



STRATEGIC PLAN

Rev: September 6, 2023

Hawai'i Community Development Authority
547 Queen Street
Honolulu, Hawaii 96813

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Executive Summary

This Strategic Plan, dated September 6, 2023, revises the Strategic Plan dated November 2022. The revised plan encompasses a five-year period and establishes programs, projects, and tasks that needs to be commenced or completed in each community development district and identifies organizational needs in implementing them.

Significant funding was appropriated to the Agency by the 2023 Hawaii State Legislature. Primarily, the funding was for transit-oriented related development (“TOD Projects”). The method of financing for these projects obligates the Agency to encumber these funds by June 30, 2024.

The 2023 State Legislature passed and the Governor signed into law, Act 97, Relating to Housing. The Act establishes a 99-year leasehold pilot program within the Agency to determine the feasibility of developing one low-cost residential condominium project on state-owned and county-owned land in urban redevelopment sites to be sold to qualified residents (“Leasehold Pilot Program”).

Many of the “high” priority, one-year goals, reflect the need to implement the TOD Projects and commence the Leasehold Pilot Program. The remainder of the “high” priority projects include rulemaking that must be either commenced or completed.

As the Agency looks forward to the next year, the funding and support by the Hawaii State Legislature shows a level of confidence in the staff of the Agency and the years of experience and knowledge that the Agency brings to the implementation of the TOD Projects and the Leasehold Pilot Program. The Agency must still be mindful of its obligations to the community development districts.

HCDA’s Mission, Core Values, and Vision

| **Mission** | For each community development district and transit-oriented development infrastructure improvement district HCDA will collaborates with private enterprise, public agencies, and community stakeholders to build better communities through planning, collaboration, regulation, and infrastructure development.

| **Core Values** | HCDA’s core values are focused on the following acronym:

B·U·I·L·D

Build better communities.

Utilize our infrastructure development expertise and assessment powers.

Innovate the planning and regulatory process to improve development.

Leverage experience to foster collaboration with other agencies and stakeholders.

Develop a “yes, we can” attitude within HCDA and its partners.

| **Vision** | HCDA’s vision is for the community development districts and infrastructure improvement projects to be thriving self-sufficient developments that enhance the communities and benefit the State.

HCDA envisions utilizing its experience and expertise in infrastructure and mixed-use development to collaborate on and/or undertake: (i) infrastructure development that supports the creation of affordable housing projects of all types, and (ii) infrastructure and/or mixed-use development that supports other State goals and initiatives.

HCDA Overview

Over the past 45 years HCDA has developed plans for Kaka‘ako, Kalaeloa, and Heeia community development districts and implemented infrastructure improvement projects and mixed-use housing development projects that have been responsive to the State’s goals and the community’s needs.

- **Kaka‘ako – is an example of mid-stage urban, development.** When initially established in 1976 this district was largely an underutilized industrial area which lacked a planning framework and infrastructure to support a vibrant community. Now, 45 years later, the district has emerged as a live-work-play community. It attracts private sector development due to its central location, adequate infrastructure along targeted corridors, and surrounding amenities, including access to transportation and employment.

Nevertheless, there are still significant development opportunities within the district. These consist of:

- Remaining underdeveloped parcels owned by Howard Hughes Corporation.
 - Parcels to be developed under Kamehameha Schools’ Kaiāulu ‘o Kaka‘ako Master Plan.
 - Potential high-density affordable housing projects on small lots along the transit corridor.
 - Infrastructure upgrades within central Kaka‘ako.
 - Upgraded waterfront recreational amenities.
 - Office of Hawaiian Affairs’ future development of Kaka‘ako Makai.
 - State or City Owned parcels that could serve as catalysts for surrounding properties.
- **Kalaeloa - is an example of early stage-stage suburban development.** Turned over to the State by the US Navy in 2002 as part of its former Barber’s Point Naval Base Closure, this district is in transition from its military past to meeting its potential as a suburban mixed-use community.

