



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

**DEPT. COMM. NO. 413**

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January 23, 2023

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

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty-Second 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 2022 Annual Report, as required by Section 206E-19 and 206E-267, Hawaii Revised Statutes. 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/>.

Mahalo a e mālama pono,

Chris J. Sadayasu

Enclosure

c: Legislative Reference Bureau



**Hawai'i Community Development Authority**  
**2022 Annual Report**  
to the  
**Hawai'i State Legislature**  
**Regular Session of 2023**

Prepared by Hawai'i Community Development Authority  
Department of Business, Economic Development & Tourism State of Hawai'i January 2023

This report satisfies Hawai'i Revised Statutes Section 206E-19, and Section 206E-267.



Artist rendering of the proposed flex-loft multi-family attached homes by Gentry, in Kalaeloa.

# Table of Contents

Message from the Chair	3
Background	4
Recent Legislation	5
Pulehunui	5
Transit-Oriented Development	6
First Responder Technology Campus	7
Kaka'ako	8
Affordable Housing	13
Kalaeloa	14
He'eia	16
Financial Statements	18
HCDA Boards and Staff	23

# Building Communities

It is with great pleasure that we present the Hawai'i Community Development Authority's 2022 Annual Report. This report summarizes the accomplishments and activities of the HCDA as we continue to build communities through planning and development.

In Kalaeloa, the Authority approved a development permit for Gentry Homes' Ka'ulu 390-unit residential project. The project will feature beautiful, energy-efficient homes, consisting of 262 flex-loft multi-family attached and 128 single-family residences. Gentry will market 87 of the flex-loft multi-family units to prospective owner-occupants as reserved housing units under HCDA's rules.

Ka'ulu, the first new residential community to be built since the establishment of the Kalaeloa Community Development District (KCDD), will help to fulfill the vision of Kalaeloa as a Center of Excellence or Wahi Ho'okela by providing a well-designed and livable residential community within Kalaeloa.

Ka'ulu is located next to the Daniel Kahikina Akaka Veteran Affairs Clinic. The clinic was approved by the board in 2021 and is currently under construction. Once completed, the clinic will provide primary care, mental health care, physical therapy, dental, women's health, and specialty care to over 87,000 Hawai'i Veterans.

Also, in Kalaeloa, HCDA has been working with the community and drafted proposed amendments to the master plan. Now, the rules are being revised to align with the proposed plan amendments. The plan and rules will guide future redevelopment in Kalaeloa and aim to meet the highest needs and aspirations of the community.

In Kaka'ako, HCDA partnered with the Department of Transportation and Victoria Ward Limited, to build a pedestrian walkway over Ala Moana Boulevard, which began in 2022. Two mixed-use residential commercial development projects, Ālia and Kalae were approved, creating thousands of construction and non-construction related jobs in Kaka'ako, and over 770 future homes.

In addition, two major mixed-use residential projects were completed, 'A'ali'i and Kō'ula feature 1,320 new homes, 114 of them reserved housing, and 73,000 square feet of commercial space with new restaurants and service providers opening soon.

In He'ēia, we are very proud of how much our lessee, Kāko'o 'Ōiwi has accomplished. They constructed a small poi mill in 2021, and have been supplying the Hawai'i Foodbank and others with fresh poi they produce and other crops they grow and harvest, helping to provide our island's most needy with healthy fresh food. A mangrove remediation project was also completed in 2022, clearing acres of the invasive species and maintenance to control it is ongoing.

Two new districts were established under HCDA, the Pulehunui Community Development District, and the Transit-Oriented Development Infrastructure Improvement Districts.

The vision for the future of HCDA needs to recognize the need to keep focused on overseeing the revitalization and growth of its existing community development districts, administering the new community and infrastructure improvement districts, and leveraging its unique strengths and expertise in assisting other state agencies in infrastructure development that supports state projects including affordable housing. To that end, the Board adopted a Strategic Plan that sets forth the strategic direction and vision of the HCDA for the next five years. The Strategic Plan is available at <http://dbedt.hawaii.gov/hcda/2022-hcda-strategic-plan/>.

There are challenges ahead, but we look forward to revitalizing our districts, with our partners, for the benefit of our community, and assisting other state agencies. We are thankful for the guidance and continued financial support of the Hawai'i State Legislature, Executive Office, and the valuable alliance of government, private sector and island residents. Our redevelopment work will continue to have positive impacts on the lives of many people for generations to come.

Mahalo,

Chason Ishii, Chairperson

# Background

## HCDA Brief History

The Hawai'i Community Development Authority, known as HCDA, was established by the Hawai'i State Legislature in 1976. In establishing the HCDA, the Hawai'i State Legislature saw great potential in Kaka'ako, and later Kalaeloa, He'eia, and Pulehunui, and designated these areas as community development districts to be improved through thoughtful planning and re-development that would result in building communities that serve the highest needs and aspirations of Hawai'i's people.

## Kaka'ako

In 1976, HCDA was tasked with the revitalization of the Kaka'ako Community Development District (CDD), bounded by Pi'ikoi, King, Punchbowl Streets and Ala Moana Boulevard, referred to now as the "Mauka area."

