

FOR ACTION

I. REQUEST

Consider Authorizing the Executive Director to Assist the Department of Business, Economic Development and Tourism and the Office of Planning and Sustainable Development, under Act 252 (SLH, 2025), in the Project Management for the Planning, Designing, and Constructing a Sand Stabilization Structure or Other Sand Stabilization Projects located in the Kawehewehe Sector of Waikiki Beach, Honolulu, Hawaii, Including the Procurement of Consultants, with the Specific Location of the Sand Stabilization Structure or Other Sand Stabilization Projects at Waikiki Beach to be Determined during the Planning phase of the Project.

II. BACKGROUND AND DISCUSSION

HCDA's assistance is needed to implement the plan, design, and construction of a sand stabilization structure or other sand stabilization projects in the Kawehewehe sector of Waikiki Beach, Oahu ("Sand Stabilization Project"). Permanent beach improvements, like the sand stabilization structure, are important undertakings for Waikiki, the tourism and hotel industry, and the State.

An informational presentation on this matter was made to the general authority board at its April 1, 2026 meeting. During the presentation information was presented on the importance of tourism to the State of Hawaii economically and through job creation, the importance of the iconic Waikiki Beach to the visitor industry, visitors, and residents.

Information was also presented on the efforts over the years by the State to temporarily address sand erosion on Waikiki Beach by replenishing sand, including but not limited to, the following:

- DBEDT and OPSD are involved in Waikiki Beach improvements because then DLNR Chairperson Chang asked DBEDT to assist with the Waikiki Beach improvement project because of DBEDT's mission to strengthen the State's economy.
- OPSD completed a final programmatic environmental impact assessment for the Waikiki Beach improvements, including the sand stabilization structure described below, was accepted by the Governor on December 23, 2024 ("EIS").
- DLNR, DBEDT, OPSD, and the Waikiki Beach Special Improvement District Association ("WBSIDA") are collaborating on planning for the area's most critical projects, such as a sand stabilization structure in the Kawehewehe sector.
- DLNR, DBEDT, and OPSD are still researching designs for a sand stabilization structure in the Kawehewehe sector.
- DLNR hired a consultant to develop plans for one groin section but was unable to secure funding for construction. DLNR also had concerns that the design

required building a new ten-foot CMU seawall that would be placed on the public beach, and that would have blocked public access.

- The Office of Conservation and Coastal Lands (“OCCL”) within DLNR is currently working on 30% designs for a number of smaller-scale projects in the Kawehewehe sector that would involve sand nourishment and *minor* retaining structures, as well as possible reef restoration, including designs that can be adaptable, and that can be expanded in the future as sea levels rise (“Smaller-Scale Projects”).
- DLNR is *not* working on a design for any new seawall.
- DLNR is not working on any designs for the repair of private seawalls as DLNR’s position is that the repair of private seawalls are the responsibility of the private landowners.

Green Fees, derived from a consistent tax revenue source, is a possible funding source for the plan, design, and construction of sand stabilization work. The use of Green Fees are recommended by the Governor to the Legislature for review, consideration, and action.

OCCL is working with a consultant to develop 30% designs for those Smaller-Scale Projects. A rough estimated cost of the smaller-scale projects is not known at this time.

Resources will be needed by HCDA to help, including but not limited to, allocating a portion of the project funds for administrative fees for HCDA.

Based on recent discussions with DLNR and OPSD, HCDA’s assistance is requested initially on Smaller Scale Projects in the Kawehewehe Sector.

III. RECOMMENDATION

Authorize the Executive Director to Allow the Hawaii Community Development Authority to Assist the Department of Business, Economic Development and Tourism and the Office of Planning and Sustainable Development, under Act 252 (SLH, 2025), in the Project Management for the Planning, Designing, and Constructing the Sand Stabilization Structure or Other Sand Stabilization Projects located in the Kawehewehe Sector of Waikiki Beach, Honolulu, Hawaii, Including the Procurement of Consultants, with the Specific Location of the Sand Stabilization Structure or Other Sand Stabilization Projects at Waikiki Beach to be Determined during the Planning phase of the Project, Subject to the Availability of Funding, and Resources for HCDA, and Undertake all Actions Necessary to Effectuate this For Action.

Attachment:

Exhibit A – Act 252 Project Review and Evaluation Criteria for the Project

Prepared By: Craig Nakamoto, Executive Director 

Reviewed By: Garet Sasaki, Chief Financial Officer 

EXHIBIT A

Act 252 Project Review and Evaluation Criteria for the “Project”

Criteria	Description
A. Requestor Preference	<p>Is the requestor an attached agency of DBEDT, a state agency, a county agency, a federal government agency, or a private entity?</p> <p><u>DBEDT and OPSD are the requestors. OPSD is a DBEDT attached agency.</u></p>
B. Project’s Strategic Alignment	<p>Does the project align with the goals and initiatives of DBEDT, HCDA, or other State priorities?</p> <p><u>Yes, with DBEDT’s tourism and economic development goals.</u></p>
C. HCDA Alignment	<p>Does the project and the requestor align with HCDA’s values?</p> <p><u>Yes, the Project and requestor aligns generally with HCDA’s values of helping other state agencies, and constructing infrastructure.</u></p>
D. Transit Oriented Development	<p>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?</p> <p><u>No.</u></p>
E. Public Benefit	<p>Does the project provide clear, measurable benefits to the public or address a matter of statewide concern?</p> <p><u>Yes, there are public benefits to Waikiki residents and visitors, and to the State. Waikiki beach is iconic to this visitor destination. Tourism is the main economic driver for the State.</u></p>
F. Staff Resource Availability	<p>Are experienced and appropriate staff and resources available for the project given the level of involvement, duration, and scope of the project?</p> <p><u>There are limited staff resources—a staff member has some experience in overseeing the construction of a stabilization structure. Thus, we will need to supplement the in-house staff with consultants.</u></p>
G. Risk Assessment	<p>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?</p> <p><u>All of the possible risks are not known at this time. We believe that financial risks will be mitigated if funding is available. Environmental risks can be mitigated. The Stabilization Structure Project could be controversial so there could be reputational risks.</u></p>
H. Funding Sources	<p>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)?</p> <p><u>No, not at this time, for the cost of the Stabilization Structure Project.</u></p>
I. Feasibility and Readiness	<p>Is the project ready for implementation, with a realistic schedule, deliverables, and governance structure?</p> <p><u>The Stabilization Structure Project is not ready for implementation.</u></p>