

DEPT. COMM. NO. 257



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

December 28, 2017

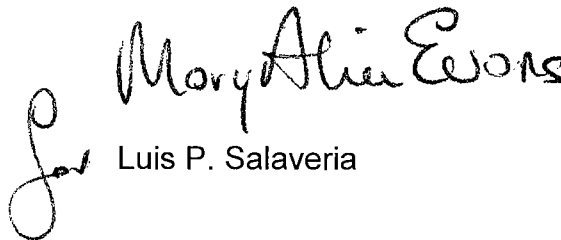
The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Hawaii Interagency Council for Transit-Oriented Development Annual Report, as required by Section 226-63(b)(9), Hawaii Revised Statutes. This transmittal also includes the *State of Hawaii Strategic Plan for Transit-Oriented Development*. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Sincerely,

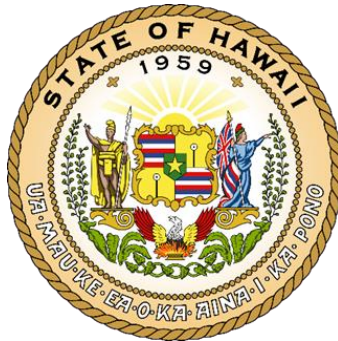

for Luis P. Salaveria

Enclosure

c: Legislative Reference Bureau
Leo R. Asuncion, Office of Planning
Craig K. Hirai, Hawaii Housing Finance and Development Corporation
Hawaii Interagency Council for Transit-Oriented Development

Hawaii Interagency Council for Transit-Oriented Development

REPORT TO THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018



Prepared pursuant to Act 130, Session Laws of Hawaii 2016 by
Office of Planning
and
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii

December 2017

Hawaii Interagency Council for Transit-Oriented Development
Council Members, Designees, and Alternates
as of December 2017

Office of Planning (OP)

Director: Leo Asuncion (Co-Chair)

Hawaii Housing Finance and Development Corporation (HHFDC)

Executive Director: Craig K. Hirai (Co-Chair)

Office of the Governor

Chief of Staff: Mike McCartney

Designee: Denise Iseri-Matsubara

**Department of Accounting and General Services
(DAGS)**

Comptroller: Roderick Becker

Designees: Chris Kinimaka and David DePonte

Department of Education (DOE)

Superintendent: Christina Kishimoto

Designees: Kenneth Masden and Heidi Meeker

Department of Hawaiian Home Lands (DHHL)

Chairperson: Jobie Masagatani

Designees: Darrell Ing and Norman Sakamoto

Department of Health (DOH)

Director: Virginia Pressler, M.D.

Designees: Lola Irvin, Heidi Hansen Smith, and Danielle Schaeffner

Department of Human Services (DHS)

Director: Pankaj Bhanot

Designees: Malia Taum-Deenik and Katie Mineo

Department of Land and Natural Resources (DLNR)

Chairperson: Suzanne Case

Designees: Russell Tsuji and Ian Hirokawa

Department of Public Safety (PSD)

Director: Nolan Espinda

Designees: Cathy Ross and Clayton Shimazu

Department of Transportation (DOT)

Interim Director: Jade Butay

Designees: David Rodriguez, Robert Miyasaki, and Norren Kato

Hawaii Community Development Authority (HCDA)

Interim Executive Director: Garrett Kamemoto

Designee: Deepak Neupane

Hawaii Public Housing Authority (HPHA)

Executive Director: Hakim Ouansafi

Designee: Barbara Arashiro

Stadium Authority

Chairperson: Ross Yamasaki

Designees: Scott Chan and Charles Vitale

University of Hawaii (UH)

President: David Lassner

Designees: Carleton Ching and Erika Lacro

House of Representatives

Representative Henry Aquino

State Senate

Senator Donovan Dela Cruz

Alternate: Senator Breene Harimoto

City and County of Honolulu

Mayor: Kirk Caldwell

Designees: Kathy Sokugawa and Harrison Rue

County of Hawaii

Mayor: Harry Kim

Designees: Michael Yee, Bennett Mark, and Nancy Picicchio

County of Kauai

Mayor: Bernard Carvalho, Jr.

Designees: Lyle Tabata, Michael Tresler, and Kanani Fu

County of Maui

Mayor: Alan Arakawa

Designees: William Spence, David Goode, Pam Eaton, Michele McLean, and Teena Rasmussen

Business Representative

Cyd Miyashiro, American Savings Bank

Developer Representative

Bill Brizee, Architects Hawaii Ltd.

Housing Advocate

Betty Lou Larson, Catholic Charities Hawaii

Designee: Glenn Yee

**U.S. Department of Housing and Urban Development
(Ex-officio)**

Honolulu Field Office representative: Ryan Okahara

Introduction

This report describes the activities of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) and accomplishments for calendar year 2017. The TOD Council was established by Act 130, Session Laws of Hawaii 2016, to serve as an advisory body to coordinate and facilitate State agency transit-oriented development (TOD), and to facilitate consultation and collaboration between the State and the counties on TOD initiatives. The TOD Council is comprised primarily of State agencies, and includes representatives from the four counties, State Senate, State House of Representatives, and the business, housing, and development communities. This report fulfills the statutory requirement that the TOD Council report annually to the Governor, the Legislature and the Mayor of each county on the progress of its activities, including formulation and progress on a statewide strategic plan for State TOD no later than twenty days prior to the convening of the regular session of the 2018 Legislature.