In 1987, the Legislature expanded the Kaka'ako district by adding the Honolulu waterfront from Kewalo Basin to the Aloha Tower boundary, later adjusting the district waterfront from Kewalo Basin to Forrest Avenue, and the Hawaiian Electric Company power plant site, referred to now as the "Makai area." The entire Kaka'ako CDD is approximately 600 acres.

## He'eia

In 1991, the HCDA acquired approximately 405 acres of land in He'eia on the windward side of O'ahu, as part of a Kaka'ako land exchange with the Estate of Bernice Pauahi Bishop.

In 2011, Act 210 established this property as the He'eia Community Development District under HCDA.

## Kalaeloa

In 2002, Act 184 established the Kalaeloa Community Development District, approximately 3,700 acres, transferring the responsibility for redeveloping the former Barbers Point Naval Air Station to HCDA.

## Stadium

In 2019, the Legislature established the 98.5-acre Stadium Development District, which includes all land under the jurisdiction of the Stadium Authority, and authorized the HCDA to make optimal use of the public land for the economic, residential, educational, and social benefit of the people of Hawai'i. The Stadium Authority and the State Department of Accounting and General Services worked diligently for years and made a great deal of progress towards planning and compiling a solicitation for a new stadium.

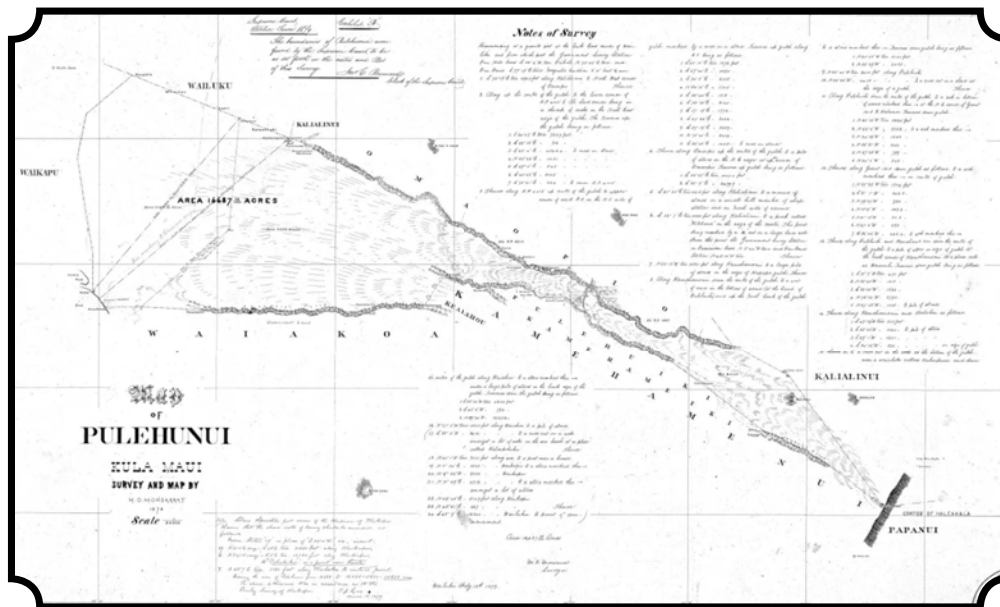
In 2021, Act 146 broadened the powers and duties of the Stadium Authority to include the power to acquire and hold real property, and delegate to other state agencies implementation of capital improvement projects. All development responsibilities for the stadium and surrounding areas were given to the Stadium Authority under the Act.

# Recent Legislation

## Stadium

In June 2022, Act 220 was signed into law. It transferred the Stadium Authority from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development, and Tourism (DBEDT). It amended the composition of the Stadium Authority, and established the Director of Business, Economic Development, and Tourism, or a designee of the director, as an ex-officio voting member of the Hawai'i Tourism Authority and Stadium Authority boards. It amended the development guidance policies of the Stadium Authority.

It also reduced the amount of general obligation bonds that may be issued for the stadium development district. For more information see the Stadium Development District 2022 Annual Report to the Hawai'i State Legislature.



## Pulehunui, Maui

The legislature found that public lands in Pulehunui, Maui, are underutilized. Redeveloping, renovating, or improving these public lands to provide suitable recreational, residential, educational, industrial, governmental, and commercial areas where the public can live, congregate, recreate, attend schools, and shop as part of a thoughtfully integrated experience is in the best interest of the State.

In June 2022, Act 190 was signed into law, establishing the Pulehunui Community Development District under the HCDA, to allow for planning, development, and maintenance of public lands in Pulehunui, Maui.

It established membership on the Board, for quorum on matters related to the Pulehunui community development district.

The authority may secure financial aid from the federal government for any planning, design, development, construction, and maintenance work.

Act 190, also amended the HCDA board membership to include the director of Business, Economic Development, and Tourism; the chairperson of the Board of Land and Natural Resources; and the director of the Office of Planning or Planning and Permitting of each county, or their respective designees, in which a community development district is located, as voting members. It amended community representatives on each board from three to two members.

HCDA will organize the new Pulehunui Community Development Board, and prepare the planning for infrastructure in the primarily undeveloped new district.

