



STRATEGIC PLAN

Rev: June 4, 2025

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

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
HCDA’S MISSION, CORE VALUES, AND VISION	4
Mission, Core Values, and Vision	4
HCDA Overview	5
GOALS, PRIORITIES, AND STRATEGIES	7
Short-Term (1 year)	7
Mid-Term (3 years)	12
Long-Term (5+ years)	14
FUNDING AND STAFFING	16
APPENDIX	16

Executive Summary

This Strategic Plan revises the (approved) June 5, 2024, Plan. This 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 funding that was appropriated to the Agency by the 2024 Hawaii State Legislature, (ii) establishes new goals related to the anticipated funding for projects, currently, in H.B. 300, 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 TOD Projects, (ii) continue work on the Leasehold Pilot Program (Act 97, SLH 2023), or (iii) commence work on new goals for new projects. One of the new significant goals is the formation of a permitted interaction group to proactively address legislative sentiment that the Kaka‘ako community development district should be transitioned to the City and County of Honolulu in five years.

The funding and support by the 2025 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 remain mindful of its obligations to the existing community development districts.

Finally, as more responsibilities are placed on the Agency by the Hawaii State Legislature, leadership of the Agency must be cognizant of the staffing resources needs and consequently, request additional positions as needed.

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 of Hawaii.

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 development opportunities within the district and some infrastructure projects to be completed. These consist of:

- Development of the remaining Howard Hughes Corporation parcels outside of its master plan (master plan term expired, 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.
- Planning effort for Kaka‘ako Makai.
- State or City Owned parcels that could serve as catalysts for surrounding properties.

However, as mentioned above, there is legislative sentiment to transition the Kaka‘ako community development district to the City and County of Honolulu.

- **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:

- Completing the amendment of the Kalaeloa Master Plan and Rules 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.
- Complete the infrastructure master plan environmental impact statement.
- Commence on the two electrical improvement projects.

- **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 plan, design, build work in progress, the next deliverable will be to complete the infrastructure master plan that will identify the infrastructure improvements that are needed.
- **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 (\$15,000,000 in CIP Funds)**
Phase: Commence
Priority: **High**
Strategy: If the project is feasible, formally select a site, and commence pre-sale. Commence design and construction of an affordable residential, mixed-use condominium building. [iED]
- **HCDA Workforce Realignment**
Phase: Ongoing
Priority: **Medium**
Strategy: 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. (i) 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. (ii) 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]
- **Bond Issuance and Formation of Community Facilities Districts ("CFD")**
Phase: Complete
Priority: **Low**
Strategy: Pending legislation would give HCDA the power to issue bonds to finance infrastructure. This could be a helpful alternative tool to finance the cost of building necessary infrastructure. Provide the board with an informational session on the mechanics and process of issuing bonds, and a plan to implement CFDs. [ED/CFO]

Kaka'ako Community Development District

- **Act 221 (SLH 2023) Relating to Climate Change in the Kaka'ako and Kalaeloa Community Development Districts (\$2,000,000 in CIP Funds, combined)**
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 could 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, work with the current property manager to expeditiously fill vacant units. Second, increase rent annually by at least 5%. Third, 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: See also 1) General Objective, Act 97, For Sale Leasehold Pilot Program, 2) Supportive Housing, below, and 3) HCDA will engage with a developer for Affordable Rental (Block P). In addition to identifying suitable parcels for acquisition, encourage and work with landowners on innovative ways to collaboratively develop affordable housing on their land. [AMT/PD]

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

Target Phase: Complete

Priority: **Medium**

Strategy: Identify small or medium sized, highly visible improvement projects that will benefit the community. [AMT]

- **Plan, Design, and Construct Kupuna Supportive Housing (\$5,500,000 in CIP Funds)**

Target Phase: Commence

Priority: **Medium**

Strategy: Engage with a developer to design and build 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]

- **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: Procure a contractor to repair the roof and other areas. [AMT]
- **Kaka'ako Makai Geotechnical Assessment (\$1,500,000 in CIP Funds)**
Target Phase: Commence geotechnical studies by October 2025
Priority: **High**
Strategy: Integrate geotechnical analyses into the contract scope for the Kaka'ako Makai Planning effort. The geotechnical analyses are integral to the baseline data gathering and will be considered in the development of the land use plan. [PD]
- **Kaka'ako Makai Planning (\$1,000,000 in CIP Funds)**
Target Phase: Commence planning by July 2025
Priority: **High**
Strategy: Facilitating community- and data-supported development in the Makai area is important for the district and the State. Procure contractor through professional services procurement and start the planning process. [PD]
- **Plan for transitioning out of Kaka'ako**
Target Phase: Commence
Priority: **Low**
Strategy: Form a permitted interaction group ("PIG"). Prior to its deferral at the end of February 2025, the last proposed version of Senate Bill 534 S.D. 2 included a provision to establish a working group within the Authority to plan, coordinate, and facilitate the transfer of the Kaka'ako Community Development District ("KCDD") and its functions from the Authority to the City and County of Honolulu. The provisions of the bill would have also established a five-year deadline to complete this transition. [PD]

