



Hawai'i Community Development Authority
2024 Annual Report
to the
Hawai'i State Legislature
Regular Session of 2025

Prepared by Hawai'i Community Development Authority
Department of Business, Economic Development & Tourism
State of Hawai'i • January 2025

This report satisfies Hawai'i Revised Statutes Sections 206E-19, 206E-249, 206E-267, and 206E-294.

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Message from the Chair

Building Communities

Sterling Higa, Chair of the Hawai'i Community Development Authority



Aloha,

It is with great pride that we present the 2024 Hawai'i Community Development Authority (HCDA) Annual Report. This report summarizes the accomplishments and progress made by the HCDA as it strives to build better communities here in our island home.

In 2024, addressing Hawai'i's housing crisis was a top priority statewide. But insufficient infrastructure remains the greatest challenge to affordable housing development. HCDA led several infrastructure projects to support affordable housing and mixed-use development. These infrastructure projects will support future development by other state and county agencies and provide quality jobs.

HCDA received \$30 million in appropriations to upgrade the electrical infrastructure in Kalaeloa, with \$18 million coming from the US Navy and over \$12 million from the state legislature.

Planning is underway in our newest district Pūlehunui. HCDA will lead infrastructure development for the area, which will support the state, county and community's plan for the area.

In He'eia, the HCDA's lessee, Kāko'o 'Ōiwi is making great strides in sustainable local food production and informed us that their goal is to produce a third of the state's kalo by 2026.

This work and the accomplishments in this report are made possible by the continued support and cooperation of the State administration and legislature, alongside community partners, district landowners, businesses and residents, and other government agencies.

Mahalo,
Sterling Higa





About HCDA

The Hawai'i Community Development Authority (HCDA) was established by the Hawai'i State Legislature in 1976 to supplement traditional community renewal methods by promoting and coordinating public and private sector community development.

The Legislature also established the HCDA Community Development Districts (CDD) of Kaka'ako, Kalaeloa, He'eia, Pūlehunui and the Transit-Oriented Development (TOD) Infrastructure Improvement District. The Legislature established these districts after determining the lands within these districts, once redeveloped, have the potential to provide great economic opportunities to the state.

The HCDA plans and implements capital improvement projects to upgrade infrastructure and develop public facilities within and outside its community development districts. The HCDA also implements long-term planning initiatives to support the development of mixed-use communities that strengthen and diversify Hawai'i's economy while enhancing the quality of life for Hawai'i's people. With the support of the Legislature and stakeholders, HCDA strives to build better communities.

Strategic Plan

In June 2024, the HCDA Strategic Plan was revised and encompasses a five-year blueprint to commence or complete the various goals for each HCDA district. Many of the high-priority, one-year goals are reflected in this report.

The 2024 Strategic Plan carried forward goals related to the significant funding that was appropriated to the HCDA by the 2023 Hawai'i State Legislature, established new goals related to the funding that was appropriated in 2024 and new goals for new projects.

The Strategic Plan may be viewed online at https://dbedt.hawaii.gov/hcda/files/2024/08/STRATEGIC-ACTION-PLAN-June-5-2024_final-approved-2.pdf.



Affordable Housing Projects



The Affordable Rental Housing Development Permitted Interaction Group was formed in 2017 to consider and recommend strategies for encouraging low- to middle-income rental housing development in the Kaka'ako Community Development District. One of the recommendations of the group was to utilize HCDA Reserved Housing Program revolving funds to purchase land.

The HCDA 2024 Strategic Plan included a goal to implement innovative methods to develop more affordable housing in HCDA districts. HCDA's existing and new affordable housing initiatives include:

HCDA Reserved Housing Program

The HCDA Reserved Housing Program is for Hawai'i residents earning between 80-140% of the area median income (AMI), allowing eligible purchasers to buy homes at below-market rates. Consider a family of two wage earners, like a Honolulu police recruit making \$76,000 per year and a retail sales associate earning \$35,000. At 110 percent of the AMI, that family would meet the income qualifications to buy a residential unit in the HCDA Reserved Housing program.

The program requires developers to set aside at least 20 percent of new residential units for low- and moderate-income households. Reserved Housing rental or sales prices 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.

The Reserved Housing Program comes with a few requirements, such as 1) Owner occupancy for a minimum period ranging from 2-10 years after purchase ("Regulated Term"), 2) a Buyback provision allowing the HCDA or our agent to buy back the unit if the owner needs to sell during the Regulated Term, and 3) Payment of shared equity to the HCDA upon sale of the unit in the future. Those funds are then returned to the Reserved Housing Program to develop more affordable housing.

99-Year Leasehold Pilot Program

Act 97 of Session Laws of Hawai'i 2023 established a 99-year leasehold condominium pilot program within the HCDA, to develop a low-cost leasehold residential condominium project for sale to Hawai'i residents on state-owned land. The Act authorized one project on non-ceded land within an urban redevelopment site selected by the HCDA, appropriated \$1,500,000 for administrative rulemaking, engaging the community, and conducting site and pre-development planning, and established two full-time temporary positions within the HCDA and provided funding for the positions through June 2025.

In 2024, community meetings began gathering public input to draft and then promulgate administrative rules for the leasehold-for-sale program.

HCDA also selected a developer to complete pre-development due diligence, feasibility, and planning studies to develop a 99-year leasehold-for-sale condominium.

Supportive Housing, \$5,000,000

In 2024, the Legislature appropriated \$5,000,000 for HCDA to plan and design a supportive housing project. Proven successful in other states, supportive housing combines affordable housing with on-site support services for people experiencing or on the verge of homelessness. HCDA has been working to identify possible land(s) for supportive housing. HCDA has begun conducting preliminary due diligence on a parcel in Kaka'ako.



Transit-Oriented Development



In 2022, the Legislature established the Transit-Oriented Development Infrastructure Improvement District, *Hawai'i Revised Statutes* (HRS) 206E, Part X, and 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. Transit-oriented development is a powerful tool that can ultimately deliver a wide range of social, environmental, and economic benefits.”

