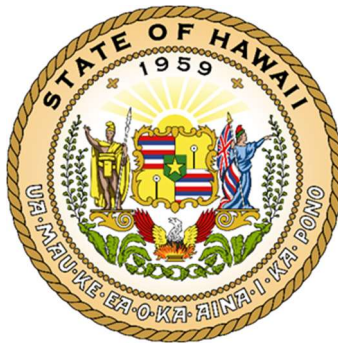


Hawai'i Interagency Council for Transit-Oriented Development 2021 Annual Report

REPORT TO THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022



Prepared pursuant to Hawai'i Revised Statutes § 226-63(b)(9) by
Office of Planning and Sustainable Development
and
Hawai'i Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawai'i

December 2021

Hawai'i Interagency Council for Transit-Oriented Development
Council Members, Designees, and Alternates
as of December 2021

Office of Planning and Sustainable Development (OPSD)

Director: Mary Alice Evans (Co-Chair)

Designee: Rodney Funakoshi

Hawai'i Housing Finance and Development Corporation (HHFDC)

Executive Director: Denise Iseri-Matsubara (Co-Chair)

Designee: Dean Minakami

Office of the Governor

Chief of Staff: Linda Takayama

Designee: Sara Lin

Stadium Authority (SA)

Chairperson: Ross Yamasaki

Designee: John Fink

Department of Accounting and General Services (DAGS)

Comptroller: Curt Otaguro

Designees: Chris Kinimaka, David DePonte

University of Hawai'i (UH)

President: David Lassner

Designees: Michael Shibata, Carleton Ching, Karen Lee

Department of Education (DOE)

Interim Superintendent: Keith Hayashi

Designees: Randy Tanaka, Roy Ikeda

House of Representatives

Representative Nadine Nakamura

Alternate: Representative David Tarnas

Department of Hawaiian Home Lands (DHHL)

Chairperson: William Aila

Designee: Darrell Ing

State Senate

Senator Lorraine Inouye

Alternate: Senator Chris Lee

Department of Health (DOH)

Director: Elizabeth Char

Designees: Lola Irvin, Heidi Hansen Smith

City and County of Honolulu (City)

Mayor: Rick Blangiardi

Designees: Harrison Rue, Dean Uchida

Department of Human Services (DHS)

Director: Catherine Betts

Designees: Malia Taum-Deenik, Joseph Campos

County of Hawai'i (COH)

Mayor: Mitch Roth

Designees: April Surprenant, Natasha Soriano, John Andoh

Department of Land and Natural Resources (DLNR)

Chairperson: Suzanne Case

Designees: Russell Tsuji, Ian Hirokawa

County of Kaua'i (COK)

Mayor: Derek Kawakami

Designees: Jodi Higuchi Sayegusa, Celia Mahikoa

Department of Public Safety (PSD)

Director: Max Otani

Designees: Maria Cook, Wayne Takara, Harold Alejandro

County of Maui (COM)

Mayor: Mike Victorino

*Designees: Pam Eaton, Marc Takamori, Nolly Yagin,
David Yamashita*

Department of Transportation (DOT)

Director: Jade Butay

Designee: Ed Sniffen, David Rodriguez, Pradip Pant

Business Representative

Scott Kami, Bank of Hawai'i

Hawai'i Community Development Authority (HCDA)

Executive Director: Deepak Neupane

Designee: Carson Schultz

Developer Representative

Laura Kodama, Castle and Cooke

Hawai'i Public Housing Authority (HPHA)

Executive Director: Hakim Ouansafi

Designees: Barbara Arashiro, Benjamin Park

Housing Advocate

Kevin Carney, EAH Housing

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

Honolulu Field Office Representative: Ryan Okahara

1 INTRODUCTION

This report describes the activities of the Hawai'i Interagency Council for Transit-Oriented Development (TOD Council) and accomplishments for calendar year 2021. The COVID-19 pandemic has brought about extraordinary circumstances locally and throughout the world. It continues to have an impact on social, health, economic, and fiscal well-being of Hawai'i's residents and State and county governments.

