

Informational: Staff Report

January 4, 2017

Application for Technical Assistance from Smart Growth America Relating to Small-Scale Manufacturing and Place-Based Economic Development in the Kakaako Community Development District

Background: The Hawaii Community Development Authority (“HCDA”) staff is considering submitting an application for a technical assistance grant for small-scale manufacturing and place-based economic development, provided by Smart Growth America with funding from the U.S. Economic Development Administration. Smart Growth America is providing this technical assistance to assist local community leaders in integrating small-scale manufacturing into their place-based economic efforts. The application deadline is **January 6, 2017**. A copy of the application is provided as Exhibit A.

Discussion: The need for appropriate industrial use within the urban core of Honolulu is acknowledged in Hawaii Revised Statutes (HRS), Section 206E-1, which underscores that, “the legislature further finds that there exist within the State vast, unmet community development needs. These include, but are not limited to, a lack of suitable affordable housing; insufficient commercial and industrial facilities for rent.” Section 206E-31, HRS, further provides that, “in coordinating community development in the Kakaako district, the authority shall plan a mixed-use district whereby industrial, commercial, residential, and public uses may coexist compatibly within the same area. The authority shall plan for the above uses, but shall also respect and support the present function of Kakaako as a major economic center, providing significant employment in such areas as light industrial, wholesaling, service, and commercial activity.”

The Mauka Area Plan emphasizes the need for industrial uses in the Kakaako Community Development District (KCDD), particularly in the Central Kakaako Neighborhood where majority of the industrial uses are currently located. The Mauka Area Rules provide for industrial uses in all neighborhoods within the KCDD except in the Sheridan Neighborhood, which is predominantly a residential neighborhood.

The technical assistance from Smart Growth America will allow HCDA staff to lead a community planning process and provide a platform where small-scale manufacturers, landowners, developers, policy makers, community members, and other stakeholders, can congregate and collaborate to develop various strategies that would promote the development of small-scale manufacturing operation in the KCDD and integrate them into the redevelopment of the district.

Many of the existing small family owned service businesses in the KCDD, many with an industrial characters such as repair shops, warehouses, manufacturing, laundry services, automobile services, and production facilities face challenges of maintaining these uses in a

rapidly transforming urban core. To help these businesses remain in the urban core and financially viable, there is a need to develop, in collaboration with the community, policies, regulations, and incentives that will encourage industrial use in urban neighborhoods as well as foster development of new small-scale manufacturing operations. The Mauka Area Rules and the City's recent adoption of property tax exemption for industrial use in the Central Kakaako Neighborhood have alleviated some of the burdens of these small-scale manufacturing businesses; however, given the inevitable transformation of the KCDD, new considerations and policies may be necessary for long-term viability of these type of uses.

The technical assistance is expected to support developing strategies to promote development of residential/industrial mixed use projects; develop strategies to preserve existing small-scale manufacturing and encourage new small-scale manufacturing businesses; develop policies that promote public private partnerships to allow for expansion of home grown industries; integrate light industry into the urban fabric; work with the community and other public agencies to assess any zoning incentives for provision of industrial flex spaces; draft new economic plans to support diverse local economies; receive advice on how to implement land assembly for industrial and small-scale manufacturing uses; and receive recommendation on how to build affordable spaces for the small-scale family owned businesses.

This technical assistance will allow HCDA to serve as a catalyst in preserving existing industrial uses in Kakaako as well as promoting new industrial uses and small-scale manufacturing businesses in the district. In addition, lessons learned through the work of this technical assistance can be applicable to other areas within Honolulu that are going through similar transition.

Staff is requesting a letter of commitment from the Chairperson to Smart Growth America in support of the application.

Attachments: Exhibit A – Application for Technical Assistance from Smart Growth America



Smart Growth America
Improving lives by improving communities

Application for Technical Assistance: Small-Scale Manufacturing and Place-Based Economic Development

November 2016

Supported by a National Technical Assistance Grant from:



Summary

With funding from the U.S. Economic Development Administration (EDA), Smart Growth America will provide technical assistance to help local community leaders integrate small-scale manufacturing into their place-based economic development efforts. Any units or subdivisions of regional, local, or tribal government, as well as non-profits and non-governmental organizations such as community development corporations and community foundations, are eligible to apply. See page three of this document for full eligibility details. There is no fee or cost for this technical assistance, but communities will be required to provide support through staff time.

