



**REAL ESTATE PORTFOLIO  
DEVELOPMENT PLAN**

**October 2, 2024**

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

## Table of Contents

<b>EXECUTIVE SUMMARY.....</b>	<b>3</b>
<b>CURRENTLY OWNED REAL ESTATE PORTFOLIO .....</b>	<b>3</b>
KAKA'AKO .....	4
KALAELOA .....	5
HE'EIA .....	5
<b>PORTFOLIO DEVELOPMENT ASSUMPTIONS .....</b>	<b>6</b>
CURRENT FINANCIAL SUMMARY .....	6
PROJECTED FINANCIAL SUMMARY .....	6
KEY CONSIDERATIONS .....	6
<b>GOALS AND OBJECTIVES .....</b>	<b>7</b>
GOALS .....	7
OBJECTIVES.....	7
<b>PORTFOLIO DEVELOPMENT STRATEGY .....</b>	<b>8</b>
DEVELOP CURRENTLY OWNED REAL ESTATE .....	8
FUTURE REAL ESTATE ACQUISITIONS.....	10
<b>DEVELOPMENT TIMELINE .....</b>	<b>11</b>

## Executive Summary

The Hawai'i Community Development Authority (HCDA) is a public entity created by the Hawai'i State Legislature to establish community development plans in community development districts; determine community development programs; and cooperate with private enterprises and the various components of federal, state, and county governments to bring community development plans to fruition. The Authority's work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawai'i's people.

One of the short-term goals listed in the Strategic Plan, dated June 5, 2024, was to Develop a Plan for the Development of Currently-Owned and Future Acquired HCDA Real Property.

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.

This Real Estate Portfolio Development Plan, as it may be amended from time-to-time, is intended to be a blueprint and roadmap for the board's vision for developing real estate owned now and in the future. It is a blueprint that considers several factors, including property location, infrastructure availability, zoning, proximity to transportation, and legislative direction.

As to future acquired properties, the determination of the properties' use for housing and non-housing development should be made on a case-by-case basis after staff reviews the mix of properties in the portfolio (i.e., income-producing, or nominal income-producing) and other considerations, subject to the board's review.

Finally, this Real Estate Portfolio Development Plan should be reviewed periodically by the board. It's imperative we remain flexible in our development strategies, as to respond to the growing needs and aspirations of the community, as well as, the guidance and support of the Hawai'i State Legislature.

## Currently Owned Real Estate Portfolio

Below is a list of properties currently owned by the HCDA. Each property was evaluated for potential future development based on the following criteria: 1) current use and zoning, 2) existing lease terms (if applicable), 3) parcel size and location, and 4) other factors.

The properties, that are shown below, to be developable mean that staff initially believes there is potential to monetize the parcel through development. Additional due diligence may be needed to confirm that a parcel is developable.

## Kaka‘ako

	TMK	Address	Description	Asset	Developable
1.	2-1-031-021	545 Queen Street	Honuakaha	Building	No
2.	2-1-031-021	545 Queen Street	Honuakaha: Commercial	Building	No
3.	2-1-031-021	547 Queen Street	Honuakaha: Brewery	Building	No
4.	2-1-058-132	None	Kewalo Basin Harbor waters	Land	No
5.	2-1-058-133	None	Kewalo Basin Harbor: Charter Building	Building	Yes
6.	2-1-058-135	None	Kewalo Basin Harbor: NOAA Lot	Building	Yes
7.	2-1-058:134	None	Kewalo Basin Harbor: Diamond Head Parking Lot and Comfort Station	Land and Building	Yes
8.	2-1-015:062	210 Keawe Street	City sewage pumping station	Land	No
9.	2-1-015-063	240 Keawe Street	Sheriff's Receiving Station	Land	Yes
10.	2-1-015:063	653 Ala Moana Blvd.	Historic Ala Moana Pump Station	Land and Building	No
11.	2-1-051-014	630 Cooke Street	Nohona Hale	Land	No
12.	2-3-003:040	1025 Waimanu Street	Ola Ka ‘Ilima Artspace Lofts	Land	No
13.	2-3-007:026	1226 Waimanu Street	Hale Kewalo Driveway	Land	No
14.	2-1-050: 013, 014, 015, 063, 065, 070	832 Halekauwila Street	Kauhale Kaka‘ako Parking Garage	Building	No
15.	2-1-015-052	None	Lot C	Land	Yes
16.	2-1-015-052	None	Forrest Private Driveway	Land	No
17.	2-1-015: 052	643 Ilalo Street	Entrepreneur’s Sandbox	Land and Building	No
18.	2-1-060: 009	651 Ilalo Street	UH JABSOM and UH Cancer Center	Land and Building	No

19.	2-3-003-094	955/957 Kawaihāo Street	Block P Warehouse	Building	Yes
20.	2-3-003-022	956/958 Queen Street	Interior Showplace Warehouse	Building	Yes
21.	2-1-051-003	510 Cooke Street	Mother Waldron Park	Land	No
22.	2-3-004: 080 & 076	1141 Waimānu Street	Kolowālu Park	Land	No
23.	Various	None	51 Road Remnants	Road	No