Opportunities in Kalaeloa include:

- Amending the Kalaeloa Master Plan to guide development based on smart growth principles and encouraging development of affordable housing.
 - Plan, design, and construct infrastructure to support development including electrical power, communications, and complete streets.
- **He‘eia – is an example of a rural community development.** Turned over to management by HCDA in 2011, unlike the other development districts, the management, and operations of this ahupua‘a were best left to a lessee, who has the capacity, knowledge, community and cultural connections, access to capital, and

conviction to support the restoration of agricultural, ecological and cultural connections of the land to the local community.

- **Pūlehuni – is HCDA’s newest community development district.** HCDA’s newest development district, located in Central Maui, is envisioned as an area where HCDA will construct infrastructure that supports the developments planned by the Department of Land and Natural Resources, Department of Hawaiian Homelands, Judiciary, and the Public Safety Department.
- **Transit-Oriented Development Infrastructure Improvement Districts** – The Legislature created this program within HCDA to implement infrastructure projects that support transit-oriented development on all of the islands.

The “SWOT” analysis that was performed for the November 2022 Strategic Plan is contained in the Appendix.

Goals, Priorities, and Strategies

Short-Term (1 year)

General Objectives

- **Act 97, For Sale Leasehold Pilot Program**
Phase: Commence
Priority: **High**
Strategy: Pre-development feasibility and planning studies for the development of one leasehold residential condominium project is necessary, including, focus sessions with developers, economists, lenders, and brokers.
- **HCDA Workforce Realignment**
Phase: Complete, January 2024
Priority: **Medium**
Strategy: With more projects being given to the Agency, appropriate staffing levels compared to the workload is a concern. Review and assess the current and expected workload and assess staffing capacity and recommend changes to the staffing.
- **Stabilize agency's year-over-year funding (i.e., general fund vs. special fund)**
Phase: Ongoing
Priority: **Medium**
Strategy: Reliable funding year-to-year for HCDA with more funding in general funds is important for the agency's success moving forward. HCDA's financial stability will be critical in staff retention and maintaining HCDA's ability to assist other state agencies that will rely on HCDA to manage multi-year infrastructure and development projects. Also, look for opportunities to leverage federal funds through state matching funds and/or seek grant opportunities for projects.

Kaka'ako Community Development District

- **Kaka'ako Mauka Area Rules Amendment (TOD Overlay)**
Target Phase: Complete
Priority: **High**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. The Mauka Area Rules (MAR) amendment project enriches the policies and direction set forth in the previously established district plans and rules by maximizing development potential through use of smart growth principles, multi-modal transportation, zoning incentives, and walkable neighborhood design. The intention of the MAR enhancement project is to foster development that creates well-used and well-loved urban places that are safe, comfortable, diverse, attractive and representative of the diverse character in the Kaka'ako community, while encouraging the development of affordable housing

and providing safe and comfortable streets and convenient access to future rail station(s).

- **Kaka‘ako Mauka Improvements for Kolowalu Park**
Target Phase: Complete
Priority: **High**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. An off-leash dog park for small and large dogs is another important public facility and community benefit for the residents. Working with elected officials and community members, complete the off-leash dog park and plan and design and install other park improvements.
- **Kaka‘ako Mauka Permanent Crosswalk Improvements near Kolowalu Park (\$1,000,000 in CIP Funds)**
Target Phase: Complete
Priority: **High**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. This is an important public facility for the residents as it provides needed pedestrian safety improvement for this well utilized park. The permanent crosswalk improvements will include painted crosswalk, concrete pedestrian refuge islands, and flashing beacons.
- **Makai Area Plan and Rule Amendment**
Target Phase: Complete
Priority: **High**
Strategy: Amend the Plan and Rules for the Makai Area of the Kaka‘ako Community Development District to Reflect HRS 206E 31.5 and a Ban on Residential Development, incorporate the Kaka‘ako Makai Conceptual Plan, and make other permit simplification amendments.
- **Act 221 Relating to Climate Change in the Kaka‘ako and Kalaeloa Community Development Districts**
Target Phase: Commence
Priority: **High**
Strategy: Requires HCDA to consider 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. Community engagement in anticipating of rulemaking should be commenced.
- **Plan for Expiration of the Property Management Agreement for Honuakaha Elderly Housing Project.**
Target Phase: Commence
Priority: **High**

Strategy: The current property management agreement expires in October 2023. Review options for the property management contract.

