



STRATEGIC PLAN

Rev: June 5, 2024

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

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Executive Summary

This Strategic Plan dated June 5, 2024, revises the Strategic Plan dated September 6, 2023. 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 or outside a community development district and identifies organizational needs in implementing them.

This version of the Strategic Plan: (i) carries forward goals related to the significant funding that was appropriated to the Agency by the 2023 Hawaii State Legislature, (ii) establishes new goals related to the anticipated funding for project currently in H.B. 1800, H.D. 1, S.D. 1, and (iii) establishes new goals for new projects.

Many of the “high” priority, one-year goals, reflect either (i) the need to implement the TOD Projects, (ii) continue work on the Leasehold Pilot Program (Act 97, SLH 2023), or (iii) commence work on new goals for new projects.

The funding and support by the 2024 Hawaii State Legislature shows a continued 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, the Leasehold Pilot Program, and other assigned projects. Despite the additional obligations and projects, the Agency must still be mindful of its obligations to the existing 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 collaborate 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 He‘eia 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 – 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:

- Development of the remaining Howard Hughes Corporation parcels outside of its master plan (master plan term expired in January 2024)
 - 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, either by itself or in collaboration with the Agency.
 - State or City Owned parcels that could serve as catalysts for surrounding properties.
- **Kalaeloa – 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 – 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.
- **Pūlehunui – 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. With the procurement completed, the new goal will be to start the plan/design/build work.
- **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: Complete
Priority: **High**
Strategy: Promulgate administrative rules and identify a developer. Conduct pre-development feasibility and planning studies with a selected developer for the development of one leasehold residential condominium project. [ED]
- **HCDA Workforce Realignment**
Phase: Ongoing
Priority: **Medium**
Strategy: This is a two-part strategy. One, subject to receiving two positions, fill the two positions. With more projects being given to the Agency and possibly additional community development districts, appropriate staffing levels compared to the workload must be achieved. Two, continually review and assess the current and expected workload and assess staffing capacity and recommend changes to the staffing or request additional positions from the Legislature. [ED]
- **Stabilize agency's year-over-year funding (i.e., general fund vs. special fund)**
Phase: Ongoing
Priority: **Medium**
Strategy: This is a two-part strategy. One, continue to move to more general funds year-to-year 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. Two, also, look for opportunities to leverage federal funds through state matching funds and/or seek grant opportunities for projects to supplement funding by the Legislature. [ED/CFO]
- **Develop a Communications Plan that Promotes and Highlights the Community Building Benefits of HCDA Projects**
Phase: Complete
Task Type: Communications Plan
Priority: **Medium**
Strategy: The Agency's community building should be highlighted when possible. Examples of community building is the community benefits that result from projects such as the Kolowalu Park improvements. The communication plan should set forth a plan to capitalize on media opportunities, articles, and speaking presentations to highlight HCDA's story and "soft" benefits of HCDA projects. [COM]

- **Develop a Plan for the Development of Currently-Owned and Future-Acquired HCDA Real Property**

Phase: Complete

Task Type: Development Plan

Priority: **High**

Strategy: The acquisition of properties for housing and non-housing development (i.e., mixed-use) is a board objective, with an emphasis on producing housing. Producing housing requires a balanced portfolio of income-producing and nominal income-producing (i.e., affordable housing or community benefit projects). There is a need to create a development plan for currently-owned and future-acquired properties to serve as a framework and guiding principle for development.

Kaka‘ako Community Development District

- **Kaka‘ako Mauka Improvements for Kolowalu Park (\$2,000,000 in CIP Funds)**

Target Phase: Complete

Priority: **High**

Strategy: Enhancement of Kolowalu Park. This goal was carried over from the September 6, 2023 version of the Strategic Plan. Complete the installation of various park improvements and enhancements including new children’s play equipment, benches, picnic tables, and adult fitness equipment. Completion of an off-leash dog park for small and large dogs is another important public facility and community benefit for the residents. [CIP/AMT]

- **Kaka‘ako Mauka Permanent Crosswalk Improvements near Kolowalu Park (\$1,000,000 in CIP Funds)**

Target Phase: Complete

Priority: **High**

Strategy: Pedestrian safety improvements. This goal was carried over from the September 6, 2023 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. [CIP]

- **Act 221 (SLH 2023) Relating to Climate Change in the Kaka‘ako and Kalaeloa Community Development Districts**

Target Phase: Commence

Priority: **High**

Strategy: Act 221 required the Agency to consider the impacts of sea level rise in its Kaka‘ako and Kalaeloa community development districts. There is a need to engage with stakeholders and landowners to promulgate rules. The Agency will 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. [PD]