### Kalaeloa

	TMK	Address	Description	Asset	Developable
1.	9-1-013-034	BRAC 13074-A	Beach front park property	Land	No
2.	9-1-013-055	BRAC 13063-F	Homeless transitional shelter leased to HPHA	Land and Building	No
3.	9-1-013-067	BRAC 13073-B	65-acre vacant parcel	Land	Yes
4.	9-1-013-068	BRAC 13073-C	19-acre vacant parcel	Land	Yes
5.	9-1-013-069	BRAC 13073-D	Leased to KHLF as Kalaeloa Heritage Park	Land	No
6.	9-1-013-070	BRAC 13073-E	Leased to Aloha Solar for PV Farm	Land	No
7.	9-1-031-047	BRAC 13126-B	Landlocked beachfront property	Land	No
8.	9-1-013 road	BRAC 13080-B	Enterprise Ave.	Road	No

### He'eia

	TMK	Address	Description	Asset	Developable
1.	4-6-016-001	46-206 Ahui Nani Place	He'eia agricultural land leased to Kāko'o 'Ōiwi	Land	No

## Portfolio Development Assumptions

Income generated from real estate activity, such as ground leasing and/or parking operations, are deposited into our special fund. Special funds are used for operations and fund approximately half of our staff positions—the other half is funded by general funds. It is important, therefore, to maintain and grow our special fund balance through the monetization of certain properties.

The financial summary below illustrates the modest net gain. Through the development of certain properties. The intent is to generate additional revenue to support operations and special funds positions.

### Current Financial Summary

Income	\$2,700,000
Expenses	
Directly related to the property	\$ 700,000
Special fund positions	<u>\$1,800,000</u>
	\$2,500,000
Net gain/(loss)	<u>\$ 200,000</u>

### Projected Financial Summary

[To be included in subsequent versions of the HCDA Real Estate Portfolio Development Plan]

### Key Considerations

1. Source of funds
2. Current and future capital obligations
3. Current and future maintenance obligations
4. Staff capacity

## Goals and Objectives

The following goals and objectives are the key considerations in developing this plan. Over time, the board may change these goals and objectives.

### Goals

1. Support the production of housing
2. Support economic growth

### Objectives

1. Acquire parcels for housing
2. Develop parcels for housing and retail/commercial mixed-use
3. Develop parcels for income production
4. Maintain and manage all owned parcels

## Portfolio Development Strategy

The following is our current development strategy for the lands designated as “developable”. Additional due diligence is needed to determine each parcel’s suitability for development.

### Develop Currently Owned Real Estate

#### Kewalo Basin Harbor: Charter Building\*

- Current Use: Commercial office/retail space (leased to Howard Hughes)
- Current Income/Expense: \$2,185/month; no expenses since NNN lease
- Cost to Develop: TBD
- Future Use: Improved commercial/retail space
- Future Income/Expense: TBD

#### Kewalo Basin Harbor: NOAA Lot\*

- Current Use: Office space for Harbormaster and Lifeguards, overflow parking space
- Current Income/Expense: None (combined with Charter Building lease)
- Cost to Develop: TBD, Kupu to provide parking lot construction numbers
- Future Use: Public paid parking (80 stalls), Kupu lease expansion area?
- Future Income/Expense: \$25,000+/month for public paid parking (comparable to Diamond Head Lot)

#### Kewalo Basin Harbor: Diamond Head Parking Lot

- Current Use: Public paid parking lot (76 stalls)
- Current income/expense: Approx. \$28,000/ month; \$3,592 monthly management fee
- Cost to Develop: TBD
- Future Use: Regional paid parking
- Future Income/Expense: TBD

#### 240 Keawe Street

- Current Use: Department of Public Safety Sheriff’s Receiving Station
- Current income/expense: Approx. \$6,667/ month; no expenses since NNN lease
- Cost to Develop: TBD
- Future Use: Surface parking lot/ can combine with Historic Pump Station parcel to add more parking or outdoor space
- Future Income/Expense: TBD



Lot C\*

- Current Use: Public paid parking lot (414 stalls + small fenced lot)
- Current income/expense: Approx. \$65,000/ month; \$4,500 monthly management fee
- Cost to Develop: TBD
- Future Use: Regional parking garage and multi-purpose building
- Future Income/Expense: TBD

Block P – TAJ/ Ekea/ Rice Factory Warehouse

- Current Use: Commercial/ Retail office space
- Current income/expense: \$12,716/ month; \$4,712 monthly management fee
- Cost to Develop: TBD
- Future Use: Affordable housing
- Future Income/Expense: TBD

Block P – Interior Showplace Warehouse\*

- Current Use: Commercial/ Retail office space
- Current income/expense: \$16,633/ month; no expenses since NNN lease
- Cost to Develop: TBD
- Future Use: Affordable housing
- Future Income/Expense: TBD

Kalaeloa 65-acre vacant parcel (BRAC 13073-B)

- Current Use: Vacant parcel
- Current income/expense: None
- Cost to Develop: TBD
- Future Use: Warehouse/storage facility or alternative energy
- Future Income/Expense: TBD

Kalaeloa 19-acre vacant parcel (BRAC 13073-C)

- Current Use: Vacant parcel
- Current income/expense: None
- Cost to Develop: TBD
- Future Use: Warehouse/ storage facility or alternative energy
- Future Income/Expense: TBD

\*Indicates those properties, that should be prioritized, for development

### **Future Real Estate Acquisitions**

Property for Supportive Housing

\$5,000,000 in General Funds

Property for Community Center

\$5,000,000 in General Obligation Bond Funds

### Development Timeline

	2024	2025	2026	2027	2028
<b>Conduct Feasibility Study</b>					
<b>Revise Development Plan</b>					
<b>Plan and Design</b>					
<b>Construction</b>					