- **Plan to Transition the Ownership of the Honuakaha Elderly Housing Project to a private entity.**
Target Phase: Commence
Priority: **High**
Strategy: Consider and review opportunities to transition the ownership of the Honuakaha elderly housing project to another entity.
- **Stabilize Net Cash Flow and Expenses for the Honuakaha Elderly Housing project**
Phase: Ongoing
Priority: **Medium**
Strategy: In 2021, HCDA staff identified on-going financial shortfalls associated with the operation and management of the Honuakaha elderly housing project. As a result of the findings and recommendations of a permitted interaction group, HCDA will: (i) increase rent annually by 5%, (ii) commission an updated reserve study, (iii) work with property manager and ask property manager to develop a reporting dashboard for internal reporting, (iv) facilitate the turnover of units to new tenants at current affordable rates, and (v) encourage/facilitate the application and securing of Section 8 vouchers, to the extent possible.
- **Implement innovative methods to develop more affordable housing in HCDA's districts**
Target Phase: Ongoing
Priority: **Medium**
Strategy: Acquire suitable parcels of land in the Kaka'ako and Kalaeloa community development districts to develop affordable housing, like the Nohona Hale and Artspace Lofts projects.
- **Public Facilities Improvement Projects in the Kaka'ako District**
Target Phase: Ongoing
Priority: **Medium**
Strategy: HCDA has funds in its public facilities subaccount that should be used to fund public facilities improvements within the Kaka'ako district. Identify small or middle sized, highly visible improvement projects that will benefit the community.
- **Fill Vacant Business/Nonprofit Community Representative Seat**
Target Phase: Complete
Priority: **Medium**

Strategy: A business/nonprofit member is needed to fill the vacant position. Work with the Governor’s Boards and Commissions department, and Legislators to have the Governor nominate a replacement.

- **Central Kaka‘ako Planning for Complete Streets Improvements for Central Kaka‘ako streets** (dependent on City’s timeline and what streets City takes on as a project)
Target Phase: Complete
Priority: **Low**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. The State of Hawaii and the City and County of Honolulu are collaborating to improve three streets in Kaka‘ako: Queen Street, Kawaiaha‘o Street, and Waimanu Street. The improvements will include “complete streets” standards which includes car, bus, bicycle and pedestrian improvements and sewer, water, drainage, electrical, communications, traffic signals, street lighting, and street repaving. The contract for the professional planning services for the planning work must be executed.

Kalaeloa Community Development District

- **Kalaeloa Master Plan and Administrative Rules Amendment**
Target Phase: Complete
Priority: **High**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. Amend the Kalaeloa Master Plan and Administrative Rules in a manner that acknowledges the changing conditions and realities and appropriately considers the community’s vision for the district. The project team, including outside consultants, are preparing a draft master plan and administrative rules for public review and adoption by the Kalaeloa board.
- **Saratoga Avenue Electrical and Communication Infrastructure Improvements**
Target Phase: Execute a Design-Build Contract by June 30, 2024
Priority: **High**
Strategy: This goal was carried over from the November 2022 version of the Strategic Plan. The 2023 State Budget included \$12.125 million for this project. These funds must be encumbered by June 30, 2024. Planning and design for this critical electrical and communications infrastructure project working collaboratively with stakeholders, Hunt Development, HECO, and elected officials. HCDA was not successful in obtaining legislative funding for the project in 2022.

