to the Hawaii 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.



Stadium Highlights

The New Aloha Stadium Entertainment District (NASED) is envisioned to be a mixed-use development, offering a full complement of live, work, and play components, as well as community assets. It will build up over time as the development continues to grow through subsequent phases. It is envisioned that the full build-out will be accomplished in several phases over the course of 10-15 years after the New Aloha Stadium opens.

NASED will appeal to a wide variety of people, including both residents and visitors. Proposed amenities include entertainment venues, retail stores, restaurants, housing, hotels, recreational sites, cultural amenities, green space, etc.

In 2020 the HCDA, the Stadium Authority and DAGS executed a Memorandum of Agreement (MOA), as outlined in Act 268. It describes the cooperative relationship between the parties that want to work together to achieve a common goal, and build a new Stadium and the area around it, which will result in a state-of-the-art facility, as well as social and economic opportunities for Hawaii.

The HCDA supported the efforts of the Stadium Authority and DAGS to solicit prospective developers for the new Stadium. In response to the Request for Qualifications (RFQ) six developer-led teams responded.

The RFQ requires prospective partners to provide their teams background, experience in similar projects and financial aptitude. The goal is to select three of the respondents to receive the Request for Proposal (RFP).

The state expects to have a Public-Private-Partnership under contract in 2021. The debut of the new stadium, the first phase of the 98-acre development, is targeted for the University of Hawaii football team's Sept. 2, 2023 home opener against Albany.

A draft Environmental Impact Statement (EIS) was published in December 2020 and master planning process is underway. The EIS is known as a "Programmatic EIS," which means that a mix of uses for the Halawa site is required, while stipulating that a range (maximum and minimum) of the development area for each use must be satisfied. This is to ensure that the desire for a vibrant, mixed-use project is delivered.

Stadium Highlights Continued

In December 2020, the Draft Environmental Impact Statement (DEIS) for the New Aloha Stadium Entertainment District (NASED) project was posted online and public comments are encouraged through February 8, 2021, via email:

NASED.EIS@wilsonokamoto.com
or mail to: NASED Comments, 1907 South Beretania St. #400, Honolulu, HI 96826.

The DEIS can be found online at:
DEIS Vol. 1 http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-New-Aloha-Stadium-Entertainment-District-Vol-1.pdf

DEIS Vol. 2: Appendices A-A4 http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-New-Aloha-Stadium-Entertainment-District-Vol-2.pdf

DEIS Vol. 3 Appendices B-L http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-New-Aloha-Stadium-Entertainment-District-Vol-3.pdf