Following passage of Act 130 in June 2016, the TOD Council held monthly meetings from September 2016 through December 2017. These meetings have laid the groundwork for future activities of the TOD Council, including the preparation of a State strategic plan for TOD, initiation of Transit-Ready Development activities on the Neighbor Islands, and the prioritization of capital improvement projects.

The focus of the TOD Council is on the promotion of mixed uses, affordable and rental housing, and compact, pedestrian friendly developments in designated transit areas. The State of Hawaii is the largest

The State is one of the largest landowners along the Honolulu rail corridor, with approximately 1,900 acres under its jurisdiction. As such, the State has an opportunity to shape urban land use patterns and demonstrate how transit can benefit all of Oahu's residents, visitors, businesses, and institutions.

landowner along the 20-mile corridor of the Honolulu Rail Transit Project, including over 1,900 acres of land within a half-mile radius of the 21 rail stations. As construction of the rail transit system progresses, the State has a unique opportunity to enhance Oahu's urban environment by applying smart growth and TOD principles to revitalize neighborhoods, increase affordable housing, and improve accessibility to public facilities and services.

On the Neighbor Islands, similar smart growth and TOD principles can be applied effectively in the provision of State facilities and services to encourage quality growth and vibrant mixed-use neighborhoods in urban or rural centers near public transit, what is referred to as "transit-ready

development".

Hawaii Interagency Council for Transit-Oriented Development Duties

The TOD Council is intended to coordinate and facilitate State agency TOD planning, and to facilitate consultation and collaboration between the State and the counties on smart growth and TOD initiatives.

The TOD Council's primary responsibilities are to:

- (1) Develop and implement a State strategic plan for TOD, including mixed-use and affordable and rental housing projects;
- (2) Facilitate funding for TOD programs, including affordable and rental housing projects, on state lands;

- (3) Monitor TOD implementation and recommend needed policy and statutory changes;
- (4) Review all Capital Improvement Project (CIP) requests to the Legislature for TOD projects on State lands;
- (5) Assemble fiscal and demographic information; and
- (6) Consider other states TOD initiatives.

The TOD Council is comprised of 25 representatives from State and county governments and the community and is co-chaired by the directors of the Office of Planning and the Hawaii Housing Finance and Development Corporation. (Members listed on inside cover.)

Act 130, SLH 2016 also charges OP to serve as the lead agency for State smart growth and TOD development planning in the State. In conjunction with HHFDC, OP co-chairs and staffs the TOD Council. One of its responsibilities is to approve all State agencies' development plans (conceptual land use plans identifying the location and planned uses) for parcels along the rail transit corridor.

Activities & Accomplishments

The TOD Council's activities and accomplishments for calendar 2017 are reported below in the order of its statutory responsibilities (cited in italics below).

1. TOD Council Membership

(1) Serve as the State's transit-oriented development planning and policy development entity with representation from state and county government and the community. [HRS §226-63 (b) (1)]

The TOD Council was duly constituted on September 6, 2016 and held monthly meetings from January to December 2017. Alternates and designees were appointed by TOD Council members to ensure adequate representation and quorum at TOD Council meetings. Membership has been maintained and updated as appointed members and designees leave their positions. The Department of the Navy was invited to participate on the TOD Council in an ex-officio, non-voting capacity.

2. Strategic Plan Development

(2) Formulate and advise the governor on the implementation of a strategic plan to address transit-oriented development projects, including mixed use and affordable and rental housing projects, on state lands in each county. [HRS §226-63 (b) (2)]

The *State of Hawaii Strategic Plan for Transit-Oriented Development* was prepared during the reporting 2017 calendar year. In the course of preparing the Strategic Plan, meetings were held with the Governor and executive State agencies in January and August. A Strategic Plan Work Group was formed, which conducted and participated in Neighbor Island County workshops held in February, June, and July.

A draft of the Strategic Plan was issued in October, followed by TOD Council review of the draft in November. Upon incorporation of comments from the TOD Council, the Strategic Plan was finalized and approved by the TOD Council in December 2017. See Appendix.

2.1 Advising and Meetings with the Governor

The State agencies met with the Governor to seek a unified State strategy for TOD investments to capitalize on State lands near transit. State agency representatives discussed draft key principles for State CIP Investments in TOD and opportunities and barriers in formulating State strategy for investments, particularly along the Oahu rail corridor but also statewide for Transit-Ready Development. At its second meeting with the Governor, the State agencies further discussed priorities and strategies for CIP investments in TOD, including infrastructure requirements needed for TOD on State lands along the Honolulu rail corridor.

2.2 Development of Key Principles

The TOD Council endorsed the following key principles to be used as a guide for State Investment in TOD/TRD, to be applied in the selection of TOD sites and in the planning, design, financing, and development of facilities.

1. Locate or redevelop **facilities first in existing town and growth centers**, aligned with county plans, at transportation nodes served by public transportation.
2. Maximize the **co-location** of State facilities and services in higher density, compact, mixed-use developments and walkable communities.
3. Invest in **critical infrastructure** necessary to successfully implement town/growth center development.
4. **Partner more** through creative, cost-effective partnerships with other public and private partners.
5. Look to **develop more affordable housing** wherever feasible to do so.
6. Use **green building and sustainable development practices** as much as possible.
7. Engage in **equitable development** that promotes and supports community well-being and active and healthy lifestyles.