- **Implement innovative methods to develop more affordable housing in HCDA’s districts**
 Target Phase: Ongoing
 Priority: **Medium**
 Strategy: Acquire suitable parcels of land in the Kaka‘ako and Kalaeloa community development districts to develop affordable housing, like the Nohona Hale and Artspace Lofts projects.
- **Infrastructure Improvements (roads, complete streets, drainage, and electrical) for the Kalaeloa Community Development District**
 Target Phase: Commence planning
 Priority: **Low**
 Strategy: HCDA will develop an infrastructure improvement plan and pursue legislative support for funding. Besides electrical upgrades, other infrastructure improvements are needed in this district, but are dependent on Legislative funding.
- **Act 221 Relating to Climate Change in the Kaka‘ako and Kalaeloa Community Development Districts**
 Target Phase: Commence
 Priority: **High**
 Strategy: Requires HCDA to consider 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. Community engagement in anticipating of rulemaking should be commenced.
- **Fill Vacant Business/Nonprofit Community Representative Seat**
 Target Phase: Complete
 Priority: **Medium**
 Strategy: A business/nonprofit member is needed to fill the vacant position. Work with the Governor’s Boards and Commissions department, and Legislators to have the Governor nominate a replacement.

He‘eia Community Development District

- **Monitor the Legislative Funding for Infrastructure Improvements in the He‘eia District**
 Target Phase: Ongoing
 Priority: **Medium**
 Strategy: Periodic stream maintenance is required to keep vegetation from building up in the portion of the stream that is within the district boundaries. HCDA’s lessee, Kāko‘o ‘Ōiwi, is responsible for maintaining the stream under the terms of the lease but lacks appropriate vehichular access to the stream. It is

essential to improve road, water, sewer, and power infrastructure in the district. Monitor the \$1,000,000 funding that was included in the State Budget for fiscal year 2025, for stream maintenance.

- **Promote the Unique Vision that HCDA has established for the He'eia District**

Target Phase: Complete

Priority: **Low**

Strategy: This goal was carried over from the November 2022 Strategic Plan. The planned workday was cancelled and needs to be rescheduled. HCDA's mission and vision for this community development district is unique. The recently promulgated master plan and rules promotes restoration of the natural systems and environment and provides an opportunity for economic, social, and cultural programs through HCDA's lessee, Kāko'o 'Ōiwi. The role of HCDA, uniqueness of this district, and recently approved master plan and rules, and ties to the community should be promoted, with the concurrence of our lessee and its Executive Director.

Pūlehunui Community Development District

- **Pūlehunui planning and design for infrastructure work**

Target Phase: Commence

Priority: **High**

Strategy: HCDA's involvement in Pūlehunui is critical in demonstrating the agency's effectiveness in interagency collaboration and project management of complex infrastructure projects. This is a high priority goal for HCDA, because it will help establish HCDA's reputation and trajectory moving forward. The request for proposals is expected to be issued in September 2023.

- **Fill Vacant Community Representative Seats**

Target Phase: Complete

Priority: **Medium**

Strategy: Two community representatives are needed. Work with the Governor's Boards and Commissions department, and Legislators to have the Governor nominate two Maui community members.

Transit-Oriented Development Districts

- **UH West Oahu On-site Road and other improvements (East Kapolei)**

Target Phase: Commence

Priority: **High**

Strategy: The State Budget included funding, in the amount of \$35,000,000 in general funds, for the construction of roads that support UH West Oahu's planned

University development for their 20-acre parcel near the Keone'ae station. The funds must be encumbered by June 30, 2024.

- **UH West Oahu/HHFDC Development (East Kapolei)**
Target Phase: Commence
Priority: **High**
Strategy: Related to the item above, enter into a memorandum of understanding with UH West Oahu, and HHFDC to develop UH West Oahu's 20-acre parcel. It is anticipated that HHFDC will develop and issue an RFP for the development (except for the construction of the roadway, which HCDA will construct) of the 20-acre parcel.
- **'Iwilei-Kapālama Infrastructure Work**
Target Phase: Commence
Priority: **High**
Strategy: The State Budget included funding, in the amount of \$25,000,000 in general funds, for the construction of infrastructure improvements in this TOD area. The funds must be encumbered by June 30, 2024. The infrastructure improvements will consist of electrical upgrades that will benefit State-owned properties and private developments.
- **Phase I of the TOD zone planning and infrastructure work (East Kapolei)**
Target Phase: Commence planning
Task Type: Infrastructure
Priority: **High**
Strategy: HCDA's involvement in providing infrastructure in TOD zones is critical in demonstrating the agency's effectiveness in interagency collaboration and project management of complex infrastructure projects. The infrastructure provided in TOD zones will also set HCDA up as the leader in coordinating future inter-agency mixed-use developments in proximity to public transportation hubs.
- **Fill Vacant Board Seats**
Target Phase: Complete
Priority: **Medium**
Strategy: For the Oahu and Maui county boards, at the present time, members are needed to fill and constitute the Oahu and Maui county boards. Work with the Governor's Boards and Commissions department, and Legislators.