The Hawai'i Interagency Council for Transit-Oriented Development identified three areas on the island of O'ahu as priority development areas: East Kapolei, Iwilei-Kapālama, and Halawa.

A major barrier to development within areas designated for transit-oriented development (TOD) is the lack of adequate infrastructure.

The Legislature provided funding to HCDA for the following TOD infrastructure projects in two of the three island of O'ahu TOD priority areas: East Kapolei and Iwilei-Kapālama.

Infrastructure Master Planning for East Kapolei, \$500,000

The HCDA entered into a Memorandum of Agreement (MOA) with the State of Hawai'i, Office of Planning and Sustainable Development (OPSD) for OPSD to procure professional services to develop an infrastructure implementation master plan for the East Kapolei area, located near the Kualaka'i, Keone'ae, and Honouliuli Skyline Rail Stations on the island of O'ahu, that will identify and determine the infrastructure needed to be built to support TOD in that area. The funds were encumbered by June 30, 2024.

Most of the State lands in the East Kapolei area are undeveloped with limited infrastructure to serve the envisioned TOD buildout. Like the recent infrastructure master planning in Iwilei-Kapālama, the East Kapolei Master Plan will identify and prioritize regional wastewater, water, drainage, electrical, telecom and transportation improvements required to maximize housing and development potential.

TOD Related Projects - Continued



University of Hawai'i (UH) West O'ahu Road and Improvements, \$35,000,000

The HCDA is part of a collaborative multi-agency development on UH lands. The proposed development is located next to the UH West O'ahu Campus, on UH-owned property, adjacent to Kualaka'i Parkway, and the Keone'ae Skyline Station.

In 2024, the HCDA entered a MOA with the UH and the Hawai'i Housing Finance and Development Corporation (HHFDC) to define each agency's responsibilities in these efforts and awarded a design-build contract to design, permit and construct Phase 1 of the on-site infrastructure improvements. The parties' respective obligations are:

- The UH is contributing approximately 20 acres of non-campus land.
- The HCDA, with its design-build contractor, will be building roadways and related infrastructure.
- The HHFDC will issue a request for proposals (RFP) to build an affordable housing mixed-use project, with approximately 500 units in the initial development on a portion of the 20-acre site.

In the proposed Phase 2 of the UH West O'ahu infrastructure project, HCDA will build new roads with utilities, to support the development of approximately 1,000 additional housing units, totaling 1,500 units currently projected for the 20-acre site. Phase 2 is estimated at \$50,000,000.



Iwilei-Kapālama Electrical Infrastructure Work, \$25,000,000

These funds are being utilized for Phase 1 of the project to upgrade the electrical system, identified as a necessity in HHFDC's Infrastructure Master Plan for the Iwilei-Kapālama Area. The upgrades will accommodate the anticipated growth of the proposed development at Mayor Wright Housing by the Hawai'i Public Housing Authority (approximately 2,100 housing units), Liliha Civic Center by the HHFDC (approximately 800 housing units), properties owned by the City, and private lands (approximately 3,500 housing units).

In 2024, the HCDA staff awarded a design-build contract to plan, design and construct electrical improvements in these neighborhoods. The project's primary initiative is to install underground electrical duct lines and facilities to support 25kV electrical circuits along Kūwili Street, Iwilei Road, and North King Street.

In the proposed Phase 2 for the Iwilei-Kapālama area, the HCDA will complete the electrical improvement project and address other infrastructure improvements needed in the area, such as sewer, water, drainage and transportation. This critical investment by the state will support the development of approximately 6,400 housing units in the two project areas. Phase 2 is estimated at \$50,000,000.

The City has encumbered or appropriated in its six-year CIP budget over \$700 million for improvements to the Iwilei-Kapālama area.



He'eia



1928 aerial photo of the 400 acre He'eia parcel and fishpond on the makai side.

In 1991, the HCDA acquired approximately 400 acres of land in He'eia on the windward side of O'ahu as part of a land exchange with the Estate of Bernice Pauahi Bishop.

In 2010, the HCDA entered a long-term lease with Kāko'o 'Ōiwi, a community-based non-profit corporation with a primary mission that is aligned with the HCDA's vision for the district, to restore the He'eia wetlands into a working agricultural and cultural district.

In 2011, the He'eia Community Development District (CDD) was established by the Legislature to facilitate culturally appropriate agriculture, education, and natural resource restoration and management of the He'eia wetlands.



Map of the Heeiea Community Development District.

He'eia - Continued



For 18 years, Kāko'o'Ōiwi has been working to restore and maintain the He'eia wetlands to sustainably farm fresh produce for the community, improve the native habitat and provide ecosystem services. As the rich lands thrive, maintenance to control the threat of invasive species from returning is ongoing. The eradication of mangrove has returned 51 acres of wetland habitat for native Hawaiian plants and birds such as the red-billed 'alae'ula and ae'o.

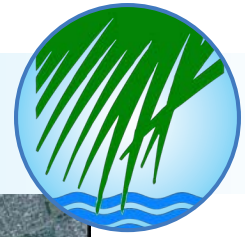
Kāko'o'Ōiwi also provides community engagement and education on the 139 acres of green infrastructure that incorporates a vast floodplain restoration integrated with indigenous traditional Hawaiian knowledge and Hawaiian natural resource management techniques.

He'eia Stream Access Road, He'eia, \$1,000,000

In 2024, the Legislature appropriated \$1 million for the construction of a road in the He'eia Community Development District for access from the southern portion of the district near the Alaloa Street Bridge and other work beneath the bridge for the remediation of debris, non-native vegetation, and other deleterious materials by removal to mitigate flooding and erosion as well as facilitate habitat restoration and management of the native system.