Equitable development includes:

- consultation with the community
- connection to employment, encourage economic development
- access to multi-generational public amenities
- safe, environmentally enriched walkways
- maintenance or increase in local affordable and low income housing
- prevention of displacement of community residents and businesses
- improved environmental quality
- promotion of community connectedness
- full access regardless of age or physical condition/disability
- understanding of the local context

- the equitable distribution of negative impacts of transportation
- access to healthy foods

2.3 Strategic Plan Work Groups

The TOD Council established two Work Groups to assist with recommending a strategic plan process and to hold Neighbor Island county workshops.

2.3.1 Plan Process

The TOD Council authorized the first Strategic Plan Work Group to recommend a process for developing the strategic plan for State TOD.

The Strategic Plan Work Group developed an outline of the strategic plan process and a proposed schedule for the preparation of the strategic plan. The TOD Council approved the Work Group’s recommendations for the Strategic Plan Process, as follows:

1. Hold county-level workshops to define TRD areas and needs;
2. Inventory State lands in TOD areas for development potential. OP is working on development of an inventory of State lands. Agencies will be contacted to help provide additional information needed to determine potential;
3. Address affordable housing: tie-in TOD planning with the Special Action Team for affordable rental housing and Housing Plan;
4. Develop a vision component that integrates and provides direction for TOD with respect to housing, social, health, disaster planning and resilience, sea level rise; and
5. Conduct education and training on public-private-partnerships (PPP) and infrastructure financing.

2.3.2 Neighbor Island Transit-Ready Development Workshops

The TOD Council convened a second Strategic Plan Work Group to assist in the Neighbor Island county workshops. The purpose for the workshops was to initiate discussions and determine the potential opportunities, constraints and needs for Transit-Ready Development (TRD) on the Neighbor Islands, in particular, relative to State lands in the vicinity of public transit. The desired outcome is a strategy and plan for TRD on the Neighbor Islands, which would be part of the overall State TOD Strategic Plan.

A Transit-Ready Development is a mixed use development that is planned and implemented in concert with, and in anticipation of future transit stations. “Transit-ready” means that development should not only have sufficient density and walkability, but also a plan that considers the location and right-of-way for potential transit or public transportation service.

Neighbor Island workshop information and projects were presented at the TOD Council meetings.

County of Kauai

In February 2017, the Strategic Plan Work Group convened a TRD workshop on Kauai. Discussions involved Kauai's planning/public works initiatives and plans and how they relate to TRD, including an update on Kauai's General Plan and Lihue Town Plan, complete streets project, and TIGER grant project; an overview of Kauai's bus system; and a discussion of potential projects on State lands along the bus transit route. The workshop was attended by various representatives from Kauai County agencies, and State agency representatives on Kauai, including Kauai Community College. The work group took a field trip of key project areas and a walking tour of Lihue Town.

The County TRD workshop identified five key opportunity sites for potential projects on State lands: 1) Old Police Station/Department of Health; 2) Haleko Road; 3) Kauai Community College; 4) Hanapepe Road; and 5) Mahelona State Hospital.

County of Hawaii

In June 2017, the Hawaii County TRD workshop was held in Hilo. The workshop was attended by various representatives on the Big Island, including Hilo Community College. The County is updating its General Plan and is incorporating Smart Growth principles such as: compact, mixed use, transit oriented, and walkable communities. The major areas in Hilo with TRD opportunities include: Downtown Hilo, University of Hawaii at Hilo, and the Prince Kuhio Plaza. The County is also looking at Growth Opportunity Areas and TOD at these major centers: Palamanui, Kalaoa Village, Kaloko Makai, Honokohau Village, Keauhou Village, and Makaeo Village. The work group took a bus tour of the Hilo and Puna areas.

County of Maui

In August 2017, the Strategic Plan Work Group convened the Maui County TRD workshop. Discussion included potentials, opportunities, and needs for TRD, background on the current planning, land use, and transit-related efforts of the County, to then help define TRD needs and strategy relative to State lands. The workshop was attended by various representatives from Maui County agencies and State agency representatives on Maui.

The work group visited and discussed three key sites during the workshop: 1) The Villages of Leialii in Lahaina, 2) Kane Street in Kahului, and 3) Wailuku Courthouse expansion in Wailuku.

2.4 TOD Council Sub-committees

At its September and November 2017 meetings, the TOD Council authorized convening eight sub-committees to identify actions needed and workplans to coordinate TOD projects and activities for selected regions to implement TOD projects identified in the Strategic Plan. The use of sub-committees will be an efficient way to continue the coordination of work needed to move TOD projects forward.

The eight sub-committees are:

- 1) Kapalama-Iwilei Sub-committee (Oahu)
- 2) Stadium Sub-committee (Oahu)
- 3) UH West-Oahu Sub-committee (Oahu)
- 4) County of Kauai Sub-committee
- 5) County of Maui Sub-committee
- 6) County of Hawaii – West Hawaii Sub-committee
- 7) County of Hawaii – East Hawaii Sub-committee
- 8) Neighbor Islands Sub-committee

A major challenge for the sub-committees will be in staffing the sub-committee work and lack of an operational budget, particularly for the Neighbor Island sub-committees.

