

STATE OF HAWAII  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
GENERAL MEETING  
Honolulu, Hawaii  
*October 3, 2018*

Chairperson and Members  
Hawaii Community Development Authority  
State of Hawaii  
Honolulu, Hawaii

HCDA Board Members:

**SUBJECT:**

Shall the Authority Approve the Following Three Additions to Its Proposed Budget Request for the 2019 Legislative Session:

- a. Fiscal Year 2019 Emergency Appropriation for the Hawaii Community Development Authority Operations;
- b. Kakaako Waterfront Park Improvements;
- c. Transit Oriented Development Improvements?

**SUMMARY:**

At its September 5<sup>th</sup> meeting, staff presented for the Authority's consideration, its proposed legislative budget request for the 2019 legislative session. The discussion identified three additional items that, based on advice from the Deputy Attorney General, could not be added to the staff's proposal due to the magnitude of the changes relative to public interest based on the Uniform Information Practices Act.

**AUTHORITY:**

Hawaii Revised Statutes, Chapter 37 Budget, provides a detailed overview of the State budget process. As an attached agency to the Department of Business, Economic Development and Tourism (DBEDT), the HCDA's request is compiled as a part of the Executive Budget.

**BACKGROUND:**

As a relatively small agency, funding for a significant portion of HCDA's work has been subsidized by CIP and General Fund appropriations from the legislature. The 2019 legislative session is a biennium budget year where the majority of funding for the two-year period is allocated. Whereas the 2020 session will be an amendment year, where only limited funding would be available.

At the August 1<sup>st</sup> general meeting, staff presented budget concepts for board information. At the September 5<sup>th</sup> general meeting, the following slate of requests were approved:

Priority	Description	Amount
1	HCDA Development District (per year)	\$ 2,554,300
2	Kewalo Basin Fishermans' Wharf Loading Dock	17,000,000
3	Kalaeloa Improvement District Project	25,000,000
4	Kakaako Improvement District Project	45,000,000
5	Kakaako Makai Parking Structure	50,000,000
	<b>Total</b>	<b>\$139,554,300</b>

The September 5<sup>th</sup> general meeting discussion identified an additional three items to be included in the HCDA's 2019 legislative session budget request. Staff has since worked to further substantiate and develop cost estimates for the following three items:

**Emergency Appropriation - \$1,076,642**

The emergency appropriation will be introduced as a separate bill and not with the Governor's budget request. This technicality created an oversight in the preparation of staff's September 5<sup>th</sup> budget proposal.

For fiscal year 2018-2019, pursuant to HRS § 206E-16.5, the legislature appropriated \$2,823,358 to cover HCDA administrative costs. At full capacity, administrative costs (staff salaries, fringe, and office expenses) are estimated at \$3,900,000 of which \$3,250,000 is payroll related. The difference between the \$3,900,000 in necessary funding and \$2,823,358 actual appropriation will be requested in the emergency appropriation.

**Kakaako Park Improvements - \$2,000,000**

This request is identical to the request that was submitted last session to implement certain improvements identified in HCDA's active use plan for the parks. Certain improvements from the plan were identified, including:

- Reconfiguration of parking;
- Adaptive Reuse of the Look Lab and surrounding area for use as a farmers' market and food trucks;
- Establishing a community garden area; and
- Expansion of Waterfront park into the former wastewater lot.

These improvements are a constructive way to address physical deferred maintenance, vandalism, and other property damage from recent years. By making the proposed park improvements, we would also seek to activate the park to deter future vandalism and damage from occurring.

### **Kakaako TOD Improvements - \$2,000,000**

One of the more cost-effective projects in the HCDA's Transit Oriented Development (TOD) Overlay Plan, involves creating a linear park using the right of way located below the elevated guide rail. Running through the district, the linear park would serve as a pedestrian-only corridor connecting downtown to residential units in Kakaako and the Ala Moana shopping center. The linear park could serve as a way of moving pedestrians between rail stations and make connections with north-south transportation options. Alternatively, the linear park could also be used for biking, jogging or walking through the district.

The project would require a good deal of coordination with Honolulu Authority for Rapid Transit (HART) as cost efficiencies will be derived from the groundwork it will be doing to build the elevated guideway. Planning and design work would most likely need to be expedited.

### **RECOMMENDATION:**

Staff recommends the Authority approve the amended staff budget proposal as follows:

<b>Priority</b>	<b>Description</b>	<b>Amount</b>
1	HCDA Development District (Emergency Appropriation)	\$ 1,076,642
2	HCDA Development District (per year)	2,554,300
3	Kewalo Basin Fishermans' Wharf Loading Dock	17,000,000
4	Kalaeloa Improvement District Project	25,000,000
5	Kakaako Improvement District Project	45,000,000
6	Kakaako Makai Parking Structure	50,000,000
7	Kakaako TOD Improvements	2,000,000
8	Kakaako Park Improvements	2,000,000
	<b>Total</b>	<b>\$144,630,942</b>

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director  
Hawaii Community Development Authority