- **Explore Opportunities to Transition the Ownership of the Honuakaha Elderly Housing Project to a Private Entity**

Target Phase: Ongoing

Priority: **High**

Strategy: The elderly housing project should be transitioned to another party. Efforts should focus on soliciting interest in the project or finding other opportunities to transition the project from HCDA ownership to ownership by a third party. [AMT]

- **Stabilize Net Cash Flow and Expenses for the Honuakaha Elderly Housing Project**

Phase: Ongoing

Priority: **High**

Strategy: The strategy to stabilize cash flow and expenses is multi-faceted. First, HCDA replaced the former property manager in late 2023. Second, work with the existing property manager to expeditiously fill existing vacant units. Third, increase rent annually by at least 5%. Fourth, encourage/facilitate the application and securing of Section 8 vouchers, to the extent possible. [AMT/CFO]

- **Implement Innovative Methods to Develop More Affordable Housing in HCDA’s Districts**

Target Phase: Ongoing

Priority: **Medium**

Strategy: Identify suitable parcels for acquisition in the Kaka‘ako and Kalaeloa community development districts to develop affordable housing, like the Nohona Hale and Artspace Lofts projects. In addition to identifying suitable parcels for acquisition, encourage and work with landowners on innovate ways to collaboratively develop affordable housing on their land. [AMT/PD]

- **Public Facilities Improvement Projects in the Kaka‘ako District**

Target Phase: Complete

Priority: **Medium**

Strategy: Procurement of Kewalo Basin Harbor sewer line and pump repair. 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 medium sized, highly visible improvement projects that will benefit the community. [AMT]

- **Central Kaka‘ako Planning for Complete Streets Improvements for Central Kaka‘ako streets (Ilaniwai Street)**

Target Phase: Complete

Priority: **Low**

Strategy: This goal was carried over from the September 6, 2023 version of the Strategic Plan. The City and County of Honolulu will improve three streets in Kaka‘ako: Queen Street, Kawaiaha‘o Street, and Waimanu Street. The Agency is working on improving Ilaniwai Street to incorporate “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 is in progress. [CIP]

- **Plan, Design, and Acquire Sites For Supportive Housing (\$5,000,000 in CIP Funds)**

Target Phase: Commence

Priority: **Medium**

Strategy: Subject to funding, identify land(s) suitable for supportive housing. This strategy seeks to include a broader range of housing types within the district that includes supportive housing with wrap around services. [PD/AMT]

- **Plan, Design, and Construct New Community Facility in Mother Waldron Park (\$5,000,000 in CIP Funds)**

Target Phase: Commence

Priority: **Medium**

Strategy: Subject to funding, engage in planning, designing, and construction to develop community facilities that provide benefits to the community, such as the Kupuna Shed. [PD]

- **Repair Roof and Other Improvements at Historic Ala Moana Pump Station for Pacific Gateway Center’s Na Kupuna Makamae Center (\$2,000,000 in CIP Funds)**

Target Phase: Commence

Priority: **High**

Strategy: Subject to funding, procure a contractor to repair the roof and other areas. [AMT]

Kalaeloa Community Development District

- **Kalaeloa Master Plan and Administrative Rules Amendment**

Target Phase: Complete

Priority: **High**

Strategy: This goal was carried over from the September 6, 2023 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. [PD]

- **Saratoga Avenue Electrical and Communication Infrastructure Improvements (\$12,125,000 in CIP Funds)**

Target Phase: Commence

Priority: **High**

Strategy: Electrical improvements are needed on this major commercial corridor. Procure services, subject to funding. This goal was carried over from the September 6, 2023 version of the Strategic Plan. The 2023 State Budget included \$12.125 million for this project. The funds were not released in 2023. In 2024, the funds were converted from general funds to CIP funds. 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. [CIP]

- **Implement Innovative Methods to Develop More Affordable Housing in HCDA’s Districts**

Target Phase: Ongoing

Priority: **Medium**

Strategy: Identify suitable parcels for acquisition in the Kaka‘ako and Kalaeloa community development districts to develop affordable housing, like the Nohona Hale and Artspace Lofts projects. In addition to identifying suitable parcels for acquisition, encourage and work with landowners on innovate ways to collaboratively develop affordable housing on their land. [AMT/PD]

- **Infrastructure Improvements Study (roads, complete streets, drainage, and electrical) for the Kalaeloa Community Development District (\$500,000 in General Funds)**

Target Phase: Complete

Priority: **High**

Strategy: There is more infrastructure improvements needed in the district, including electrical, sewer, and drainage. These funds allow the Agency to study the infrastructure needs of the district and update the Agency’s infrastructure master plan. [PD]