3. Acquisition of Funding and Resources

(3) Facilitate the acquisition of funding and resources for state and county transit-oriented development programs, including affordable and rental housing projects, on state lands. [HRS §226-63 (b) (3)]

In 2017, the primary focus was to educate the TOD Council on the various funding and resources available to facilitate the delivery of TOD, TRD, affordable and rental housing projects, and infrastructure projects. The TOD Council was provided information on Low Income Housing Tax Credit, Dwelling Unit Revolving Fund, Public Private Partnerships (P3), and Lease-Back and P3 Project Delivery through presentations and workshops.

The TOD Council also reviewed and endorsed funding for agencies' CIP requests for identified TOD project development. See section 5.1.

3.1 Hawaii Housing Finance and Development Corporation (HHFDC) Housing Finance Tools

HHFDC provided the TOD Council with an overview of HHFDC's Housing Finance Tools for Low Income Housing Tax Credit (LIHTC) and Dwelling Unit Revolving Fund (DURF).

- Low Income Housing Tax Credit (LIHTC)
LIHTC is the major financing tool administered by the HHFDC that provides equity funding for the development of low-income rental housing. Affordable housing project owners who are awarded an allocation of tax credits from HHFDC find investors for the tax credits to generate equity financing. The 9% competitive LIHTC has a volume cap based on the State's population, \$3.3 million in 2016. These funds can provide up to 55-60% of the equity needed for project development. The limited funding available for the popular 9% LIHTC is a challenge for affordable housing projects, which must compete with other projects and wait years to obtain this financing. The 4% non-competitive LIHTC is allocated based on the use of private activity bonds, for which the State has an annual cap of about \$300 million. This can provide for about 40% of the project equity needs.

- **Dwelling Unit Revolving Fund (DURF)**
DURF was established in 1970 with an initial authorization of \$125 million of general obligation bonds to carry out the purposes of the Housing Development Program. Funds may be used for the acquisition of real property, development of residential, commercial and industrial properties, and interim and permanent loans to developers.

In 2016, the Legislature passed Act 132 which allows HHFDC, upon request by a county, to establish regional state infrastructure subaccounts within DURF for the benefit of housing and mixed-use transit-oriented development projects within the county.

3.2 Hawaii P3 Workshop

The TOD Council, in partnership with Association for the Improvement of American Infrastructure (AIAI), held a workshop, *Understanding Public Private Partnerships*, on June 6, 2017 at the Hawaii Imin International Conference Center. The workshop featured speakers from the mainland and Hawaii presenting and sharing their experience and expertise in public private partnerships. The purpose of the workshop was to educate participants and answer questions about public private partnerships (P3) and their potential in the State of Hawaii. Generally, a P3 is a contractual agreement between a public agency and a private sector entity to deliver a service or facility for the benefit of the general public.

Governor David Ige provided welcome remarks to 133 attendees including State, City/County, business/non-profit, and federal representatives at the P3 workshop. The workshop program included:

- Two local presentations by the Navy and the Army on military housing P3 initiatives, in partnership with Hunt Companies and Lendlease Communities, respectively.
- The morning session included a panel on introduction to P3; understanding public-private-partnerships; and what's different about P3 using case studies.
- The afternoon session included a panel on financing models and risk management. The session also discussed the process for how to do a P3 project.



Prior to the P3 workshop on June 6, 2017, a tour for the panel members of projects along the rail line was held on June 5, 2017, to provide a context for State TOD on Oahu, which included brief stops in the key development areas of East Kapolei, the Aloha Stadium, and Iwilei/Kapalama. In the afternoon, a P3 Q&A Session was held at the Hawaii Community Development Authority, which was attended by 38 people.

There was a lot of interest among workshop attendees in P3. Looking forward, attendees thought that more information and assistance would be desirable, including: requests for technical assistance; advisory services for P3 procurement and RFQ/RFP scope; a go-to-person/officer for technical assistance on P3; State resources to agencies to help implement P3 projects; and list of local resources on who does P3 feasibility analysis and value for money analysis in Hawaii.

The workshop presentations are available at: <http://planning.hawaii.gov/lud/state-tod/9749-2/>

3.3 Department of Accounting and General Services (DAGS) Workshop on Lease-Back and P3 Project Delivery

Additional information and education on P3 approaches was provided at a two-day workshop on Lease-Back and P3 Project Delivery held by the Department of Accounting and General Services on August 14-15, 2017 at the Neal Blaisdell Center. Jill Jamieson of Jones Lang LaSalle, whose background worldwide is in helping government entities with public private partnerships, was the speaker.

The objective of the workshop was to provide public agency participants with an overview and understanding of key public sector considerations when contemplating and/or implementing non-traditional finance and delivery projects and programs. The workshop focused on a broad array of issues, including developing the appropriate legal, regulatory, and institutional framework for innovative project delivery; transaction structuring, public sector financial considerations (budgeting, contingent liabilities), funding mechanisms, risk mitigation/allocation, project/program governance and oversight. The workshop discussed relevant case studies across multiple project sectors, representing a diversity of transaction structures (including Kauai's Rice Camp housing project, performance-based contracts, lease-like arrangements, and Design-Build-Finance-Operate-Maintain). Agency attendees found the workshop very helpful and informative.

Agencies were able to meet individually with DAGS and Jamieson in one-on-one meetings scheduled after the workshop.