Project Management

- **Women's Community Correctional Center New Kitchen and Related Improvements ("WCCC")**
Target Phase: Commence

Priority: **Medium**

Strategy: Provide project management services, including the procurement of services, to the Department of Public Safety. Enter into a memorandum of agreement to memorialize the respective obligations and issue an RFP for the construction.

- **Banyan Drive Feasibility and Market Study**

Target Phase: Commence

Priority: **Medium**

Strategy: Enter into a memorandum of agreement with the State of Hawaii, Department of Land and Natural Resources to receive funding and procure a consultant to conduct a strategic assessment and market study for the Banyan Drive Area on the Waiākea Peninsula on Hawai'i Island.

- **Provide backbone infrastructure for FRTC and plan for future vertical development**

Target Phase: Hold

Priority: **Low**

Strategy: The State Budget did not include funding for the construction of the backbone infrastructure. The future use for the property is uncertain.

- **Hawaii Emergency Management Agency (HI-EMA); Planning and Design Assistance for construction of HI-EMA's facility at the First Responder Technology Campus**

Target Phase: complete space planning and programming

Task Type:

Priority: **Low**

Strategy: Currently, there are about 17 federal, state, and city agencies interested in locating at the campus. Each agency must pay for planning, design, and construction of their facility. HCDA project management staff is currently assisting HI-EMA with the initial planning and design” of the HI-EMA facility--envisioned to encompass two Phases, Phase 1 (Scoping) and Phase 2 (schematic design).

Mid-Term (3 years)

Kaka'ako Community Development District

- **Develop Plan to Transition the Honuakaha Elderly Housing Project to a Private Entity**

Target Phase: Complete

Priority: **High**

Strategy: Given the termination of the limited partnership in 2026, prepare a transition plan, subject to the concurrence with FHB, which identifies options to maintain this project as an affordable senior rental project in perpetuity.

He‘eia Community Development District

- **Finding an appropriate nonprofit land trust and plan for transitioning out of He‘eia**

Target Phase: Commence

Priority: **Low**

Strategy: In 2021, HCDA adopted the He‘eia community development district plan and rules. With the approval of the plan and rules and the presence of a highly effective land manager, Kāko‘o ‘Ōiwi, there is little reason HCDA should retain jurisdiction of He‘eia. The community and HCDA agree that finding a nonprofit land trust to take over control of He‘eia is in the best interest of the state to ensure long-term preservation of the district. This is identified as a low priority goal because He‘eia does not currently take up significant staff time and resources and the preservation of He‘eia is likely to be maintained as long as HCDA exists.

Pūlehunui Community Development District

- **Pūlehunui planning and infrastructure work**

Target Phase: Complete

Priority: **High**

Strategy: Timely completion of the Pūlehunui project will show that HCDA is able to assist other state agencies in one-off projects that benefit the state as a whole. Completion of Pūlehunui will help demonstrate HCDA’s effectiveness outside of the traditional community development district approach, which takes several decades to complete.

Transit-oriented Development Districts

- **Phase II TOD zone planning and infrastructure work**

Target Phase: Commence

Priority: **Medium**

Strategy: HCDA’s involvement in providing multiple phases of infrastructure improvement in TOD zones in different areas of the state will be critical in demonstrating the agency’s effectiveness in interagency collaboration and project management of complex infrastructure projects. The infrastructure provided in TOD zones will also set HCDA up as the leader in coordinating future inter-agency mixed-use developments in proximity to public transportation hubs. This is a high priority project for HCDA, because it will help establish HCDA’s reputation and trajectory moving forward. Work with OPSD and HHFDC to

identify projects that are design-construction ready in TOD zones, particularly in the 'Iwilei-Kapālama area.