- **Act 221 Relating to Climate Change in the Kaka‘ako and Kalaeloa Community Development Districts**

Target Phase: Commence

Priority: **High**

Strategy: Act 221 required the Agency to consider the impacts of sea level rise in its Kaka‘ako and Kalaeloa community development districts. There is a need to engage with stakeholders and landowners to promulgate rules. The Agency will 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. [PD]

He‘eia Community Development District

- **Promote the Unique Vision that HCDA has Established for the He‘eia District**

Target Phase: Complete

Priority: **Medium**

Strategy: Find new opportunities to promote the He‘eia district. This goal was carried over from the September 6, 2023 Strategic Plan. The opportunities can include work days with media coverage, newsletter feature articles, and publicizing major events. [COM]

- **He‘eia Access Road (\$1,000,000 in CIP Funds)**

Target Phase: Complete

Priority: **High**

Strategy: Procure construction work, subject to funding, of this alternative access to and from the district that will enable better access for stream clean up and school groups that visit the district. [AMT]

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 plan-design-build contract has been awarded and planning and engineering should commence. [CIP]

- **Fill Vacant Community Resident Representative Seat**

Target Phase: Complete

Priority: **High**

Strategy: The business/nonprofit nominee should be confirmed during the 2024 legislative session. Work with the Governor’s Boards and Commissions

department, and Legislators to have the Governor nominate a resident community member. [ED/CFO/BOARD SECRETARY]

Transit-Oriented Development Districts

- **Phase I of the UH West Oahu On-site Road and other improvements (East Kapolei) (\$35,000,000 in General Funds)**

Target Phase: Commence design and construction

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. [CIP]

- **‘Iwilei-Kapālama Electrical Infrastructure Work (\$25,000,000 in General Funds)**

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. Commence design and engineering.

- **Restructure the Transit-Oriented Infrastructure Program Boards**

Target Phase: Commence

Priority: **Medium**

Strategy: The current structure of the TOD boards is one for each county, a total of four additional boards. Each board includes the county planning director, a county resident, and business owner. This structure has been difficult to implement and a new structure is needed. During the interim, work with Legislators to draft legislation. [ED/CFO/BOARD SECRETARY]

Project Management

- **Women’s Community Correctional Center New Kitchen and Related Improvements (“WCCC”)**

Target Phase: Commence

Priority: **High**

Strategy: Commence procurement for a design-build contractor, subject to funding. Provide project management services, including the procurement of services, to the Department of Corrections and Rehabilitation under an executed memorandum of understanding. [CIP]

Mid-Term (3 years)

General Objectives

- **Digitization and Modernization of Permit Files and Integrated Tracking System**
Target Phase: Commence
Priority: **Low**
Strategy: Subject to the availability of funding, conduct feasibility review of transitioning from paper-based to a digital planning and permitting system. [PD]
- **Develop Digital Model(s) Of Districts To Support Planning, Development Tracking, And Land Use Coordination.**
Target Phase: Commence
Priority: **Low**
Strategy: To support and complement a digital permitting and planning system, review feasibility of incorporating the capability for digital models of the districts, subject to availability of funding. [PD]

Kaka‘ako Community Development District

- **Develop Plan to Transition the Honuakaha Elderly Housing Project to a Private Entity**
Target Phase: Complete
Priority: **High**
Strategy: The related one-year goals is to explore opportunities to transition the project to a private entity. This goal is focused on completing the transition plan. Given the termination of the limited partnership in 2026, prepare a transition plan, subject to the concurrence with First Hawaii Bank, which identifies options to maintain this project as an affordable senior rental project in perpetuity. [AMT]

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. Completion of Pūlehunui will help demonstrate HCDA’s effectiveness outside of the traditional community development district approach, which takes several decades to complete. [CIP]

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”. [CIP]

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 acknowledgment 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. [PD]

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 the Kalaeloa Master Plan and rules in 2024 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. [PD]

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 is able and willing to preserve He'eia in perpetuity. Transitioning He'eia will free up staff time and resources, allowing HCDA to focus elsewhere. [PD]

Transit-Oriented Development Districts

- **Phase I of the TOD Zone Planning and Infrastructure Work (East Kapolei)**

Target Phase: Complete

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. [CIP]

Funding and Staffing

Adequate staffing and funding are ongoing concerns for the Agency, especially as additional tasks and responsibilities are assigned to the Agency by the Legislature. If additional community development districts are established or major projects are assigned to the Agency, a review and assessment of the existing and expected workload and capacity is necessary to ensure adequate staffing and funding.

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 Kaka‘ako 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.