Kalaeloa Community Development District

- **Kalaeloa Master Plan and Administrative Rules Amendment**
Target Phase: Promulgate plan and rules on or before December 31, 2025
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. [CIP]

- **Navy Electrical (\$18,000,000 in Federal Funds)**

Target Phase: Commence

Priority: **High**

Strategy: Complete professional services procurement. The Project consists of connecting the following users to the Enterprise Road electrical corridor located in the District: (i) Film Studio parcel located at 146 Midway Street, Building 140, Kapolei, Hawaii 96707, and further described by Oahu Tax Map Key Number 9-1-013:110; and (ii) Hawaii Army National Guard located at 91-1227 Enterprise Avenue, Kapolei, Hawaii 96707, and further described by Oahu Tax Map Key Number 9-1-013:045. [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 Kalaeloa community development district to develop affordable housing. In addition to identifying suitable parcels for acquisition, encourage and work with landowners on innovative 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]

- **Environmental Impact Statement for the Kalaeloa Community Development District (\$1,000,000 in CIP Funds)**

Target Phase: Commence

Priority: **Medium**

Strategy: Prepare a programmatic environmental impact statement to cover infrastructure projects, development, and master plan implementation in Kalaeloa. [PD]

- **Act 221 (SLH 2023) Relating to Climate Change in the Kaka‘ako and Kalaeloa Community Development Districts (\$2,000,000 in CIP Funds, combined)**

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]

- **Fill Vacant Board Seat: Kalaeloa Board - Business/Nonprofit Representative**

Target Phase: Commence

Priority: **High**

Strategy: The business/nonprofit nominee should be confirmed during the 2026 legislative session. Work with the Governor’s Boards and Commissions department, and Legislators to have the Governor nominate a business/nonprofit member. [ED/CFO/BOARD SECRETARY]

- **R-1 Recycled Water Infrastructure Grant**

Target Phase: Commence

Priority: **Medium**

Strategy: Working with the Hawaii Community Foundation and the Ulupono Initiative, submit a grant for the plan, design, and construction of an R-1 water transmission line in the district. [ED/PD]

He‘eia Community Development District

- **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: Complete Infrastructure Master Plan. [CIP]

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: Continue 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. [CIP]
- **'Iwilei-Kapālama Electrical Infrastructure Work (\$25,000,000 in General Funds)**
Target Phase: Continue design and construction
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 infrastructure improvements will consist of electrical upgrades that will benefit State-owned properties and private developments. Commence design and engineering. [CIP]
- **'Iwilei-Kapālama Infrastructure Work (\$12,000,000 in CIP Funds)**
Target Phase: Commence
Priority: **High**
Strategy: The current State Budget included funding, in the amount of \$12,000,000 in general obligation bond funds, for the design and construction of infrastructure improvements in this TOD area. The infrastructure improvements will benefit State-owned properties. Commence design and engineering. [CIP]

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]

Kalaeloa Community Development District

- **Kalaeloa community development district reserved housing rules**

Target Phase: Complete (if possible, in less than 3 years)

Priority: **Medium**

Strategy: There is a need to produce more reserved housing within the district. This is consistent with the Governor’s goal of producing more affordable housing statewide. Questions were raised about the reserved housing rules for the district. Review the reserved housing rules and suggest amendments to the same that facilitate the production of reserved housing. [PD]

Long-Term (5+ years)

General Objectives

- **Infrastructure Improvement Funding Alternatives**

Target Phase: Commence

Task Type: Major Initiatives

Priority: **Medium**

Strategy: This goal also relates to the one-year goal to present an informational session to the board on bond financing. 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: This goal relates to a one-year goal to establish a permitted interaction group to examine the issues that would be raised in a transition. 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. Transitioning out of Kaka‘ako will free up HCDA’s staff and resources, allowing the Agency 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	WEAKNESSES	OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> • Statutory authority • Unique development experience • Planning expertise • Partnerships • Collaborations • Housing production 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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.

ⁱ As used herein, “ED” means Executive Director, “CFO” means Chief Financial Officer, “PD” means the Planning and Development department, “CIP” means the Capital Improvement department, “AMT” means the Asset Management department.