Kalaeloa



The Kalaeloa Community Development District (CDD) was established in 2002 by the Legislature to facilitate the redevelopment of the Naval Air Station Barbers Point in accordance with the Barbers Point Naval Air Station community driven reuse plan, *Kalaeloa Redevelopment Plan*.

Facilitating the redevelopment of Kalaeloa is an extraordinarily complex undertaking that will occur over the course of a generation or more. There are several challenges to development because of the existing infrastructure and lack thereof in the area. There are 20 miles of roadways that do not meet city or state standards, drainage in parts of the district is inadequate, and the electrical system is not reliable.

Saratoga Avenue Electrical Upgrades, \$12,125,000

In 2024, the Legislature appropriated \$12,125,000 in CIP funds for the HCDA to improve critical electrical infrastructure on Saratoga Avenue with new electrical 12vK.

HCDA is collaborating with stakeholders, Navy Region Hawai'i, Hawaiian Electric Company (HECO), and elected officials, on the next steps to procure services for the electrical upgrades that will provide the Kalaeloa downtown area with reliable and resilient energy, built to industry standards, that will ultimately connect to the HECO grid.

Navy \$18 Million to Begin Electrical Upgrades

In 2024, after an unprecedented partnership was established between the Navy Hawai'i Region and the HCDA, the Navy transferred \$18 million to the HCDA to begin the upgrade of electrical infrastructure in Kalaeloa. This phase will transfer certain customers from the Navy electrical grid to the HECO grid by connecting customers along Enterprise Avenue to the Enterprise Energy Corridor that the HCDA constructed with funds from the Hawai'i State Legislature.

In addition to this first transfer of customers, other planning is underway for the transfer of the remaining customers to the HECO grid. In 2023 the Navy funded a study, being conducted by HECO, to inventory all existing electrical facilities in Kalaeloa to facilitate the eventual transfer of the electrical grid to HECO.

Kalaeloa - Continued

Kalaeloa Plan and Rules Update

HCDA and its consultant, Torti Gallas + Partners, have been working with stakeholders and community members over the last several years to update the Kalaeloa Master Plan and Administrative Rules.

The Kalaeloa Master Plan was first adopted in 2006, while the administrative rules have been in place since 2012. Together, the plan and rules provide the vision and permitting framework that governs development activities for non-federal lands in Kalaeloa. The amended Plan and Rules are generally aimed to simplify permitting processes, increase regulatory consistency, and encourage appropriate development that enhances the character of Kalaeloa.

In 2024, HCDA completed revised draft updates to the Kalaeloa Master Plan and Rules. Community meetings, neighborhood board presentations, and public hearings were held as pursuant to Chapters 91 and 201M, Hawaii Revised Statutes. Staff are processing the community stakeholder and agency comments to the revised drafts and expect to complete the rulemaking process in 2025.

Kalaeloa District Permitting

In 2024, HCDA held public hearings and approved a development permit for the Hunt Communities Hawaii LLC to renovate the interior and exterior of the existing Quonset hut warehouse building on Parcel 10, which is currently under construction and expected to be completed in 2025. Parcel 10 is an integral part of ongoing efforts to maximize commercial and workforce living opportunities for Kalaeloa. Upon completion of the improvements, Parcel 10 will serve multiple commercial and industrial tenants, which will create local jobs and business opportunities to support Hawai'i's economy.

In 2024, the HCDA also approved 15 development, or improvement permits in Kalaeloa that did not require HRS 206E-5.6 hearings.



Pūlehunui



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

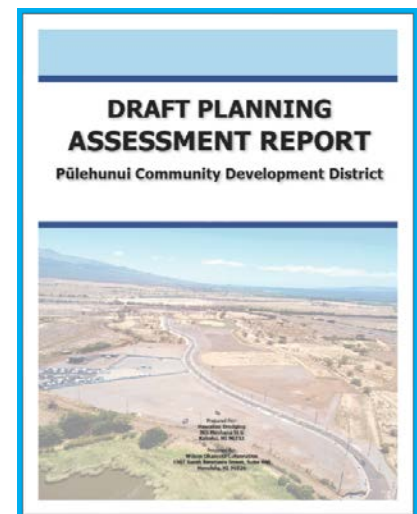
In September 2023, an RFP for planning, design, and construction of infrastructure in the Pūlehunui district was issued.

In 2024, the two community board members, Glenn Yamasaki, and Debbie Cabebe were confirmed by the Senate.

In July, the first HCDA Pūlehunui Board meeting was held.

The HCDA awarded a \$60 million contract for the planning, design and construction of infrastructure improvements in HCDA's Pūlehunui Community Development District. HCDA also awarded a companion \$4 million contract to provide contract compliance.

A Planning Assessment Report is expected to be finalized in early 2025.



Kaka'ako



In 1976, the Hawai'i State Legislature established the Kaka'ako Community Development District to restore a blighted area with potential for vertical growth, which could help prevent urban sprawl. In 1982, the Legislature amended the Kaka'ako CDD boundaries to include lands makai of Ala Moana Boulevard. These boundaries were amended again in 1989.

Since then, Kaka'ako has become an award-winning mixed-use, mixed-income community featuring a wide range of housing types including affordable senior rentals, reserved housing rentals and for-sale units, and market rate condominiums. This vibrant community is served by a mix of grocery stores, restaurants, entertainment venues, and health care facilities along traditional light industrial and commercial uses.

Mauka Area Rules Update

Since 2021, HCDA has been engaging community stakeholders and conducting analyses to update the administrative rules that govern the land use permitting and development in Kaka'ako. The updated Mauka Area Rules, which apply to the area mauka of Ala Moana Boulevard, were finalized in 2024. These amendments include:

- Incentive zoning to promote more affordable housing and the provision of public benefits on certain parcels identified in the HCDA's TOD Overlay Plan;
- Parking deregulation, including deleting minimum parking requirements to potentially reduce the cost of development and provide greater flexibility;
- Consideration of climate change, sea level rise, and climate-resilient development; and
- New permit types to simplify and expedite agency reviews, better alignment with City and County of Honolulu rules, and other process refinements.