The DAGS workshop presentations are available at: <http://pwd.hawaii.gov/planning-branch/lease-back-and-p3-project-delivery-workshop/>

4. TOD Plans and Studies

(4) Monitor the preparation and conduct of plans and studies to facilitate implementation of state transit-oriented development plans prepared pursuant to this section, including but not limited to the preparation of site or master plans and implementation plans and studies. [HRS §226-63 (b) (4)]

During 2017, State agencies and the Counties provided updates on the status of their TOD projects, including progress on EA/EIS at the TOD Council meetings. Staff also met with individual agencies and reported back to the TOD Council as needed. The projects were then incorporated into the Strategic Plan.

The City and County of Honolulu also provided the TOD Council an overview of the draft Iwilei/Kapalama TOD Infrastructure Strategy.

OP reported on CIP funded projects for TOD related studies. The Legislature appropriated \$500,000 in CIP funds to OP for FY2017 to undertake plans for site master planning for State lands in TOD areas on Oahu that have significant development or redevelopment potential, and infrastructure assessments and planning for infrastructure improvements in areas where multiple agencies are involved.

4.1 Strategic Plan for Transit-Oriented Development

The TOD Strategic Plan provides a dynamic framework for State to create a "unified vision and approach to the development of its properties." It sets forth how the State and counties can collectively act to make better use of public lands and public projects to create vibrant communities, provide improved service and accessibility, and increase affordable housing opportunities in proximity to transit. The TOD Strategic Plan is flexible in enabling ongoing and continual updates as progress is made in realizing TOD project potential statewide.

Through the TOD Strategic Plan preparation process, State and county agencies have identified and presented information on broad plans and specific project plans proposed for TOD/TRD.

The State and county agencies are continuing to work on TOD planning and development projects along the Honolulu rail corridor and TRD projects near transit on the Neighbor Islands. Tables 1 and 2 provide a list of all State and County TOD/TRD Strategic Plan projects as of December 2017. More detailed information on these projects is contained in the TOD Strategic Plan; and these projects will be monitored as the Plan is implemented. The Strategic Plan for Transit-Oriented Development is available at: <http://planning.hawaii.gov/lud/state-tod/>

Table 1. State Strategic Plan TOD projects, December 2017

	ProjectID	Agency	TOD Station/Area	Project	Area	Status
East Kapolei	0-01	DHHL	East Kapolei	Kauluokahai Increment II-A, Multi-Family/Commercial	33	Pre-Planning
	0-02	UHWO	East Kapolei, UHWO	UH West Oahu University District	168	Pre-Planning
	0-03	UHWO	East Kapolei, UHWO	UH West Oahu Long Range Development Plan	500	Planning
	0-04	UHWO	East Kapolei, UHWO	UH West Oahu TOD Infrastructure		Pre-Planning
	0-05	UHWO	UH West Oahu, LCC, HCC	UH West Oahu Multi-Campus Housing		Pre-Planning
	0-06	DLNR	UH West Oahu	East Kapolei Master Development Plan	175	Pre-Planning
	0-07	DOE	Hoopili	East Kapolei High School	45	Design
	0-08	HPHA	West Loch	Waipahu I and Waipahu II Redevelopment	1	Pre-Planning
	0-09	HHFDC/DAGS/ DOE	Waipahu Transit Center	Waipahu Civic Center TOD Project	10	Pre-Planning
	0-10	UH-LCC	Leeward Comm College	UH Leeward Community College TOD Master Plan	50	Pre-Planning
	0-11	HPHA	Pearl Highlands	Hale Laulima Homes	4	Pre-Planning
Halawa	0-12	SA/DAGS	Halawa	Aloha Stadium Property Redevelopment	99	Pre-Planning
	0-13	HPHA	Halawa	Puuwai Momi Homes	12	Pre-Planning
	0-14	DHHL	Lagoon Drive, Middle St.	Moanalua Kai Conceptual Plans	14	Planning
	0-15	PSD/DAGS	Middle St., Kalihi	Oahu Community Correctional Center Redevelopment	16	Pre-Planning
	0-16	HPHA	Kalihi	Kamehameha Homes	16	Pre-Planning
	0-17	HPHA	Kalihi	Kaahumanu Homes	7	Pre-Planning
Iwilei-Kapalama	0-18	DHHL	Kapalama	Kapalama Project Conceptual Plans	5	Planning
	0-19	UH HCC	Kapalama	UH Honolulu Community College TOD Plan	23	Pre-Planning
	0-20	HPHA	Kapalama	HPHA Administrative Offices Redevelopment	12	Planning
	0-21	HPHA	Iwilei	Mayor Wright Homes Redevelopment	15	Planning
	0-22	HHFDC/DAGS/ HPHA	Iwilei	Liliha Civic Center Mixed-Use Project	4	Pre-Planning
	0-23	HPHA	Iwilei	Kalaniihulia Homes	2	Pre-Planning
	0-24	HHFDC	Kakaako	690 Pohukaina	2	Planning
	0-25	DOE/HHFDC	Kakaako	Pohukaina Elementary School	2	Planning
	0-26	HCDA	Kakaako, Civic Center	Nohona Hale	0.3	Design
	0-27	HCDA	Kakaako	Ola Ka Ilima Artspace Lofts	1	Construction
	0-28	HCDA	Ala Moana	Hale Kewalo Affordable Housing	1	Construction
	0-29	HHFDC/JUD	Ala Moana	Alder Street Affordable Rental Housing/Juvenile Service Center	1.5	Planning
	0-30	HPHA	Ala Moana	Makua Alii & Paoakalani	9	Pre-Planning