The focus of the TOD Council and its support staff has been on the long-haul—in particular, the role of TOD in providing a path to not only long-term economic recovery but smarter public investment in Hawai'i's communities. Investment in TOD offers the potential to stimulate job growth and new economic opportunities, while providing more effective use of public land and facility assets and capital improvement project funds through co-location of public facilities and services, affordable housing, businesses, and jobs in centers served by quality public transit. The COVID-19 pandemic offers a unique opportunity to refocus public investments in existing communities by using TOD principles to achieve more livable and equitable communities that enable all Hawai'i residents to prosper.

This annual report fulfills the statutory requirement in Hawai'i Revised Statutes (HRS) § 226-63(b)(9) for the TOD Council to report annually to the Governor, the Legislature, and the mayor of each county on the progress of its activities and progress on the State TOD Strategic Plan no later than twenty days prior to the convening of each regular legislative session.

1.1 Hawai'i Interagency Council for Transit-Oriented Development (TOD Council)

The TOD Council was established in 2016¹, 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.

Focus. The focus of the TOD Council is to promote mixed-use development, affordable and rental housing, and compact, pedestrian-

¹ Act 130, Session Laws of Hawai'i (SLH) 2016 related to the TOD Council are codified in Hawai'i Revised Statutes (HRS) §§ 226-63 and 64; the Act's sections related to the roles and responsibilities of OPSD are codified in HRS § 225M-2(b)(10).

TOD COUNCIL DUTIES HRS § 226-63(B)

- (1) Serve as the State's transit oriented development planning and policy development entity with representation from state and county government and the community;
- (2) Formulate and advise the governor on the implementation of a strategic plan to address transit oriented development projects, including mixed use and affordable rental housing projects, on state lands in each county;
- (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;
- (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;
- (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 one half mile radius of public transit stations, if a county has not designated transit oriented development zones;
- (6) Recommend policy, regulatory, and statutory changes, and identify resource strategies for the successful execution of the strategic plan;
- (7) Assemble accurate fiscal and demographic information to support policy development and track outcomes;
- (8) Consider collaborative transit oriented development initiatives of other states that have demonstrated positive outcomes; and
- (9) Report annually to the governor, the legislature, and the mayor of each county on the progress of its activities, including formulation and progress on the strategic plan no later than twenty days prior to the convening of each regular session.

friendly development in designated transit areas, and to encourage State and County agency collaboration and cost-sharing of infrastructure needed to facilitate State and county TOD initiatives. The TOD Council's statutory responsibilities as defined in HRS § 226-63(b) are listed in the sidebar on the previous page.

On O'ahu, the State of Hawai'i is the largest landowner along the 20-mile corridor of the Honolulu Rail Transit Project, owning over 1,900 acres of land within a half-mile radius of the 21 planned rail stations. As such, the State is uniquely positioned to enhance O'ahu'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 around urban or rural public transit centers.

Council Organization & Support. The TOD Council is comprised of 25 members, including representatives from State agencies, the four counties, State Senate, State House of Representatives, and the business, housing, and development communities. It also includes an ex-officio representative from the U.S. Department of Housing and Urban Development. Current members are listed at the front of this report.

The directors of the Office of Planning and Sustainable Development (OPSD) and the Hawai'i Housing Finance and Development Corporation (HHFDC) serve as co-chairs of the TOD Council. HRS § 225M-2(b)(10) designates OPSD as the lead agency for State smart growth and TOD development planning in the State. In this capacity, OPSD provides staff support to the TOD Council and reviews and approves State agency TOD conceptual development plans.

Office of Planning's New Name. Effective July 1, 2021, the Office of Planning (OP) is now the Office of Planning and Sustainable Development (OPSD). The Governor signed HB 1149 CD1 (Act 153, SLH 2021) into law on July 2, 2021. The measure renamed the Office and administratively attached the State Land Use Commission (LUC) to the renamed Office. The responsibilities and staff of the former Office of Environmental Quality Control (OEQC) was also merged into OPSD and the Environmental Quality Control Council renamed as the Environmental Advisory Council through Act 152, SLH 2021 (HB 1318 CD1). For the purposes of this annual report, OPSD will be utilized since some of the activities and references occurred prior to the change.

2 ACTIVITIES AND ACCOMPLISHMENTS

Organization of Report. The TOD Council's activities and accomplishments for calendar year 2021 are reported in accordance with its statutory responsibilities listed in the text box on the previous page.