Requests for small-scale manufacturing technical assistance are due by January 6, 2017 at 5 p.m. EST. Requests may be submitted by emailing a completed version of this form to assistance@smartgrowthamerica.org. Requests can also be submitted using the online form available at <https://smartgrowthamerica.org/manufacturing>.

For pre-application assistance and inquiries, contact assistance@smartgrowthamerica.org.

Purpose

The paradigm for how manufacturing is integrated into cities is changing. Historic ideas about factories as large, polluting, and isolated structures are giving way to new manufacturing models that are small, clean, and integrated with other land uses. Providing space for these businesses within city neighborhoods can foster entrepreneurs and home-grown industries, create well-paying jobs for people with a variety of education and skill levels, and bring vitality to main streets and neighborhood centers.

The technical assistance is intended for communities interested in using small-scale manufacturing to help revitalize a downtown or neighborhood and create economic opportunity. Some communities have shown promise on this front, while many more have struggled to effectively coordinate the ongoing public and private investments, and strategies needed for a healthy small-scale production ecosystem. This project aims to educate and gather lessons from communities at all stages in the process.

Selected communities will receive a professionally facilitated two- to three-day workshop, followed by a customized action plan that identifies next steps and resources available for implementation. Workshops will be designed to help communities identify their existing assets and how they can be harnessed to develop small-scale manufacturing locally. One component of the workshop will be stakeholder interviews and findings that will be included in the final report.

This technical assistance is intended to train participants as well as build local capacity, support economic development and planning efforts, examine development challenges, assist in potential policy changes, and help coordinate among City agencies and partners. This technical assistance is not intended for the purpose of grant applications or administration on behalf of cities. There is no hard-cost or capital funding available through this technical assistance program.

Eligibility

Any unit or subdivision of regional, local, or tribal government, as well as non-profits and non-governmental organizations such as community development corporations are eligible to apply for this technical assistance. All applications must include the commitment of the head of government (mayor, county commission chair, or comparable elected leader)

Selection process and criteria

Requests for technical assistance will be evaluated on the basis of criteria established by Smart Growth America in consultation with EDA.

- Smart Growth America staff will review each application for completeness. Only applications that are complete and submitted either by email to assistance@smartgrowthamerica.org, or online at <https://smartgrowthamerica.org/manufacturing> will advance to the next step.
- Proposals are due by January 6, 2017 at 5 p.m. EST.
- Smart Growth America will determine which applications best meet the selection criteria and offer technical assistance to those communities.
- Smart Growth America reserves the right to reject any application that does not meet its requirements.
- Successful proposers will be notified on or by January 27, 2017.

The primary selection criteria are:

- **Interest in small-scale manufacturing in community development** (25 percent)
The community's application should demonstrate an understanding of the potential of small-scale manufacturing to impact place-based economic development and revitalization, interest in smart growth solutions, and show that the requested technical assistance is an appropriate way to pursue the community's goals—that it helps overcome barriers to implementing sustainable community solutions.
- **Need for technical assistance** (25 percent)
Smart Growth America wants to work with communities with a clear need for place-based economic development that includes manufacturing or production, smart growth solutions and sustainable community development strategies, but may need some additional help to define and move forward with local solutions.
- **Partnership and engagement** (25 percent)
A high level of engagement from agencies willing and able to make changes to local policies, regulations, and ordinances based upon the recommendations from the technical assistance, including housing, planning, economic & community development, and land use agencies. Partnerships with local stakeholders, including business, real estate, small-scale manufacturing, philanthropy, civic, and community groups are highly encouraged. Additionally, there must be evidence of the commitment of resources in the form of senior staff to work with the team, materials, and facilities.