19-Dec-17

Table 2. Counties Strategic Plan TOD/TRD projects, December 2017

	ProjectID	Agency	TOD Station/Area	Project	Area	Status
City & County of Honolulu	O-31	CCH	Iwilei, Kapalama	Iwilei-Kapalama Infrastructure Master Plan	581	Planning
	O-32	CCH	Pearlridge	Pearlridge Bus Center and TOD Project	3	Planning
	O-33	CCH	Kapalama	Kapalama Canal Catalytic Project/Linear Park	19	Planning
	O-34	CCH	Chinatown	Chinatown Action Plan		Plan/Des/Const
	O-35	CCH	Waipahu Transit Center	Waipahu Town Action Plan		Planning
	O-36	CCH	Kakaako	Blaisdell Center Master Plan	22	Pre-Planning
Kauai	K-01	DAGS/COK	Lihue	Lihue Old Police Station	1	Pre-Planning
	K-02	COK KHA	Lihue	Pua Loke Affordable Housing	2	Pre-Planning
	K-03	COK KHA	Koloa	Koae Workforce Housing Development	11	Planning
	K-04	COK KHA/ HHFDC	Eleele	Lima Ola Workforce Housing Development	75	Planning
	K-05	UH KCC	Puhi	UH Kauai Community College LRDP/Student Housing	197	Pre-Planning
	K-06	COK	Hanapepe	Hanapepe Infill Redevelopment		Pre-Planning
	K-07	COK DPW	Hanapepe	Hanapepe Complete Streets Improvements		Planning
	K-08	COK	Mahelona	Mahelona State Hospital	34	Pre-Planning
	K-09	COK DPW	Mahelona	Kawaihau Road Multimodal Improvements		Planning
	K-10	COK DPW	Koloa School	Poipu Road Multimodal Improvements		Planning
	K-11	COK	Maluhia Rd	South Shore Shuttle		Pre-Planning
	K-12	COK	Puhi Shuttle	Puhi Shuttle		Pre-Planning
Hawaii	H-01	COH	Keaau	Keaau Public Transit Hub	4	Pre-Planning
	H-02	COH	Keaau	Keaau Public Wastewater System		Pre-Planning
	H-03	COH	Hilo	Prince Kuhio Plaza Affordable Housing	7	Pre-Planning
	H-04	COH	Hilo	Prince Kuhio Plaza Transit Hub	7	Pre-Planning
	H-05	COH	Hilo	Ka Hui Na Koa O Kawili Affordable Housing	7	Planning
	H-06	COH	Kailua-Kona	Kailua-Kona Multimodal Transportation Plan	200	Pre-Planning
	H-07	COH	Kailua-Kona	Old Airport Park Transit Station, Makaeo Transit Hub	14	Pre-Planning
	H-08	COH	North Kona	Ulu Wini Housing Improvements	8	Planning
	H-09	COH	North Kona	Kamakana Villages Senior/Low Income Housing	6	Planning
	H-10	UH Hilo/HCC	Hilo	UH Hilo University Park Expansion/HCC Komohana Campus	267	Planning
	H-11	UH Hilo	Hilo	UH Hilo Commercial/Mixed Use/Student Housing	36	Pre-Planning
	H-12	HHFDC/COH	North Kona	Village 9 Affordable Housing	36	Planning
Maui	M-01	HHFDC/COM	Lahaina	Villages of Lealii Affordable Housing	1033	Pre-Planning
	M-02	HHFDC/DAGS	Kahului	Kane Street Affordable Housing Project	6	Pre-Planning
	M-03	COM/HHFDC/ DAGS	Kahului	Central Maui Transit Hub	0.5	Planning
	M-04	COM/DAGS/ DLNR	Wailuku	Wailuku Courthouse Expansion	3	Pre-Planning

19-Dec-17

4.2 Draft Iwilei/Kapalama TOD Infrastructure Strategy

In October 2017, the City and County of Honolulu, Department of Planning and Permitting, gave a presentation on the draft Iwilei/Kapalama TOD Infrastructure Strategy. The draft strategy included TOD housing potential; proposed street network; proposed plans for sewer, water, electrical, and drainage systems, recreational/parks, and schools; implementation; and financing.

4.3 Office of Planning FY2017 TOD CIP Planning Funds

The Legislature appropriated \$500,000 in TOD CIP funds to OP for FY2017 to be used for TOD projects on State lands on Oahu. OP selected the three projects below for funding. Selection was based on a qualitative assessment of the need for funding, the catalytic impact of the project facility, and the strategic importance of CIP planning funds at this stage in the project timeframe.

Recipient Agencies and Projects		
Agency	Amount to be delegated	Project & Scope
1 DAGS, Stadium Authority	\$ 200,000	<u>Sports/entertainment complex at Aloha Stadium – draft master plan</u> Market and economic studies and draft master plan for sports/entertainment complex to complement proposed new 35,000 seat stadium. Study will need to ensure connectivity with other State facilities in area, potentially explore shared infrastructure requirements for redevelopment of other State facilities in area, such as public housing, school facilities, etc.
2 DLNR	200,000	<u>East Kapolei lands – strategic master plan</u> Strategic master development plan & infrastructure needs assessment for four parcels situated adjacent to UH West Oahu, DR Horton Hoopili lands, and UH West Oahu transit station. DLNR is exploring development opportunities capable of providing revenue stream for its resource management and protection programs. Other agencies are seeking use/joint use of the parcels for other public purposes, such as affordable housing. Funds will expand scope of existing contract.
3 UH-HCC	100,000	<u>Honolulu Community College – master plan revisions</u> HCC campus assessment of potential TOD options that are appropriate, integrated and aligned with the UH-HCC higher education mission, the HCC Long Range Development Plans and the future Transit Station planned on the HCC campus (corner of Kokea and Dillingham).