HCDA staff has already worked closely with the Department of Land and Natural Resources and other State agencies to understand the infrastructure needs at Pulehunui. There are plans to further study water source development and wastewater infrastructure in the upcoming year.

# Recent Legislation - continued



## Transit-Oriented Development Infrastructure Improvement District

Act 184 was signed into law, establishing the Transit-Oriented Development Infrastructure Improvement District for each county, under the HCDA to foster community development by strategically investing in infrastructure improvements.

The Hawai'i State Legislature found that construction, installation, and improvement of certain infrastructure is necessary and desirable to facilitate renewal and redevelopment of areas designated by the State and the counties for transit-oriented development.

The district is comprised of the parcels of land within county-designed transit-oriented development zones, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit-oriented development zones, as determined by the board, which shall consider proximity, walkability, adopted county plans, and other relevant factors.

HCDA staff has proposed a parking infrastructure study to be conducted at the East Kapolei Transit Oriented Development (TOD) Neighborhood. This was accepted and adopted as part of the TOD Interagency Council Strategic Plan for 2023. Funding of the parking infrastructure study is pending legislative approval.

For more information see the Transit-Oriented Development Infrastructure Improvement District 2022 Annual Report to the Hawai'i State Legislature.

## Yes, In My Backyard Act

In July, Act 305 was signed into law, known as the "Yes, In My Backyard Act." It established a statewide working group on affordable housing, that shall meet annually to foster increased inter-agency coordination on housing and zoning issues, raise public awareness of ongoing state and county efforts to reduce barriers to affordable housing development, and propose legislation. The HCDA executive director was named a member.

For fiscal year 2022-2023, \$100,000 was appropriated for one full-time position to support the statewide working group, to be expended by the Hawai'i Housing Finance and Development Corporation.

The group shall submit a report on findings and recommendations to the legislature annually.

# First Responder Technology Campus

The Hawai'i Technology Development Corporation (HTDC) is the state agency responsible for diversifying Hawai'i's economy by developing a flourishing technology industry that provides quality, high-paying jobs for Hawai'i residents.

The HTDC is developing the First Responder Technology Campus (FRTC) Project in Mililani on O'ahu. It is envisioned to be a state-of-the-art facility and will include various uses ranging from office, classroom and warehouse uses to fitness facilities, indoor shooting range and other various types of training facilities for first responders. The FRTC will include multiple facilities for Federal, State of Hawai'i and City and County of Honolulu first responder agencies within one campus, centrally located on O'ahu for operations, training and disaster preparedness purposes.

## Project Management

HCDA is providing FRTC project management services to HTDC, the agency responsible for developing the campus and the landowner of the proposed site for the campus.

In the FRTC Pre-Development Phase, HCDA assisted HTDC in soliciting services for a consultant to provide planning and design services. HCDA subsequently assisted in developing the scope of services for the FRTC pre-development phase and negotiating the scope of services and fee proposal with the consultant.

Currently, HCDA is assisting HTDC in reviewing the work product prepared by the consultant and continues to provide technical guidance in the FRTC pre-development phase.

## Planning

The Environmental Impact Statement (EIS) is part of the planning process, mandated by law, to disclose the expected impact of a proposed project on the surrounding environment.

HCDA is reviewing the planning work for FRTC, including (but not limited to) providing review of and comments on the EIS and providing input related to planning and management of the consultant.

Through the project management services provided, HCDA is assisting HTDC and its consultant to prepare the Final Environmental Impact Statement for submission to the Accepting Authority and for publication.

## The HI-EMA Facility at FRTC

The Hawai'i Emergency Management Agency (HI-EMA) plans for and responds to both natural and human-caused emergencies. It is the state agency responsible for coordinating on emergencies of all kinds between federal and local agencies.

HCDA is providing project management services to HI-EMA for their proposed facility at FRTC. On behalf of HI-EMA, HCDA engaged a consultant to provide planning and design services for the project, and to provide technical support and direction in obtaining required government agency approvals.

HCDA's role encompasses the following tasks:

- Provide procurement services to engage a professional design consultant
- Provide technical guidance during planning and development of the facility design
- Review the deliverables prepared by the Consultant as prescribed by the progress of the Project and as needed for government agency approvals

Assist HI-EMA in initial review and evaluation of Consultant's invoices for accuracy and satisfactory completion and delivery of services.





# Kaka'ako

## Mauka Area Rules

HCDA's plan and rules provide a framework for planning and development within the Kaka'ako community development district.

The Kaka'ako Plan and Rules were first adopted in 1982. Since, these guidelines were renamed the Mauka Area Plan and Rules and were last amended in 2011.

After nearly a decade, the HCDA is embarking on a process of evaluating the Mauka Area Rules and possibly amending them.

From December 2021 through 2022, HCDA gathered community input at virtual and in-person events and via an online survey. HCDA has been listening to the community and is looking at ways to provide community benefits that reflect the needs of the community through potential developer incentives and possible rule amendments to focus on the community's priorities and desires for the district.

The goal is for HCDA to modernize the Rules to incorporate current and future needs, to continue to improve the development of our vibrant and resilient Kaka'ako Community Development District.