Overall, the updated rules are intended to promote the provision of public benefits, enhance the urban realm, and streamline permit reviews.



Makai Area Rules Update

An initial update to the Makai Area Plan and Rules, which apply to the area makai of Ala Moana Boulevard was completed in January 2024. The updated rules incorporate the 2011 Kaka’ako Makai Conceptual Master Plan by reference and reflect the Section 206E 31.5, HRS, ban on residential development. The updated rules also simplify the allowable land uses to provide landowners with additional flexibility to propose new activities. Minimum parking requirements were also eliminated to be consistent with the City and County of Honolulu’s parking policies. Language is also being added to reflect Act 221 (2023), which requires consideration of climate change, sea level rise, and climate-resilient development in the design and siting of buildings.

In 2025, HCDA is planning to initiate a more comprehensive update of the plan and rules, including extensive community stakeholder outreach and a review of infrastructure needs. The Kaka’ako makai planning effort will also include the parcel situated mauka of Piers 6 and 7, which is the site of the former Hawaiian Electric Company Downtown power plant site.

In 2024, the HCDA executed 12 Releases of Unilateral Declaration, generating a total of \$618,976 in shared equity paid to the HCDA.

In 2024, there were two HCDA Reserved Housing units offered for buyback in the 803 Waimanu project. The HCDA’s purchasing agent, the Hawaii HomeOwnership Center, declined to purchase both units due to concerns over financing and the project’s parking “elevator.” Therefore, the HCDA waived buyback on both units, allowing the unit owners to sell their units at market upon paying the applicable shared equity due to the HCDA.

In 2024, the HCDA executed two Subordinations of Equity Sharing Payment Agreements to allow reserved housing unit owners to obtain second mortgages, which are allowable under certain conditions.

Planning for Streets Improvements

In 2024, the HCDA has awarded a contract and met with Central Kaka’ako area stakeholders before and after a topographical survey of the project site was done to assess what is in the area. The project is in the planning phase to improve Ilaniwai Street and incorporate city standards, which include car, bus, bicycle and pedestrian improvements, and drainage.

An existing conditions assessment and deficiency report will be completed soon, which will help inform the feasibility of implementing City and County of Honolulu Street standards on Ilaniwai and Kamani streets.

Kaka’ako Permitting

Helping economic growth, in 2024, the HCDA approved 88 improvement or rules clearance permits in the Kaka’ako district that did not require HRS 206E-5.6 hearings.

Kaka'ako - Continued



City and County Ordinance 16-21

The City and County of Honolulu enacted Ordinance 16-21 regarding property tax valuation for properties in the Central Kaka'ako Neighborhood of the Kaka'ako Community Development District. According to the Ordinance, an application for property tax exemption requires a copy of the determination from the HCDA that the subject property is limited to a maximum floor area ratio of 1.5 under provisions of Hawai'i Administrative Rules, Section 15-217-57. HCDA received and processed 39 Ordinance 16-21 certificate requests, in 2024.

New Community Facility, \$5,000,000

In 2024, the Legislature appropriated \$5 million for HCDA to engage in planning, designing, and the construction of a community facility, in Kaka'ako, that will provide benefits to the community.

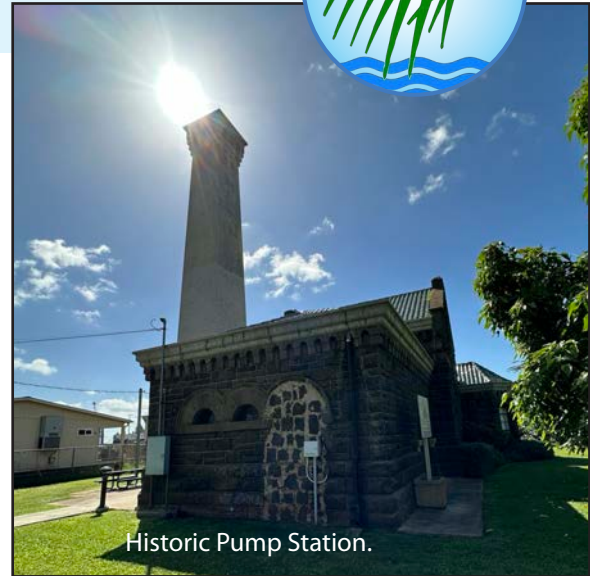
Historic Pump Station Repairs, \$2,000,000

In 2024, the Legislature appropriated \$2 million for HCDA to make roof and other repairs to the Historic Ala Moana Pump Station building.

The historic Ala Moana Pump Station is located on Ala Moana Boulevard and is owned by the HCDA. In 2014, the Legislature provided a grant-in-aid of \$1 million to the Pacific Gateway Center for the rehabilitation of the Pump Station building and land for a community resource center. The property is currently leased for \$1 per year to the Pacific Gateway Center, which operates a senior center there.

Permanent Crosswalk Improvements, \$1,000,000

In 2024, the permanent crosswalk improvements at the intersection of Queen Street and Waimanu Street were completed. This included a new concrete pedestrian refuge island in the center of Queen Street, rectangular rapid-flashing beacons (RRFB), traffic signage, a new streetlight pole, and traffic striping.