Long-Term (5+ years)

General Objectives

- **Infrastructure Improvement Funding Alternatives**

Target Phase: Commence

Task Type: Major Initiatives

Priority: **Medium**

Strategy: Currently most infrastructure improvements are funded through legislative appropriations. It is necessary to explore alternative sources of funding for future infrastructure improvements. HCDA will explore several alternative funding mechanisms such as “community facility districts”, “municipal utility districts”, “business improvement districts”, and “tax increment financing districts”.

Kaka‘ako Community Development District

- **Plan for transitioning out of Kaka‘ako**

Target Phase: Commence

Task Type: Transition Plan

Priority: **Low**

Strategy: HCDA’s transition of the regulation and management of Kaka‘ako back to the City and County of Honolulu will be an acknowledgement of HCDA’s success in overseeing community development in Kaka‘ako. Transition out of Kaka‘ako will free up HCDA’s staff and resources allowing it to focus elsewhere. However, the question of what milestones/factors determine when the State’s work will be “done” in Kaka‘ako, fiscal impact to the State and the timing of the transition remain to be evaluated.

Kalaeloa Community Development District

- **Plan for transitioning out of Kalaeloa**

Target Phase: Commence

Task Type: Transition Plan

Priority: **Low**

Strategy: HCDA’s ability to influence the redevelopment of Kalaeloa is primarily limited to planning, regulating and infrastructure improvements, since HCDA does not own any major parcels in the district with significant redevelopment potential. HCDA is amending Kalaeloa master plan and rules in 2022 and once complete, HCDA will focus on its role as a regulator as well as pursue financing

opportunities for infrastructure improvements. If funding for infrastructure improvement does not become available in a timely manner, transferring control of the district over to the City may be appropriate.

He'eia Community Development District

- **Transition He'eia to a nonprofit land trust**

Target Phase: Complete

Priority: **Low**

Strategy: The key will be to find a land trust that can and is willing to preserve He'eia in perpetuity. Transitioning He'eia will free up staff time and resources, allowing HCDA to focus elsewhere.

Transit-Oriented Development Districts

- **Phase I of the TOD zone planning and infrastructure work (East Kapolei)**

Target Phase: Complete construction

Priority: **High**

Strategy: Timely completion of the initial phase of TOD infrastructure work will demonstrate that HCDA is able to assist other state agencies in complex projects that benefit the State as a whole. Completion of this goal will help demonstrate HCDA's effectiveness outside of the traditional community development district approach.

Funding and Staffing

To transition toward a new trajectory, away from the focus on community development districts and toward assisting the state in infrastructure and mixed-use development, HCDA will need to adjust its organizational structure. A further review and assessment of the existing and expected workload and capacity appears to be necessary and is a one-year goal.

As additional projects are directed to HCDA, consideration needs to be given to additional staffing and funding from the Legislature.

Appendix

SWOT Analysis Table, November 2022: see next page.

STRENGTHS

- Statutory authority
- Unique development experience
- Planning Expertise
- Partnerships
- Collaborations
- Housing Production

WEAKNESSES

- Public Perception dominated by Kaka’ako
- Limited Public Awareness of Kalaeloa and He’eia districts
- Projects now more geographically diverse; need to build relationships with new communities including Pūlehunui, TOD areas, and FRTC.

OPPORTUNITIES

- TOD Infrastructure Improvement Needs
- Statewide Affordable Housing Need and ability to provide small-lot, high-density projects in Ka’akako and low-rise projects in Kalaeloa.
- Recent Legislative Political/Funding Support
- Transit-oriented development
- Development in Central Kaka’ako
- Collaborate with City to leverage funds for infrastructure improvements for city streets
- Branding and marketing HCDA to self-determine our “identity” as a community builder

CHALLENGES

- Shifts in Political Support
- Lack of Consistent Funding
- Too many projects that stretch staff capacity and board focus
- Limited development plans and economic feasibility on Kaka’ako Makai lands, which remains under-utilized.