The next step will be for the HCDA staff to make recommendations on possible amendments to the Mauka Area Rules. Those proposed amendments will be presented to the Authority and public for comment, and then a draft will be made incorporating those ideas.



# Projects Pending and Under Construction



Lili'uokalani Center

## Lili'uokalani Center

The Lili'uokalani Trust is proposing an adaptive re-use project that involves the renovation of the existing building that was the previous site for the Honolulu Club, located on the corner of South King Street and Ward Avenue.

The renovated structure will serve as the Lili'uokalani Trust's flagship education facility and is envisioned as the Trust's signature youth development hub for culture, creativity, technology, and play.

HCDA development permit public hearings will be held in December 2022 and February 2023.

## Kalae

In August 2022, the Kalae project was approved. This Victoria Ward Limited project consists of a single mixed-use condominium tower with 330 residential units, on a 45-foot-high parking podium, located on the northeast corner of Ala Moana Boulevard and Ward Avenue.

There will be lower-level commercial retail space, residential and commercial loading areas and public bicycle parking. It will feature over 19,000 square-feet of open space and over 70,000 square-feet of recreational space.

This project is a part of the Ward Neighborhood Master Plan that is vested under the 2005 Mauka Area Rules.



Kalae



Ālia

## Ālia

In September 2022, the Authority approved the development permit application from the Kobayashi Group LLC to construct Ālia, a mixed-use commercial and residential development, consisting of a 39-story tower with approximately 443 market rate condominium units and 40 reserved housing units, plus residential amenity space, parking, and retail space.

The project is bordered by Ala Moana Boulevard, Koula and Auahi Streets, and the adjoining property where the former Bank of Hawai'i stood on the corner of Ward Avenue and Ala Moana Boulevard.

It is a part of the Kamehameha Schools Kaiāulu 'o Kaka'ako Master Plan.

# Kaka'ako

## Ala Moana Pedestrian Bridge

The State of Hawai'i Department of Transportation Highways Division (DOT), with the assistance of Victoria Ward Limited, secured a \$20 million "Better Utilizing Investments to Leverage Development" grant from the U.S. Department of Transportation to construct an elevated pedestrian walkway over Ala Moana Boulevard, in Kaka'ako.

The elevated walkway would provide a critical mauka-makai connection over a major six-lane boulevard, ensuring a safe pedestrian experience to the waterfront promenade, including Kewalo Basin Park and Ala Moana Beach Park.

The HCDA's participation in the Project is limited to its capacity as the landowner of the Makai landing site for the bridge. HCDA responsibilities are to: 1) Participate in project planning, design, and implementation; 2) Provide a Right of Entry (site access) for pre-construction and construction activities; and 3) Grant an easement in favor of the DOT for continued maintenance of the project on HCDA property.

In 2022, a groundbreaking ceremony was held, and construction began.

## Auahi Street

The current streetscape improvements occurring on Auahi Street in Ward Village are the beginning of the transformation of Auahi Street into a pedestrian, multimodal and bicycle friendly streetscape. Upon completion of the area utility upgrades, the road will be narrowed from four lanes of traffic with dedicated bicycle lanes on each side, and a raised mauka sidewalk set back from the road by landscape planters.

Lastly, Auahi Street will be realigned to connect to Pohukaina Street for better flow and connectivity. This is expected to be completed in 2025.

# Major Projects Under Construction





## Kolowalu Park

HCDA is the landowner of Kolowalu Park, which is divided by Queen Street into two separate areas. The makai area consists of a playground and large grass area, that is frequently used by young families and people walking their dogs.

Through discussions with area residents and community outreach efforts, off-leash dogs were identified as a constant source of conflict with park users. Current Park rules require all animals to be leashed and under the control of an adult, unless in a designated dog park.

In 2022, Act 248 appropriated \$2 million in general obligation bond funds for improvements to the Kolowalu Park. In July, it was announced that the mauka side of Kolowalu Park will be made into an off-leash dog park. In October, the Authority approved the use of funds for the planning, design, and construction of improvements at Kolowalu Park, and HCDA staff has initiated the work.

## Queen Street Crosswalk

The removal of the crosswalk on Queen Street between the Kolowalu Parks raised concerns among residents and elected officials about public safety in the roadway.

To quickly remedy the situation, in July, the HCDA installed a temporary crosswalk and refuge island on Queen Street as part of Phase I of a crosswalk replacement project. HCDA is now planning and working on Phase II, which will create a permanent raised refuge island, crosswalk, and flashing beacons with funds also appropriated in Act 248

## Ulana

The Ulana Ward Village project, located near the intersection of Auahi Street and Kamani Street, was approved by the Authority in spring 2021. Once completed, the mixed-use residential condominium will feature a 30,000 square foot community park, and over 34,500 square feet of new industrial space.

HCDA reviewed over 1,000 applications collected by the Ward Village Sales Team for the Ulana project. The project includes 697 HCDA Reserved Housing Units, which were sold via lottery starting on March 1, 2022. There was such high demand, over 80 applicants signed contracts to purchase units on the first two days of unit selection alone.