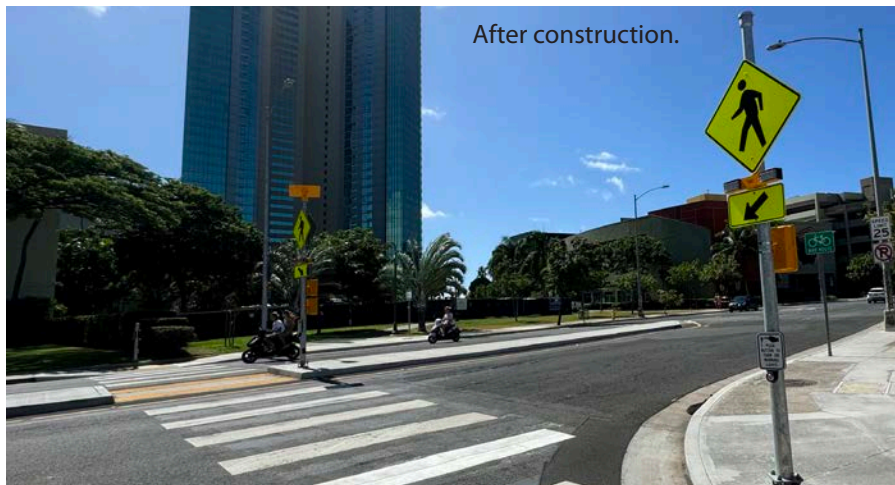
Historic Pump Station.



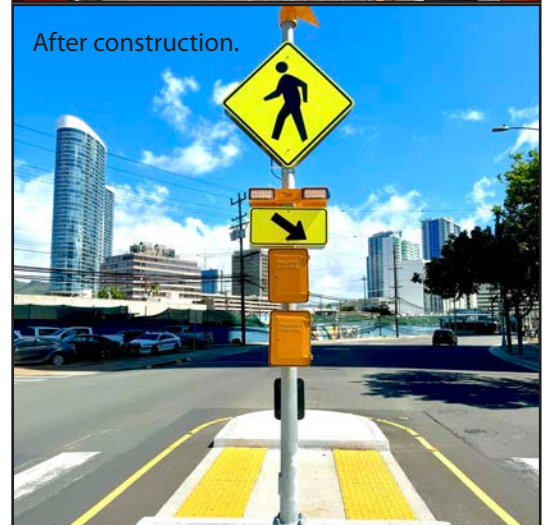
During repainting of crosswalk.



During construction.



After construction.



After construction.

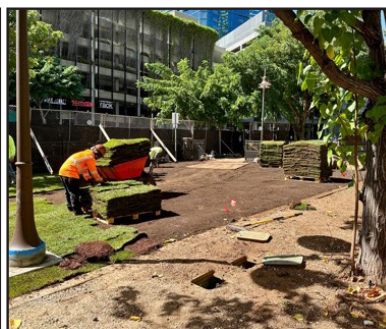
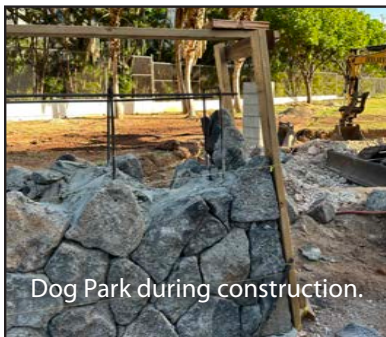
Kaka'ako - Continued

Kolowalu Park Improvements, \$2,000,000

In 2024, the HCDA made several improvements to the makai side of Kolowalu Park including a new very popular state-of-the-art inclusive children's playground featuring mobility devices to those with sensory, communication, and emotional regulation challenges. The sensory play panels throughout the play area offer unique ways for kids to engage—whether through sound, sight, motion, or touch. These elements and more open new possibilities for connection and play, ensuring every child feels welcomed and supported. HCDA also installed new adult fitness equipment, new benches, and picnic tables.

A new large and small dog park on the Mauka side of Queen Street is expected to be completed in early 2025. The improvements include separate fenced off-leash areas for small dogs and large dogs, dog play equipment, dog water stations, benches, new turf grass, and cultural place-making elements. We look forward to having a grand opening for all the park improvements.

All these improvements and upgrades to Kolowalu Park were made possible with funding from the Hawai'i State Legislature, especially from elected officials in the district.



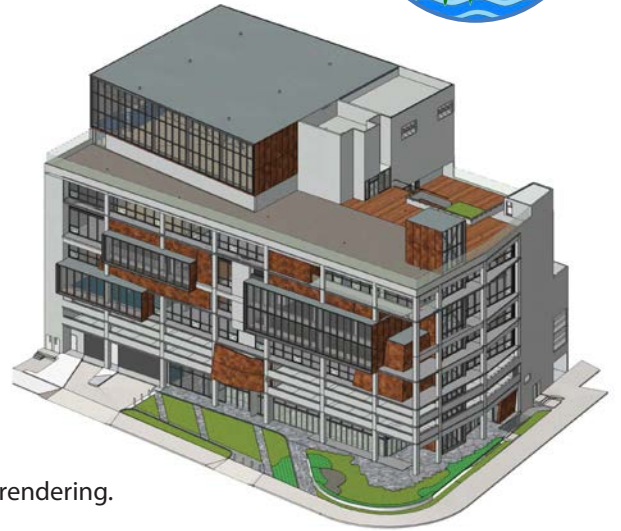
Major Projects Under Construction



Lili'uokalani Trust

This adaptive reuse project is well underway and expected to be completed in 2025. This project 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 and technology in the ideal location for culture and creativity across the Neal S. Blaisdell Center and the Honolulu Museum of Art.

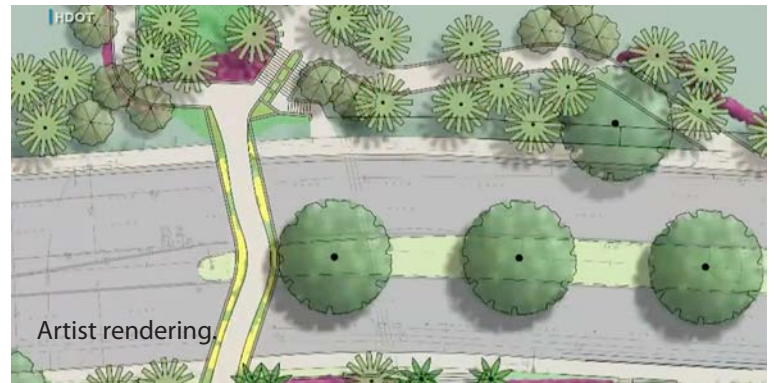


Artist rendering.