OP and the agencies entered into written agreements to ensure that the State receives the value-added TOD elements from each project. OP is monitoring the projects and updating the TOD Council regularly.

5. CIP Requests to Legislature

(5) Review all capital improvement project requests to the legislature for transit-oriented development projects, including mixed use and affordable and rental housing projects, on state lands within county-designated transit-oriented development zones or within a one-half-mile radius of public transit stations, if a county has not designated transit-oriented development zones. [HRS §226-63 (b) (5)]

5.1 TOD CIP Requests 2017 Legislature

The TOD Council is charged with reviewing TOD-related CIP budget requests to the Legislature pursuant to Hawaii Revised Statutes Section 226-63(b)(5). At its January 17,

2017 meeting, the TOD Council reviewed and endorsed the following projects for CIP funding by the Legislature for Fiscal Year 2017-2018:

- 1) **DAGS/Stadium Authority Request:** \$1,000,000 for plans to optimize the Aloha Stadium facility and site, including planning for demolition of existing stadium and construction of new stadium facility.

The 2017 Legislature approved \$10 million for master plan and EIS for FY2018.

- 2) **HHFDC Request:** \$15,000,000 for Judiciary's share of construction costs of Phase 1 of the Alder Street Project.

The 2017 Legislature did not approve this request, but did approve a \$25,000,000 DURF infusion and on July 13, 2017, the HHFDC Board of Directors authorized using up to \$15,000,000 from DURF to enable the development of the Judiciary's juvenile center/shelter component of the mixed-use residential project.

- 3) **DOE Request, Pohukaina Elementary School:** \$55,000,000 in Lump Sum CIP – Capacity request for plans/design/construction of proposed elementary school on 690 Pohukaina Project site, Kakaako.

The 2017 Legislature approved \$10 million for design and construction for FY2018.

- 4) **DHHL Request, Kauluokahai TOD:** \$2,000,000 in Lump Sum CIP for Hawaiian Home Lands Lot Development request for planning and design for transit-oriented development with DHHL's Kauluokahai Community, East Kapolei.

The 2017 Legislature did not approve this request.

- 5) **OP Request:** \$1,000,000 for TOD infrastructure and site master planning studies statewide.

The 2017 Legislature approved \$1 million for Oahu only for FY2018.

6. Legislative Measures Considered

(6) Recommend policy, regulatory, and statutory changes, and identify resource strategies for the successful execution of the strategic plan. [HRS §226-63 (b) (6)]

The TOD Council did not recommend any policy, regulatory, or statutory changes during the 2017 Legislative Session. At its monthly meetings, the TOD Council reviewed, discussed, and monitored numerous legislation relating to TOD.

6.1 TOD Related Legislation

During the 2017 Legislative Session, the TOD Council reviewed various legislative measures relating to TOD including:

- Establishing a TOD authority to plan and develop infrastructure capacity;
- Establishing a P3 office;

- Establishing TOD Community Districts within HCDA; and
- Requiring HCDA to develop a TOD zone improvement program.

Most of the measures did not pass. However, the following two measures were passed by conference committees:

HB627, HD2, SD2, CD1, establishes a P3 coordinator position and office within DBEDT to manage public-private partnerships entered into by the State and associated contracts, proposals, and negotiations, except public-private partnerships entered into by HPHA.

SB1148, SD2, HD2, CD1, requires the HCDA to develop a TOD zone improvement program to foster community development by strategically investing in public facilities.

The Legislature passed HB627, HD2, SD2, CD1, however, the measure was vetoed by the Governor. The House recommitted SB1148, SD2, HD2, CD1, to the conference committee.

6.2 TOD Council Budget

The 2017 Legislature did not appropriate funding for the TOD Council for FY2017-2018. The unspent FY2016-2017 funds were carried over to be used for Neighbor Island airfare and car rental only to December 2017 or until funds are depleted.

7. Assemble Fiscal and Demographic Information

(7) Assemble accurate fiscal and demographic information to support policy development and track outcomes. [HRS §226-63 (b) (7)]

In general, the TOD Council monitors fiscal conditions relative to rail and TOD projects and demographic information relative to housing in the course of TOD Council discussions and project update reports. In the next two years, the TOD Council plans to develop performance metrics to evaluate the economic, environmental, and social outcomes desired or expected from investment in transit and TOD.

8. Initiatives of Other States

(8) Consider collaborative transit-oriented development initiatives of other states that have demonstrated positive outcomes. [HRS §226-63 (b) (8)]

OP and HHFDC staff routinely scan, monitor, and research other jurisdictions' TOD initiatives for best practices in the course of supporting TOD Council, particularly in the preparation of the strategic plan. As plan implementation proceeds, this support work will continue, and new information will be brought to the TOD Council as opportunities allow.

8.1 Other Initiatives

The TOD Council invited several speakers from the State of California to discuss TOD initiatives.

TOD Projects in the San Francisco Bay Area

Kevin Wilcock, architect, recently relocated from San Francisco, where his firm was involved in the design and development of several transit-oriented multi-family affordable and market-rate housing projects near transit stations.