## The Park

The Park Ward Village Project, located on the corner of Auahi Street and Ward Avenue, is a residential development with approximately 546 residential units, a 75-foot parking podium, over 37,000 square feet of ground level commercial and retail space. This project design will expand the size of the existing Victoria Ward Park with the addition of over 37,000 square feet of open space.

## Victoria Place

The Victoria Place Project is a Howard Hughes development, located at 1100 Ala Moana Boulevard, consisting of one tower with 350 residential units and a 43 ½ foot parking podium. Over 15,500 square feet of open space, and over 64,000 square feet of recreational space.



# Kaka'ako

## Major Projects Completed in 2022

### **803 Waimanu**

The affordable for-sale project at 803 Waimanu had residents moving into its 153 residential condominiums this year.

HCDA has 40 Reserved Housing units at 803 Waimanu, all with 5-year regulated terms. There are also affordable units in this project under the Hawai'i Housing Finance and Development Corporation.

### **'A'ali'i**

The conveniently located 'A'ali'i project on Queen Street, was finished in 2022. It is a mixed-use development with commercial components on the ground floor and 750 residential units with a private lanai for every tower unit. This tower overlooks the Victoria Ward Park, on the mauka side.

At 'A'ali'i, HCDA has 150 Reserved housing units, affordable for qualified households with income up to 140% AMI (area median income), with regulated terms ranging from 2-5 years.

### **Kō'ula**

Completed in 2022, this residential and commercial mixed-use project, located at 1020 Auahi Street, has become a social media sensation with its curvy award-winning design. The tower has 570 residential units featuring floor to ceiling windows with ocean, mountain, and park views depending on the unit, 64 are reserved housing units.

With a spacious porte cochere for rideshare drop-off and pick-up, it allows convenient access to the restaurants on the first and second floors, some-of-which will have ocean views.

### **Queen Street Retail and Storage Project**

The Kaka'ako Retail and Storage is a mixed-use, 5-story project that includes ground floor retail and self-storage space on the upper floors. This project complies with HCDA's plan for the area by providing sidewalks, trees, and the ground floor retail to create a more pedestrian-friendly experience.

The project is in the process of completing building finishes and is expected to be completed in December 2022.

# Affordable Housing

**12,320**

Housing units completed

## Kaka'ako Reserved Housing Program

The HCDA Reserved Housing program is for Hawai'i residents earning between 80-140% of the AMI, allowing eligible purchasers to buy homes at below market rates.

Requirements include owner occupancy during the regulated term and a buyback provision if that condition cannot be met, as well as shared equity due to the HCDA at the time of sale or transfer of the unit.

The program requires developers to set aside at least 20 percent of new residential units, either for sale or for rent, 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 Hawai'i's working families.

Housing expenses include, but are not limited to, mortgage, property taxes, mortgage insurance, and condominium association dues.

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

**41** housing projects completed under HCDA Administrative rules

**2,406** new units are pending

**4,249** Affordable housing units were completed. This includes reserved housing, rental units and senior housing.

**489** Elderly rental units at Honuakaha, Na Lei Hulu Kupuna and Pohulani

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

**1 in 3**

Affordable housing units completed

# Kalaeloa

## Wahi Ho'okela Center for excellence

### Master Plan & Rules Amendments

The Kalaeloa Plan and Rules amendments are being approached in a two-part process that will first revise the Plan, which will then govern the necessary changes to the Rules. Once the Plan and Rules have undergone their respective planning processes for amendment, both documents are required to go through a formal public hearing process.

#### Part One

The Kalaeloa Master Plan was adopted in March 2006.

In June 2022, HCDA hosted a well-attended community meeting on the Master Plan and garnered a great deal of public input. In doing so, we reached out to even more organizations and stakeholders, to seek collaboration and ideas to improve the Plan. HCDA staff with the help of the HCDA Board-appointed Permitted Interaction ("PI") Group incorporated new elements in response to that input.

As a result, the HCDA developed a Draft Master Plan Update that reflects the changing needs of the community. In September, it was presented to the community and the HCDA Board. The Draft Plan is available for viewing and to submit comments at <https://dbedt.hawaii.gov/hcda/kalaeloa-plan-and-rules/>.

#### Part Two

Staff is drafting the initial proposed updates to the Kalaeloa Rules, which will be presented to the Board and the public in a few months.

**HCDA** continues to review and sign off on various Building Permit and Subdivision reviews for the City and County of Honolulu's Department of Planning and Permitting

**1** Rules Clearance permit was approved in 2022

**4** Conditional Use of Vacant Land permits

# Major Projects Pending & Under Construction



## New Veterans Affairs Clinic

In 2021, after significant community support, the HCDA approved the development permit for the Department of Veterans Affairs Multi-Specialty Outpatient Clinic, recently renamed the Daniel Kahikina Akaka Department of Veterans Affairs Community-Based Outpatient Clinic, after our former Senator.