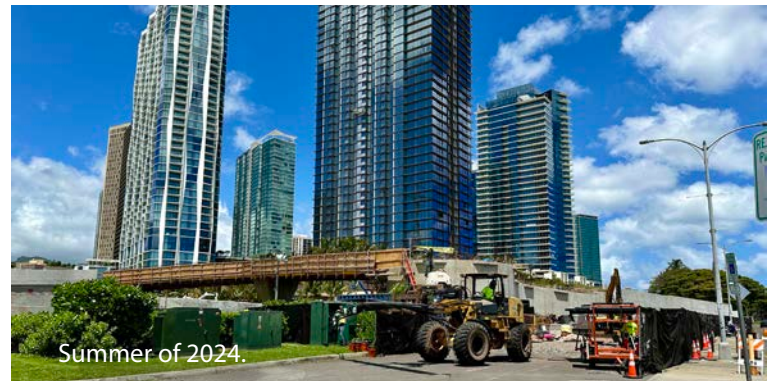
Ala Moana Boulevard Elevated Pedestrian Walkway

Under construction in 2024. Upon completion, the Ala Moana elevated pedestrian walkway will link mauka to makai, the picturesque extended Victoria Ward Park on the mauka side to the beautifully landscaped berm on the makai landing adjacent to Kewalo Basin Harbor near Ala Moana Regional Park, providing a much safer route across the major six-lane boulevard, for both pedestrians and bicyclists.

Most of the \$17.8 million project was federally funded by a U.S. Department of Transportation BUILD Grant and is being built by the State Department of Transportation (DOT) in consultation with Victoria Ward Limited (VWL). Both DOT and VWL contributed to the funding of the project. The mauka landing is owned and managed by VWL and the Ward Village Owners Association, while the HCDA owns the makai landing area, but has leased it to VWL. The DOT estimates over two thousand people will use this walkway each day. It is estimated to be completed in early 2025.



Artist rendering.

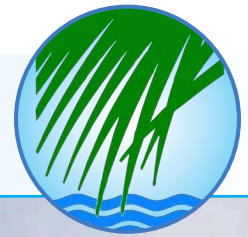


Summer of 2024.



During construction December 2024.

Major Projects Under Construction



Ālia Block I

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

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.

Expected to be completed in 2026.

Kalae

This 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 sq. ft. of open space and over 70,000 sq. ft. of recreational space.

This project is a part of the Ward Neighborhood Master Plan that is vested under the 2005 Mauka Area Rules. It is expected to be completed in 2025.

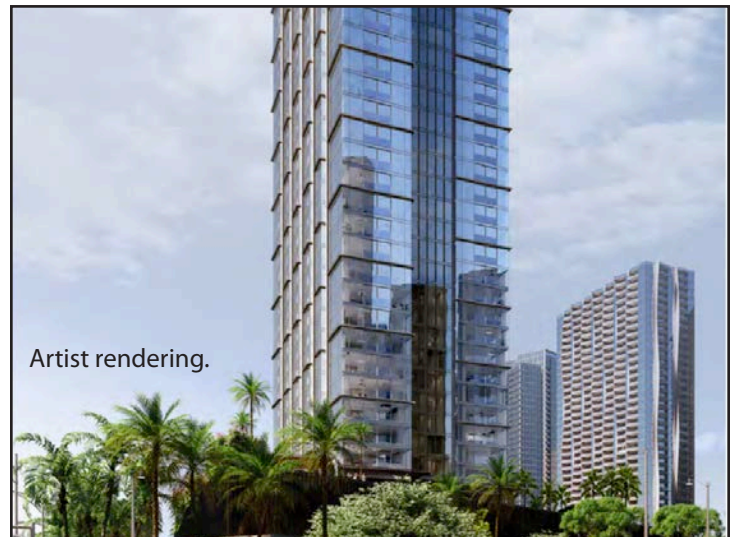
The Park Ward Village

This 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. The project's design will expand the size of the existing Victoria Ward Park with the addition of over 37,000 sq. ft. of open space.

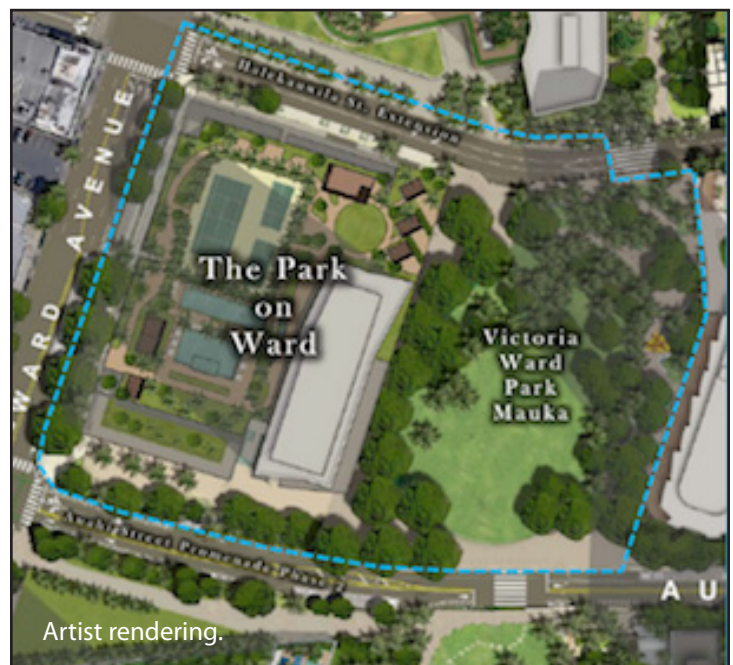
It is expected to be completed in 2025.



