

Reviewed and Approved by Executive Director: Craig K. Nakamoto

December 3, 2025

FOR ACTION

I. REQUEST

Consider Adopting the Policy and Procedures to Review and Evaluate Projects to be Accepted and Executed by the Hawaii Community Development Authority (“HCDA”) Pursuant to Act 252, Session Laws of Hawaii 2025.

II. BACKGROUND

Act 252, Session Laws of Hawaii 2025, revised *Hawaii Revised Statutes §206E-1, Findings and Purpose*, in two significant ways. First, the HCDA may cooperate with or assist public and private sector entities to engage in projects that improve the State, serve the public interest and are matters of statewide concern. Second, the HCDA may also use its authority outside HCDA’s community development districts to facilitate timely redevelopment, renewal, community building, and economic development (collectively, the “Additional Authority”).

HCDA staff, with experience and expertise in building infrastructure, project management, and planning through work in the districts, can use that expertise and experience to assist other public sector agencies.

The amount and extent of the projects that HCDA could be asked to implement is unknown. The amount and extent of the projects that HCDA can reasonably accept are, however, limited by staff capacity and resources.

III. DISCUSSION

It is necessary to implement, for the board’s review, a policy and procedure that sets forth the criteria to be used by HCDA staff in reviewing, evaluating, and recommending to the board for acceptance or non-acceptance of an Act 252 project. Attached is the proposed “Policy and Procedures for Projects pursuant to Act 252, Session Laws of Hawaii 2025”.

IV. RECOMMENDATION

It is Recommended that the Board Adopt the attached “Policy and Procedures for Projects Pursuant to Act 252, Session Laws of Hawaii 2025” to Review and Evaluate Projects to be an acceptance or non-acceptance Pursuant to Act 252, Session Laws of Hawaii 2025.

Attachments:

Attachment 1 – HCDA Policy and Procedures for Projects Pursuant to Act 252, SLH 2025, Draft
Exhibit A – HCDA Act 252 Project Evaluation Form, Draft

Prepared By: Garet Sasaki, Chief Financial Officer



**Hawai'i Community Development Authority
Policy and Procedures for
Projects Pursuant to Act 252, Session Laws of Hawaii 2025**

1.0 Background

Act 252, Session Laws of Hawaii 2025, amended Hawai'i Revised Statutes §206E-1, *Findings and purpose*, in two significant ways. First, the Hawai'i Community Development Authority ("HCDA") may cooperate with or assist public and private sector entities in implementing projects that improve the State, serve the public interest and address matters of statewide concern. Second, the HCDA may exercise its authority outside HCDA's community development districts to facilitate timely redevelopment, renewal, community building, and economic development (collectively referred to as the "Additional Powers").

This policy establishes the criteria and procedures to be utilized by the HCDA staff in reviewing and evaluating requests for the HCDA to assist public and private sector entities, pursuant to Act 252, Session Laws of Hawai'i ("SLH") 2025. The number, size, and complexity of projects requested for HCDA assistance is currently unknown. The ability to accept and successfully implement projects, however, is limited by staff capacity, available resources, and other operational considerations.

2.0 Policy

The Executive Director shall recommend to and get approval from the HCDA general authority board prior to expending agency resources on projects to be undertaken as assistance to public and private entities pursuant to under Act 252, SLH 2005.

This policy shall not apply to other HCDA projects.

3.0 Procedure

- 3.1 Request and Evaluation. Upon receipt of a request for assistance, HCDA's Executive Director and staff will review and evaluate the request using the criteria outlined in Table 1 (Act 252 Project Review and Evaluation Criteria). The HCDA Executive Director and staff will complete an Act 252 Project Evaluation (Exhibit A) for each request.
- 3.2 Executive Director Recommendation. The Act 252 Project Evaluation will form the basis for the HCDA Executive Director's recommendation to the HCDA general authority board for review and action.

- 3.3 Board Review and Action. Projects recommended by the HCDA for acceptance or non-acceptance, will be presented to the HCDA general authority board for review and action. The HCDA general authority board will make a final determination whether to accept or decline the project request.

Table 1: Act 252 Project Review and Evaluation Criteria

Criteria	Description
A. Requestor Preference	Is the requestor an attached agency of DBEDT, a state agency, a county agency, a federal government agency, or a private entity?
B. Project's Strategic Alignment	Does the project align with the goals and initiatives of DBEDT, HCDA, or other State priorities?
C. HCDA Alignment	Does the project and the requestor align with HCDA's values?
D. Transit Oriented Development	Is the project in a Transit-Oriented Development zone and has it been reviewed and recommended for implementation by the Hawaii Interagency Council for Transit Oriented Development?
E. Public Benefit	Does the project provide clear, measurable benefits to the public or address a matter of statewide concern?
F. Staff Resource Availability	Are experienced and appropriate staff and resources available for the project given the level of involvement, duration, and scope of the project?
G. Risk Assessment	What are the risks associated with the project (e.g., compliance, unclear scope, financial, operational, market, environmental, social, or reputational)? Can the risks be mitigated or managed effectively?
H. Funding Sources	Is there a budget for the project and a source of funding? Will fees be paid to HCDA, and if so, how will the fees be determined (e.g., hourly rate, fixed price, or other structure)?
I. Feasibility and Readiness	Is the project ready for implementation, with a realistic schedule, deliverables, and governance structure?

4.0 Evaluation

- 4.1 Project Review. To strengthen accountability and ensure strategic alignment, approved projects should include measurable outcomes or performance metrics. These measures will support the evaluation of both project effectiveness and inform future decisions regarding similar proposals.
- 4.2 Policy and Procedure Review. This policy and procedure will be reviewed by the Chief Financial Officer at least once every two years, or more frequently, if deemed necessary by the Chief Financial Officer. Any proposed amendments to this policy shall be submitted to the HCDA general authority board for review and approval.

Exhibit A

**Hawaii Community Development Authority
Act 252 Project Evaluation**

[Requestor]

Requestor:

Describe requester
[Requester Preference]

Project Description

Describe project
[Project's Strategic Alignment]
[Transit Oriented Development]
[Public Benefit]

HCDA Role

Describe HCDA's role
[HCDA Alignment]

Staff Capacity

Describe staff capacity
[Staff Resource Availability]

Fees

Describe fees
[Funding Sources]

Exhibit A

Recommendation:

Describe recommendation and justification
[Risk Assessment]
[Feasibility and Readiness]

Attachments

Prepared by: _____

Date: _____

Reviewed by: _____

Date: _____

DRAFT