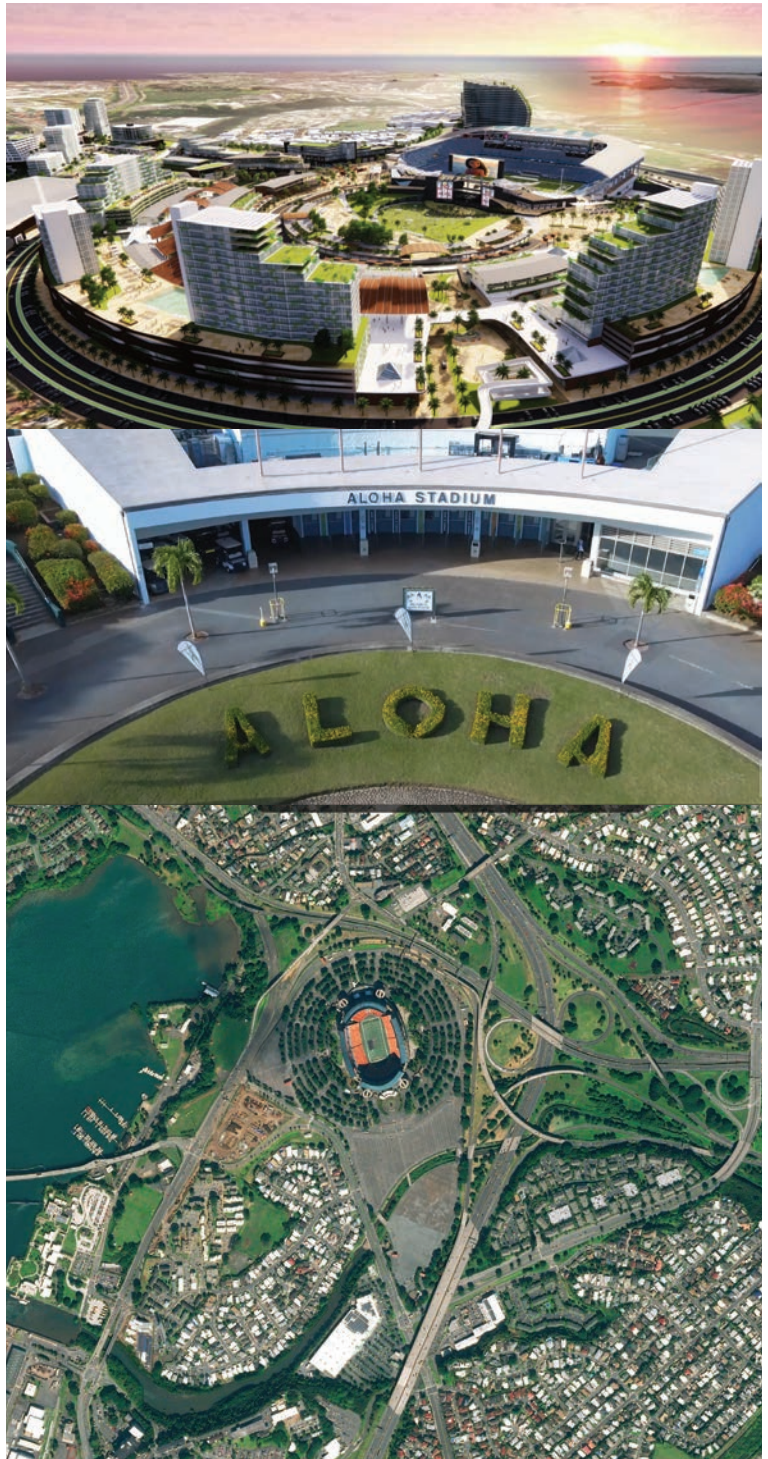
TOD at the New Aloha Stadium Entertainment District

The City and County of Honolulu has proposed alternatives for the Halawa Area TOD Plan. With the new Aloha Stadium Transit Station, the Halawa area will become one of Oahu's most interesting and livable transit communities, combining dense, mixed-uses around compact, walkable blocks and community-oriented open spaces. It will complement the anchor uses of the Aloha Stadium, the Pearl Harbor Visitors Center, nearby Joint Base Pearl Harbor-Hickam, as well as the surrounding neighborhoods of Aiea, Foster Village, and Halawa.

The proposed new office, residential, retail, restaurant, and entertainment spaces will stimulate the area with activity – starting with construction and development, and then with new jobs, places and events for residents and visitors to enjoy. Expanded events will preserve and augment the highly successful Aloha Stadium Swap Meet and Marketplace, UH football games, and provide other much needed community amenities such as pre- and post- game day activities, market days, performances, and movies in the park.

The Halawa/Stadium area will embody the Aloha spirit and become a place where people from all walks of life can live, work, visit, and connect.

NEW ALOHA STADIUM ENTERTAINMENT DISTRICT



Financial Statements

Fiscal Year Ended June 30, 2020

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, 2019 and ending June 30, 2020. 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, 2020

	Governmental Activities
ASSETS	
Current assets	
Cash in State Treasury and petty cash	\$ 25,194,685
Due from State	1,201,082
Accounts receivable, net	661,065
Interest receivable	81,539
Total current assets	27,138,371
Noncurrent assets	
Loan receivable - Halekauwila Partners, LLC	15,515,525
Investment in limited partnership	68,484
Water source allocation credits	249,642
Capital assets, net	141,747,117
Total noncurrent assets	157,580,768
Total assets	184,719,139
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	522,461
Related to other postemployment benefits	211,949
Total deferred outflows of resources	734,410
Total assets and deferred outflows of resources	\$ 185,453,549
LIABILITIES	
Current liabilities	
Accounts payable	\$ 640,115
Unearned revenue	150,210
Accrued payroll	119,991
Rental security deposits	71,882
Current portion of long-term obligations	84,088
Due to State Treasury	1,316,863
Total current liabilities	2,383,149
Long-term liabilities	
Due in more than one year	11,014,992
Net pension liability	4,018,622
Net other postemployment benefits liability	2,799,462
Total long-term liabilities	17,833,076
Total liabilities	20,216,225
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	64,448
Related to other postemployment benefits	552
Total deferred inflows of resources	65,000
Total liabilities and deferred inflows of resources	20,281,225
NET POSITION	
Net investment in capital assets	141,747,117
Restricted for capital projects	1,690,584
Unrestricted	21,734,623
Total net position	\$ 165,172,324
Total liabilities and deferred inflows of resources and net position	\$ 185,453,549