Artist rendering.



Artist rendering.



Artist rendering.

Projects Completed

Queen Street Retail and Storage

In 2024, the storage section was completed. However, the retail section is going through the building permit process now with the expectation to be completed in 2025. 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.

Victoria Place

Completed in 2024, HCDA signed off on the Certificate of Occupancy and a blessing was held on November 1, soon after residents began to move in. The project is located 1100 Ala Moana Boulevard. Victoria Place consists of a single 400-foot tower with 350 residential units and 465 parking spaces, over 15,000 sq. ft. of open space, over 64,000 sq. ft. of recreational space, and off-site required reserved housing units. However, all the commercial spaces are still under construction and will open as each tenant is ready.

Ulana

The vertical construction of the Ulana by Ward Village was completed in 2024. This mixed-use high-rise development project is constructing 697 reserved housing units, retail, commercial, light-industrial space and associated off-street parking. The reserved housing units 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.

Located near the intersection of Auahi Street and Kamani Street, Ulana will feature a 30,000-square foot community park, and over 34,500-square feet of new industrial space. It is expected to be completed in 2025.





Climate Action

Climate change and sea level rise pose significant, dangerous, and imminent threats to the state's social and economic well-being, public safety, nature and environment, cultural resources, property, infrastructure, and government functions and will likely have a disproportionate impact on low-income and otherwise vulnerable communities.

HCDA will collaborate with public agencies and private entities and engage stakeholders and landowners to commence rulemaking that considers the impacts of climate change, sea level rise, and climate-resilient development in the design and siting of buildings in the Kaka'ako and Kalaeloa community development districts, as required by Act 221, (SLH 2023).

To prepare our communities and ecosystems for the impacts of climate change by strengthening resilience to sea level rise, extreme weather events, and shifting environmental conditions, the HCDA will work with developers applying for development permits to create climate-resilient development in the design and siting of buildings in the Kaka'ako and Kalaeloa community development districts.

Other Projects

Groundbreaking New Clean Energy

The HCDA partnered with Kanoa Winds Inc. to bring state-of-the-art Japanese Vertical Coaxial Contra-Rotating Twin Blades (VCCT) wind turbine clean energy technology to Hawai'i.

Demonstration sites are being installed in Kaka'ako Makai at the HCDA's "Lot C" public parking lot and at the Kalaeloa Heritage Park, which is owned by HCDA but leased to the Kalaeloa Heritage and Legacy Foundation. The 0.5-kilowatt VCCT turbine at Lot C and the 0.3-kilowatt VCCT turbine at the Kalaeloa Heritage Park can generate power at a much wider range of wind speeds than traditional horizontal-axis wind turbines. The demonstrations will test the feasibility of this new technology in these parts of the state.

Women's Community Correctional Center (WCCC) New Kitchen

The HCDA will assist the Department of Corrections & Rehabilitation (DCR) in the design and construction of a new kitchen facility and infrastructure improvements located at the WCCC facility. The planned upgrades and improvements will include a new stand-alone kitchen building of approximately 13,000 square feet.

The project will serve two purposes:

First, the new kitchen facility improvements are critical to serve the additional inmate housing units being constructed at the WCCC. The new and expanded kitchen will supply up to 1,400 meals a day and will serve as the preparation site for food service support for approximately 500 inmates.

Second, the new and expanded kitchen will support the transition of inmates from incarceration into the community. The DCR and the Kapi'olani Community College, Culinary Arts Program, jointly conduct a culinary program at WCCC for selected inmates. In this program, participants receive training in culinary skills and food service preparation. Graduates of this program have gone on to further their careers in food service and hospitality following their release from the WCCC. More than just teaching culinary skills, this program teaches participants life skills that are important for transitioning to the community. The new kitchen will increase the capacity of this joint culinary program.

This project will commence pending the transfer of funds from DCR to HCDA.



Financial Statements



Fiscal Year Ended June 30, 2024

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, 2023 and ending June 30, 2024.

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



**HAWAI'I COMMUNITY DEVELOPMENT
AUTHORITY STATE OF HAWAI'I**

Statement of Net Position - Governmental Activities

June 30, 2024

Assets:

Current assets:

Cash and cash equivalents	\$ 35,175,889
Due from State	130,460,805
Accounts receivable, net	994,396
Lease receivable, current	1,056,451
Interest receivable	357,145

168,044,686

Noncurrent assets:

Loan receivable - Halekauwila Partners, LLC	13,713,448
Loan receivable - Honuakaha LP	1,500,000
Lease receivable, noncurrent	11,215,380
Investment in limited partnership	38,182
Water source allocation credits	249,642
Capital assets, net	97,566,589

124,283,241

292,327,927

Deferred Outflows of Resources:

Related to pension	723,270
Related to other postemployment benefits	308,586

1,031,856

293,359,783

HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAI'I

Statement of Net Position - Governmental Activities (Continued)

June 30, 2024

Liabilities:

Current liabilities:

Accounts payable	\$ 797,872
Accrued payroll	643,739
Unearned revenue	232,497
Current portion of long-term liabilities	267,480
Due to State Treasury	1,316,862
Rental security deposits	111,824

3,370,274

Long-term liabilities:

Due in more than one year	11,576,578
Net pension liability	4,277,540
Net other postemployment benefits liability	2,435,545

18,289,663

21,659,937

Deferred Inflows of Resources:

Related to leases	12,047,819
Related to pension	117,032
Related to other postemployment benefits	275,747

12,440,598

34,100,535

Net Position:

Net investment in capital assets	97,059,584
Restricted for capital projects	129,551,454
Unrestricted	32,648,210