The State of California passed Proposition 1C in 2006, establishing the Housing and Emergency Shelter Trust Fund, a bond measure to provide equity funding for TOD development. The fund was funded with \$300 million. Over the last 7-8 years, \$271 million has been awarded and 27 projects developed across the State. The equity leveraged private and federal money for projects near rail stations.

Wilcock provided examples of four types of TOD projects with different types of parking (wrapped, tucked under, podium, and mechanized). All projects include open space and retail to activate the street edge. All affordable projects used low income housing tax credits, Section 8, and local money from the city to offset the costs.

BART Station Area Joint Development

Rick Williams, partner of Van Meter Williams Pollack LLP (VMWP) in San Francisco, California, gave a presentation on various BART joint development projects involving mixed-use, transit-oriented community plans.

The Bay Area Rapid Transit (BART) started in the late 1960s and was a commuter system for San Francisco. In the first 25 years of the BART system, there was almost no TOD work done. The stations were commuter stations with lots of parking. Williams provided an overview of BART station joint development:

- Richmond BART – The first development with a mix of market rate and affordable housing.
- Fruitvale BART Development – Includes a parking structure, a public plaza with retail, community services, offices, and high density affordable housing.
- Hayward and San Leandro Development – The City and BART worked to relocate Hayward's Civic Center on BART property so they could create a catalyst for redeveloping the whole area.
- Dublin/Pleasanton BART Station – BART is located down the middle of the freeway with new residential units on one side and an office park on the other side.
- Walnut Creek, Pleasant Hill, South San Francisco and Union City BART Stations BART owns most of the properties around these stations and is doing long-term leases. Almost every rental apartment project has between 15%-25% affordable housing.
- MacArthur Station, Oakland – BRIDGE Housing developed a plan for 600-800 units of housing. The parking structure was first built to free up the land, using government financing.

- South Fremont and Warm Springs BART Stations – The plan is to create a new innovation district focused around Tesla, providing a high technology employment and residential mixed community with approximately 4,000 to 5,000 units.
- North Concord Station – Is an old Concord Naval Weapon Station the military is giving to the City. It has a 20-year plan for 5,700 units on 860 acres. It will include an employment center, retail, and offices.

Property Value Benefits of BART

- The land values associated with the BART station areas have gone up and are approximately 13% of the Bay Area's property taxes. However, BART owns only 2% of the land so it shows that communities are benefitting from the property taxes.
- Condominiums have seen more price premium than single family homes close by the stations. Single family homes are a little more outside the urban area and are a little higher value than those in the urban cores. Being close to BART provides a 10% to 15% bump in price premium. Office rents are also higher close to BART stations and declines as you move away from the stations.

Public-Private Partnerships

Ken Hira, Executive Vice President for Kosmont Companies, provided an overview of California's tools for public-private projects and case studies.

Enhanced Infrastructure Financing Districts (EIFDs), enacted in 2015, enable tax increment financing for local/regional projects (purchase, construction, expansion, improvement, seismic retrofit, rehabilitation). The district lifespan is 45 years to collect and spend revenues from the property tax increment collected. Bonds are issued for up to 30 years. EIFDs are managed by a Public Financing Authority.

Community Revitalization and Investment Authorities (CRIAs) were enacted in 2016, restoring redevelopment authority to address the development and redevelopment needs of disadvantaged communities. There is a 25% affordable housing requirement and a distressed test for communities with high unemployment and crime.

EIFDs and CRIAs can be used to fund public facilities and improvements for: industrial structures; affordable housing/mixed use; transit priority projects; wastewater/groundwater; light/high speed rail; civic infrastructure; parks and open space; childcare facilities; and brownfields remediation.

Planned Activities

The TOD Council work plan for 2018 includes the following activities.

1. Sub-committee work for Strategic Plan for TOD.

Implementation and project developments: On Oahu, the regional sub-committees for East Kapolei, Aloha Stadium, and Iwilei-Kapalama are anticipated to address interagency coordination particularly with respect to infrastructure requirements. On the Neighbor Islands, the focus will be on further definition of the projects relative to their feasibility and potential, seeking agency and funding support, and proceeding with strategic planning and implementation.

2. Review of FY2019 & FY2020 TOD CIP budget requests.

The TOD Council will continue to review proposed TOD-related CIP budget requests and make recommendations for funding requests that advance identified and priority TOD projects.

3. Monitoring of TOD-related legislation.

During the Legislative session, the TOD Council will continue to review proposed bills for their impact on agency projects and activities, as well as bills that propose TOD-supportive policies and program tools, such as P3 legislation. The Council and Council staff will follow-up as needed on any TOD-related legislation enacted.

4. Development of TOD Support Tools.

The TOD Council proposes to undertake activities to further the use of critical TOD support tools, including:

- a. Establish institutional framework for P3/Alternative project delivery;
- b. Expand financing tools; and
- c. Expand use of value capture financing tools.

5. Support TOD Project Implementation.

- a. Provide State TOD Project Coordination/Facilitation
 1. Regional sub-committee project coordination.
 2. Support priority project CIP requests.
- b. Provide TOD Policy Support and Administration
 1. Expand the use of data tools to monitor project implementation, and establish performance metrics for project implementation as well as how to gauge performance in aligning with the key principles.

**Appendix: State of Hawaii
Strategic Plan for Transit-Oriented Development
December 2017**

(Separately Attached)