Hunt Companies focused on infrastructure for the project and has been making significant road improvements. Upon completion, Franklin D. Roosevelt Avenue (FDR) will have 4-lanes instead of 2, along the length of the project, 2-lanes in each direction with sidewalks. Kamokila Boulevard has been extended into Kalaeloa, with curbs, gutters, sidewalks, lanes, and bike lanes that will go in both directions upon completion. Boxer Road has been moved and will also have lanes in both directions, and a sidewalk on the mauka side upon completion.

This project has created about 200 construction jobs, and an estimated 300 long-term health specialty jobs upon completion.

The construction of the \$120 million VA Clinic is on schedule and is expected to be open in 2024. It will provide specialized health care for 87,000 Hawai'i veterans.

The 89,000 square-foot facility will offer primary care, mental health care, physical and occupational therapy, audiology, dental and prosthetic services.



## Ka'ulu Residential Community

In February 2022, the HCDA approved the development permit for the Gentry Kalaeloa LLC's Ka'ulu Residential Community, that will include a 390-unit residential project with 262 multi-family attached units and about 128 single-family detached units, located at the southeast corner of the Kamokila Boulevard extension and Franklin D. Roosevelt Avenue. Eighty-seven of the units are reserved housing for qualified buyers earning below 140% of the area median income.

The project will include open space, recreational space with amenities, and 936 off-street parking stalls in addition to loading and bicycle parking.

According to the developer, this project will not require any government funds, will provide over 150 jobs during construction and will generate millions of city and state taxes and fees. The project is also expected to generate an estimated \$700,000 annually in additional property tax revenue and will also comply with school impact fee requirements.



# He'eia



December 2022 After Stream Mangrove Remediation



May 2018 Stream

## Remediation

In the 1920s mangrove (*Rhizophora Mangle*) was introduced in the upland area of the He'eia wetlands, to control erosion and flooding and to stabilize sediment. Subsequently, the mangrove trees, with their vast network of branches and prop roots, have spread downstream, and severely degraded the wetland habitat.

On the north side of the He'eia Community Development District (HCDD) along the He'eia Stream, a large area of the mangrove needed to be remediated to help restore the affected food-producing agricultural fields or lo'i, expanding the area for food

production, as well as restoring and protecting the wetland habitat for endangered native flora and fauna.

In 2021, Act 88 appropriated \$300,000 in Federal funds to be used through 2024, for mangrove remediation in the HCDD. Most of the remediation was done in 2022, but maintenance is ongoing.

As the mangrove was being cleared native plants began sprouting up, returning on their own, and soon after the plants returned to the area, the endemic endangered birds appeared and have made their homes. Now, the invasive mangrove is nearly eradicated and almost 20-acres have been restored for dryland agriculture with 6-acres of wetland kalo (taro).



## Kāko'o 'Ōiwi

In 2010, Kāko'o 'Ōiwi was granted a 38-year lease from the HCDA for the 405-acre parcel to implement activities related to and supportive of cultural practices, agriculture, education, and natural-resource restoration and management. Since then, Kāko'o 'Ōiwi has worked to restore, protect and manage the natural resources, transforming the land, and helping it to thrive.

Kāko'o 'Ōiwi continues to work on the expansion and maintenance of the He'eia Wetlands referred to as hoi. Wetland restoration includes the planting of taro and new crops, restoring historic farm roads and removing invasive species.

The kalo is thriving, and Kāko'o 'Ōiwi is committed to providing sustainably farmed fresh produce to island residents. In 2020, the construction of a poi mill was completed and currently poi and kulolo are being produced and sold with other fresh fruits and vegetables to the Hawai'i Foodbank and individual residents.

The ongoing cultivation of kalo also serves a critical role in the movement and distribution of water of the He'eia watershed, mitigating the effects of runoff on nearby ecosystems, the Paepae o He'eia fishpond and Kāne'ohe Bay.

**Community Outreach, Education and Participation:** In 2022, 89 schools visited the He'eia Community Development District with approximately 3,500 participants involved in Kāko'o 'Ōiwi activities. There were also 32 community workdays, and 198 volunteer events with over 6,000 volunteers and 20,000 service hours.



In 2022, Kāko'o 'Ōiwi produced over 20,000 lbs. of fresh food.



Special projects: The Ho'olauana washpack/rootwash station and the Hale Pepeiao, the mushroom shed construction is underway.

# Financial Statements

Fiscal Year Ended June 30, 2022

## **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, 2021 and ending June 30, 2022. The audited financial statements were prepared for the State of Hawai'i Office of the Auditor.

## STATEMENT OF NET POSITION

As of June 30, 2022

**Assets:**

## Current assets:

Cash and cash equivalents	\$ 30,569,266
Accounts receivable, net	582,609
Lease receivable, current	910,234
Interest receivable	283,374
Due from State	168,738
Total current assets	<u>32,514,221</u>

## Noncurrent assets:

Loan receivable - Halekauwila Partners, LLC	15,314,109
Loan receivable - Honuakaha LP	1,000,000
Lease receivable, noncurrent	10,765,791
Investment in limited partnership	43,052
Water source allocation credits	249,642
Capital assets, net	93,382,860
Total noncurrent assets	<u>120,755,454</u>
Total assets	<u>153,269,675</u>