\$ 259,259,248

**HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII**

Statement of Activities - Governmental Activities

Year Ended June 30, 2024

	Program Revenues			Net revenues (expenses) and changes in net position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:				
General government	\$ 4,001,832	\$ -	\$ -	\$ (4,001,832)
Leasing and management	1,433,732	3,308,357	-	1,874,625
Community redevelopment	378,010	1,580,197	-	1,202,187
Capital projects	1,441,693	-	-	(1,441,693)
Total governmental activities	\$ 7,255,267	\$ 4,888,554	\$ -	\$ (2,366,713)
General Revenues:				
State allotted appropriations, net of lapsed appropriations				132,287,145
Investment earnings				1,298,535
Non-imposed employee wages and fringe benefits				681,696
Other				67,265
Total general revenues				134,334,641
Transfers				56
Change in net position				131,967,984
Net position, beginning of year				127,291,264
Net position, end of year				\$ 259,259,248

**HAWAI'I COMMUNITY DEVELOPMENT
AUTHORITY STATE OF HAWAI'I**

Balance Sheet - Governmental Funds

June 30, 2024

	General Fund	Hawaii Community Development	Kalaeloa Community Development	He'eia Community Development	Capital Projects	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 3,500	\$ 34,072,916	\$ 1,082,541	\$ 16,932	\$ -	\$ 35,175,889
Accounts receivable, net	-	731,356	263,040	-	-	994,396
Due from State	62,349,916	-	-	-	68,110,889	130,460,805
Loan receivable - Halekauwila Partners, LLC	-	13,713,448	-	-	-	13,713,448
Loan receivable - Honuakaha LP	-	1,500,000	-	-	-	1,500,000
Interest receivable	-	144,381	3,246	54	-	147,681
Water source allocation credits	-	249,642	-	-	-	249,642
Total assets	<u>\$ 62,353,416</u>	<u>\$ 50,411,743</u>	<u>\$ 1,348,827</u>	<u>\$ 16,986</u>	<u>\$ 68,110,889</u>	<u>\$ 182,241,861</u>
Liabilities:						
Accounts payable	\$ -	\$ 96,281	\$ 41,080	\$ -	\$ 659,351	\$ 796,712
Accrued payroll	250,000	393,739	-	-	-	643,739
Unearned revenues	-	232,497	-	-	-	232,497
Due to State Treasury	3,500	1,296,718	16,644	-	-	1,316,862
Rental security deposits	-	111,824	-	-	-	111,824
Total liabilities	<u>253,500</u>	<u>2,131,059</u>	<u>57,724</u>	<u>-</u>	<u>659,351</u>	<u>3,101,634</u>
Fund Balances:						
Nonspendable:						
Water source allocation credits	-	249,642	-	-	-	249,642
Loans receivable	-	15,213,448	-	-	-	15,213,448
Total nonspendable fund balances	-	15,463,090	-	-	-	15,463,090
Restricted	-	32,817,594	1,291,103	16,986	67,451,538	101,577,221
Assigned	62,099,916	-	-	-	-	62,099,916
Total fund balances	<u>62,099,916</u>	<u>48,280,684</u>	<u>1,291,103</u>	<u>16,986</u>	<u>67,451,538</u>	<u>179,140,227</u>
Total liabilities and fund balances	<u>\$ 62,353,416</u>	<u>\$ 50,411,743</u>	<u>\$ 1,348,827</u>	<u>\$ 16,986</u>	<u>\$ 68,110,889</u>	<u>\$ 182,241,861</u>

HCDA Boards



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

HCDA GENERAL BOARD

17 members

At Large members

Peter Apo (Cultural Specialist)
Sterling Higa
Chason Ishii

Ex-Officio members

Luis Salaveria (B&F)
Edwin Sniffen (DOT)
James Kunane Tokioka (DBEDT)
Dawn Chang (BLNR)
Dawn Takeuchi Apuna (City DPP)
Kate Blystone (Maui DPP)

Community members

Kevin Sakoda (Kakaako)
Michael China (Kakaako)
David Rae (Kalaeloa)
Miki'ala Lidstone (Kalaeloa)
Jo-Ann C. Leong (He'eia)
Kaiwipuni Lipe (He'eia)
Glenn Yamasaki (Pulehunui)
Debbie Cabebe (Pulehunui)

KAKA'AKO BOARD

9 members

At Large

Peter Apo
Sterling Higa
Chason Ishii

Ex-Officio

Luis Salaveria
Edwin Sniffen
James Kunane Tokioka
Dawn Takeuchi Apuna

Community

Kevin Sakoda
Michael China

KALAELOA BOARD

9 members

At Large

Peter Apo
Sterling Higa
Chason Ishii

Ex-Officio

Luis Salaveria
Edwin Sniffen
James Kunane Tokioka
Dawn Takeuchi Apuna

Community

David Rae
Miki'ala Lidstone

HE'EIA BOARD

9 members

At Large

Peter Apo
Sterling Higa
Chason Ishii

Ex-Officio

Luis Salaveria
Edwin Sniffen
James Kunane Tokioka
Dawn Takeuchi Apuna

Community

Jo-Ann Leong
Kaiwipuni Lipe

PULEHUNUI BOARD

10 members

At Large

Peter Apo
Sterling Higa
Chason Ishii

Ex-Officio

Luis Salaveria
Edwin Sniffen
James Kunane Tokioka
Dawn Chang
Kate Blystone

Community

Glenn Yamasaki
Debbie Cabebe

HCDA Staff

HCDA STAFF

Executive Director

Craig Nakamoto

Administration

Tommilyn Soares
Renee Reed
Armaine Tomacder

Administrative Services

Garet Sasaki
Xiaojin Christy Kiyabu
Chrissie Lu
Wendi Reyes

Asset Management

Lindsey Doi Leverton
Alicia Wailehua-Hansen
Jason Takata

Capital Improvements

Mark Hakoda
Michelle Kaneko
Cara Kimura
Charlyn Ontai

Communications

Francine Murray

Planning

Ryan Tam
Deepak Neupane
Sery Berhanu
Nancy Nishikawa
Charlene Oka Wong

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