- **Commitment to equity** (25 percent)
The technical assistance conducted under this project should benefit economically distressed neighborhoods in which assistance could minimize displacement of current residents and businesses, and expand access to education, training, job centers, and small business infrastructure for low- and moderate-income households. The assistance should also serve under-represented populations in small-scale manufacturing, including minority and women-owned businesses.

Other considerations will include:

- Geographic diversity—Smart Growth America will choose communities from a variety of states, regions, and communities.
- Community diversity—Smart Growth America will choose communities of different sizes, economic conditions, and populations.
- Strong leadership—A commitment of elected and appointed leaders to engage in the project, as represented by letter of commitment signed by the head of government (mayor, county commission chair, or comparable elected leader). Senior staff should report to the head of government or the relevant agencies, such as the mayor's chief of staff, city manager, planning director, economic development director, etc.

Pre-request assistance and communication

All pre-request questions or inquiries must be made in writing to assistance@smartgrowthamerica.org. The Smart Growth America project team will reply to all inquiries promptly. Please do not contact other Smart Growth America staff.

Application deadline

The application deadline is January 6, 2017 at 5 p.m. EST. Apply online at <https://smartgrowthamerica.org/manufacturing> or email a completed version of this form to assistance@smartgrowthamerica.org. Requests received after the deadline will not be reviewed.

Application form

Name of applicant agency:

Agency CEO or other individual authorized to enter into agreements:

Contact person name, email, phone:

Applicant organization's address, phone number, and website:

Form of government (local, regional, tribal):

Is the applicant able to dedicate the senior staff time that may be necessary for this technical assistance? Please check below:

- ☐ Identify locally owned small-scale manufacturing businesses, real estate developers, and economic development leaders.
- ☐ Assist in scheduling one-on-one interviews with local small scale manufacturing businesses, developers and other community leaders.
- ☐ Organize and execute logistics for public event on small-scale manufacturing and place-based economic development.
- ☐ Organize workshop with key community leaders to discuss policy and programs for implementation.
- ☐ Participate in biweekly calls with the technical assistance team to organize and implement the 2-3 day program.
- ☐ Assign staff to participate in all interviews and meetings during the 2-3 onsite program.

1. Interest in small-scale manufacturing in community development

Why is your community applying for this technical assistance? What is the role of small manufacturing in your community's development? What work has your organization or city done on gathering information related to light industrial development, mixing industrial land use into neighborhood centers or downtown, and/or economic revitalization through local business ownership? Describe any current programs for place-based economic development. (Limit 500 words)

2. Need for technical assistance

What is the community's need for technical assistance, and what actions have already been undertaken to promote place-based economic development that includes manufacturing or production in your city? What policies, programs, and staff resources currently exist that support this outcome? What capital investments, developments, or land use changes have been undertaken to facilitate production in a mixed-use environment? (Limit 500 words)

3. Partnership and engagement

Describe the envisioned involvement of developers, the business community, civic organizations, philanthropy, advocacy groups, other stakeholders, and the public in the technical assistance. Who will be the project champion(s) and what steps will they ideally take to implement recommendations once assistance is received? (Limit 500 words)

4. Commitment to equity

How does your project involve issues of equity and economic opportunity? How will the work around this project enhance economic opportunity and inclusion for minority- and women-owned businesses, low- and moderate-income communities, communities of color, and other economically disadvantaged communities? (Limit 500 words)

* Data sources to assist with this question include the Stats America Distress Index (<http://www.statsamerica.org/distress/distress.aspx>) and U.S. Cluster Map (<http://www.clustermapping.us/region>).

Strong leadership: Letter of commitment

To help assess community support, all applications must be accompanied by a letter of commitment signed by the head of government (mayor, county commission chair, or comparable elected leader). The letter should state the commitment of local leaders to participate in the technical assistance and to implement any local initiatives that result from the small-scale manufacturing technical assistance offered.

For applications submitted by email, please attach your letter of commitment as a separate file. For applications submitted via the web, please upload your letter of commitment using the online form.

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Thank you for your application. Successful applicants will be notified on or by January 27, 2016.