**Deferred Outflows of Resources:**

Related to pension	382,511
Related to other postemployment benefits	130,018
Total deferred outflows of resources	<u>512,529</u>
Total assets and deferred outflows of resources	<u>153,782,204</u>

**Liabilities:**

## Current liabilities:

Accounts payable	\$ 225,216
Accrued payroll	183,021
Unearned revenue	160,530
Current portion of long-term liabilities	211,665
Due to State Treasury	1,316,862
Rental security deposits	71,672
Total current liabilities	<u>2,168,966</u>

## Long-term liabilities:

Due in more than one year	11,682,064
Net pension liability	3,898,170
Net other postemployment benefits liability	2,601,894
Total long-term liabilities	<u>18,182,128</u>
Total liabilities	<u>20,351,094</u>

**Deferred Inflows of Resources:**

Related to leases	11,729,898
Related to pension	149,631
Related to other postemployment benefits	139,836
Total deferred inflows of resources	<u>12,019,365</u>
Total liabilities and deferred inflows of resources	<u>32,370,459</u>

**Net Position:**

Net investment in capital assets	92,666,591
Restricted for capital projects	110,256
Unrestricted	28,634,898
Total net position	<u>\$ 121,411,745</u>

State of Hawai'i • Hawai'i Community Development Authority  
**STATEMENT OF ACTIVITIES**  
As of June 30, 2022

		<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net revenues (expenses) and changes in net position</b>
<b>Governmental Activities:</b>					
General government	\$ 3,096,338	\$ -	\$ -	\$ -	\$ (3,096,338)
Leasing and management	1,947,523	2,535,319	-	-	587,796
Community redevelopment	742,497	4,595,219	-	300,000	4,152,722
Capital projects	1,967,678	-	-	-	(1,967,678)
Total governmental activities	\$ 7,754,036	\$ 7,130,538	\$ -	\$ 300,000	(323,498)
<b>General Revenues:</b>					
State allotted appropriations, net of lapsed appropriations					682,691
Non-imposed employee wages and fringe benefits					391,186
Investment earnings					281,474
Other					921,160
Total general revenues					2,276,511
<b>Transfers</b>					(532,122)
<b>Change in net position</b>					1,420,891
<b>Net position, beginning of year</b>					119,990,854
<b>Net position, end of year</b>					\$ 121,411,745

State of Hawai'i • Hawai'i Community Development Authority  
**BALANCE SHEET • GOVERNMENTAL FUNDS**  
As of June 30, 2022

	General Fund	Hawaii Community Development	Kalaeloa Community Development	He'eia Community Development	ARPA	Capital Projects	Total Governmental Funds
<b>Assets:</b>							
Cash and cash equivalents	\$ 3,500	28,745,718	\$ 1,809,986	\$ 10,062	\$ -	\$ -	\$ 30,569,266
Accounts receivable - net	-	551,689	30,920	-	-	-	582,609
Due from State	-	-	-	-	-	168,738	168,738
Loan receivable - Halekauwila Partners, LLC	-	15,314,109	-	-	-	-	15,314,109
Loan receivable - Honuakaha LP	-	1,000,000	-	-	-	-	1,000,000
Interest receivable	-	58,797	1,287	5	-	-	60,089
Water source allocation credits	-	249,642	-	-	-	-	249,642
Total assets	<u>\$ 3,500</u>	<u>\$ 45,919,955</u>	<u>\$ 1,842,193</u>	<u>\$ 10,067</u>	<u>\$ -</u>	<u>\$ 168,738</u>	<u>\$ 47,944,453</u>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ 160,964	\$ 4,135	\$ -	\$ -	\$ 58,482	\$ 223,581
Accrued payroll	-	176,354	6,667	-	-	-	183,021
Unearned revenues	-	160,530	-	-	-	-	160,530
Due to State Treasury	3,500	1,296,718	16,644	-	-	-	1,316,862
Rental security deposits	-	71,672	-	-	-	-	71,672
Total liabilities	<u>3,500</u>	<u>1,866,238</u>	<u>27,446</u>	<u>-</u>	<u>-</u>	<u>58,482</u>	<u>1,955,666</u>
<b>Fund Balances:</b>							
Nonspendable:							
Water source allocation credits	-	249,642	-	-	-	-	249,642
Loans receivable	-	16,314,109	-	-	-	-	16,314,109
Total nonspendable fund balances	-	16,563,751	-	-	-	-	16,563,751
Restricted	-	27,489,966	1,814,747	10,067	-	110,256	29,425,036
Total fund balances	<u>-</u>	<u>44,053,717</u>	<u>1,814,747</u>	<u>10,067</u>	<u>-</u>	<u>110,256</u>	<u>45,988,787</u>
Total liabilities and fund balances	<u>\$ 3,500</u>	<u>\$ 45,919,955</u>	<u>\$ 1,842,193</u>	<u>\$ 10,067</u>	<u>\$ -</u>	<u>\$ 168,738</u>	<u>\$ 47,944,453</u>

**STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCES • GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Hawaii Community Development</u>	<u>Kalaheo Community Development</u>	<u>He'eia Community Development</u>	<u>ARPA</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>							
State allotted appropriations, net	\$ 682,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682,691
Contributions from property owners	-	516,857	326,658	-	-	-	843,515
Dedication and reserve housing fees	-	3,751,704	-	-	-	-	3,751,704
Investment earnings	-	274,436	6,846	192	-	-	281,474
Leasing and management	-	2,099,261	144,282	-	-	-	2,243,543
Non-imposed employee wages and fringe benefits	391,186	-	-	-	-	-	391,186
Federal awards	-	-	-	-	300,000	-	300,000
Other	-	89,196	13,529	-	-	-	102,725
Total revenues	<u>1,073,877</u>	<u>6,731,454</u>	<u>491,315</u>	<u>192</u>	<u>300,000</u>	<u>-</u>	<u>8,596,838</u>
<b>Expenditures:</b>							
General government	1,073,877	1,935,504	241,708	-	-	-	3,251,089
Leasing and management	-	1,498,730	8,105	-	-	-	1,506,835
Community redevelopment	-	322,866	-	-	300,000	-	622,866
Capital outlays	-	-	-	-	-	1,009,627	1,009,627
Total expenditures	<u>1,073,877</u>	<u>3,757,100</u>	<u>249,813</u>	<u>-</u>	<u>300,000</u>	<u>1,009,627</u>	<u>6,390,417</u>
<b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>2,974,354</u>	<u>241,502</u>	<u>192</u>	<u>-</u>	<u>(1,009,627)</u>	<u>2,206,421</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	25,422,770	1,636,809	10,579	-	-	27,070,158
Transfers out	-	(25,441,183)	(1,618,396)	(10,579)	-	(532,122)	(27,602,280)
Leases (as lessee)	-	818,435	-	-	-	-	818,435
Total other financing sources	<u>-</u>	<u>800,022</u>	<u>18,413</u>	<u>-</u>	<u>-</u>	<u>(532,122)</u>	<u>286,313</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>3,774,376</u>	<u>259,915</u>	<u>192</u>	<u>-</u>	<u>(1,541,749)</u>	<u>2,492,734</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>40,279,341</u>	<u>1,554,832</u>	<u>9,875</u>	<u>-</u>	<u>1,652,005</u>	<u>43,496,053</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 44,053,717</u>	<u>\$ 1,814,747</u>	<u>\$ 10,067</u>	<u>\$ -</u>	<u>\$ 110,256</u>	<u>\$ 45,988,787</u>

# HCDA Boards and Staff

Chason Ishii, Chairperson  
Peter Apo, Vice Chairperson  
Sterling Higa, Secretary

## HCDA GENERAL BOARD

17 members

### At Large members

Chason Ishii  
Peter Apo (Cultural Specialist)  
Sterling Higa

### Ex-Officio members

Craig Hirai (B&F)  
Jade Butay (DOT)  
Mike McCartney (DBEDT)  
Suzanne Case (BLNR)  
Dean Uchida (City DPP)  
Michele McLean (Maui DPP)

### Community members

Phillip Hasha (Kaka'ako)  
Kevin Sakoda (Kaka'ako)  
David Rae (Kalaeloa)  
Joe Kūhiō Lewis (Kalaeloa)  
Kaiwipuni Lipe (He'eia)  
Jo-Ann C. Leong (He'eia)  
Vacant (Pulehunui)  
Vacant (Pulehunui)

## KAKA'AKO BOARD

9 members

### At Large

Chason Ishii  
Peter Apo  
Sterling Higa

### Ex-Officio

Craig Hirai  
Jade Butay  
Mike McCartney  
Dean Uchida

### Community

Phillip Hasha  
Kevin Sakoda

## KALAELOA BOARD

9 members

### At Large

Chason Ishii  
Peter Apo  
Sterling Higa

### Ex-Officio

Craig Hirai  
Jade Butay  
Mike McCartney  
Dean Uchida

### Community

David Rae  
Joe Kūhiō Lewis

## HE'EIA BOARD

9 members

### At Large

Chason Ishii  
Peter Apo  
Sterling Higa

### Ex-Officio

Craig Hirai  
Jade Butay  
Mike McCartney  
Dean Uchida

### Community

Kaiwipuni Lipe  
Jo-Ann C. Leong

## PULEHUNUI BOARD

10 members

### At Large

Chason Ishii  
Peter Apo  
Sterling Higa

### Ex-Officio

Craig Hirai  
Jade Butay  
Mike McCartney  
Dean Uchida  
Suzanne Case

### Community

Vacant  
Vacant

## HCDA STAFF

### Executive Director

Craig Nakamoto

### Administration

Tommilyn Soares  
Kapili Kidder  
Renee Reed

### Administrative Services

Garet Sasaki  
Xiaojin Christy Kiyabu  
Chrissie Lu  
Wendi Reyes

### Asset Management

Lindsey Doi  
Craig Uemura  
Alicia Wailehua-Hansen

### Capital Improvements

Mark Hakoda  
Neal Imada  
Cara Kimura  
Charlyn Ontai  
Germaine Salim-Hagihara

### Communications

Francine Murray  
**Planning**  
Ryan Tam  
Sery Berhanu  
Janice Biletznikoff  
Janet Meinke-Lau



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