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

State of Hawai'i • Hawai'i Community Development Authority
BALANCE SHEET • GOVERNMENTAL FUNDS
As of June 30, 2020

	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	\$ 235,605	\$ 23,729,390	\$ 1,204,070	\$ 25,620	\$ --	\$ 25,194,685
Due from State	--	--	--	--	1,201,082	1,201,082
Accounts receivable - net	--	553,963	107,102	--	--	661,065
Interest receivable	--	79,225	2,283	31	--	81,539
Water source allocation credits	--	249,642	--	--	--	249,642
Loan receivable - Halekauwila Partners, LLC	--	15,515,525	--	--	--	15,515,525
Total assets	235,605	40,127,745	1,313,455	25,651	1,201,082	42,903,538
Liabilities						
Accounts payable	--	79,216	42,752	--	518,147	640,115
Unearned revenues	--	150,210	--	--	--	150,210
Accrued payroll	--	112,659	7,332	--	--	119,991
Rental security deposits	--	71,882	--	--	--	71,882
Due to State Treasury	3,500	1,313,362	--	--	--	1,316,862
Total liabilities	3,500	1,727,329	50,084	--	518,147	2,299,060
Fund Balances						
Nonspendable						
Water source allocation credits	--	249,642	--	--	--	249,642
Loan receivable	--	15,515,525	--	--	--	15,515,525
Total nonspendable fund balances	--	15,765,167	--	--	--	15,765,167
Restricted	232,105	22,635,249	1,263,371	25,651	682,935	24,839,311
Total fund balances	232,105	38,400,416	1,263,371	25,651	682,935	40,604,478
Total liabilities and fund balances	\$ 235,605	\$ 40,127,745	\$ 1,313,455	\$ 25,651	\$ 1,201,082	\$ 42,903,538

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 • GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2020

The complete financial and compliance audit report can be found at <http://dbedt.hawaii.gov/hcda>.



Hawaii Community Development Authority

Department of Business, Economic Development & Tourism

State of Hawaii

John Whalen, Chairperson

Amy Luersen, Vice Chairperson

Shirley Swinney, Secretary

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

At Large members

John Whalen

Chason Ishii

Wei Fang

Daniel Ito (Cultural Specialist)

Ex-Officio members

(same for all boards)

Jade Butay (DOT)

Craig Hirai (B&F)

Non-Voting ex-officio

(same for all boards)

Kathy Sokugawa (City DPP)

William Aila (DHHL)

Community members

Donna Ann 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

Daniel Ito

Jade Butay

Craig Hirai

Kathy Sokugawa

Phillip Hasha

Jason Okuhama

Kevin Sakoda

Kalaeloa Authority

11 members

(9 voting, 2 non-voting)

John Whalen

Wei Fang

Chason Ishii

Daniel Ito

Jade Butay

Craig Hirai

Kathy Sokugawa

William Aila

Shirley Swinney

Maeda Timson

Mitchell Tynanes

Heeia Authority

10 members

(9 voting, 1 non-voting)

John Whalen

Wei Fang

Chason Ishii

Daniel Ito

Jade Butay

Craig Hirai

Kathy Sokugawa

Donna Ann Camvel

Jo-Ann C. Leong

Amy Luersen

HCDA Staff

Executive Director

Deepak Neupane, P.E., AIA
(10-16-20 to present)

Interim Executive Director

Garett Kamemoto
(2-1-20 to 10-15-20)

Administration

Tommilyn Soares

Austin Ratcliff

Administrative Services

Garet Sasaki

Xiaojin Christy Kiyabu

Chrissie Lu

Wendi Reyes

Asset Management

Lindsey Doi

Charlyn Ontai

Craig Uemura

Alicia Wailehua-Hansen

Communications

Francine Murray

Kalaeloa

Tesha Malama

Planning

Neal Imada

Germaine Salim-Hagihara

Susan Tamura

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