2.1 TOD Council Meetings and 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)]

Through its regularly scheduled meetings and activities, the TOD Council serves as the primary forum for the coordination of statewide TOD policy, funding, and program needs. The TOD

Council held seven meetings between January and November 2021. Virtual meetings were continued pursuant to emergency declarations limiting in-person gatherings in response to COVID-19.

Membership has been maintained and updated as agency leadership and staff, elected officials, and appointed members and designees change. New members representing business, development, and housing interests were appointed to a term which began in February 2021 and expires in December 2022. The TOD Council Co-Chairs recognize and thank Scott Kami, Laura Kodama, and Kevin Carney as well as other TOD Council members from their respective agencies and guests for their service and participation.

2.2 Strategic Plan Formulation and Implementation

(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 Hawai'i Strategic Plan for Transit-Oriented Development (State TOD Strategic Plan or TOD Strategic Plan)* was issued December 2017, with an updated version issued and forwarded to the Governor and State Legislature in December 2018. The *State TOD Strategic Plan* provides a dynamic framework for the State to affect 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 resources so that public projects help create vibrant communities, provide improved service and accessibility, and increase affordable housing opportunities in proximity to transit. The *State TOD Strategic Plan* is available at https://planning.hawaii.gov/wp-content/uploads/State-TOD-Strategic-Plan_Dec-2017-Rev-Aug-2018.pdf.

2.2.1 Strategic Plan Formulation/Implementation: Advisory Support

As the Governor’s Senior Special Assistant is an active participant on the TOD Council, the Governor’s Office is kept apprised of the implementation of the *TOD Strategic Plan* and related projects and initiatives through TOD Council meetings and communications. Actions requiring the Governor’s attention are coordinated as needed through the Governor’s Office TOD Council representative.

This Annual Report provides the Governor with an update of activities and progress in implementing the *TOD Strategic Plan*. In February 2021, the TOD Council also reviewed and made recommendations to the Governor and the State Legislature on TOD CIP budget requests related to TOD projects identified in the *TOD Strategic Plan*; the 2021 TOD CIP budget recommendations are discussed in Section 2.5.

2.2.2 Strategic Plan Formulation/Implementation: Updates to the State TOD Strategic Plan and TOD Projects

The *State TOD Strategic Plan* and TOD projects contained in the Plan are reviewed and updated annually. Periodically, new TOD projects are submitted to the TOD Council for inclusion in the *State TOD Strategic Plan*. Seventy-five (75) TOD projects have been identified in the *TOD Strategic Plan*—all at different stages of development. Several have been completed, others are in the pre-planning stage and number of them are in the development process. State and county agencies continued to collaborate on individual TOD planning and development projects as

resources allowed. State agencies and the counties provided summary updates on the status of individual TOD projects to the TOD Council in September and November.

Updates on key TOD projects are summarized in Section 2.4. Appendix A of this report provides a complete list of the State and county projects in the *TOD Strategic Plan*, with updated project status, funding, and funding gap information noted. Updated TOD Project Fact Sheets for individual TOD Projects in the *TOD Strategic Plan* are also posted at the end of the year to the TOD Council website at http://files.hawaii.gov/dbedt/op/lud/State-TOD-Strategic-Plan_FactSheets_Rev-Aug-2018_rev20190715_secured-20190823.pdf.

2.2.3 Strategic Plan Formulation/Implementation: TOD Council Permitted Interaction Groups (PIG)

Affordable Housing/State TOD Implementation Work Group, O'ahu (O'ahu Work Group). The purpose of the O'ahu PIG is to determine the extent and availability of underutilized State lands in the three TOD Priority Areas for affordable housing and TOD; to formulate action to develop these lands and update State TOD Strategic Plan and priorities; and to advise on the OPSD TOD Infrastructure Financing Study. The charge will be to review lands for TOD and affordable housing and develop an action plan along the rail corridor.

The O'ahu PIG will be similar to what the East Kapolei, Hālawā-Stadium, and Iwilei-Kapālama PIGs did in conjunction with the State TOD Implementation Plan several years ago. They brought State agency interests, concerns, and needs to the table. They also provided a forum for discussion of timing and infrastructure requirement.

County/State TOD Alignment and Implementation PIG for Hawai'i, Kaua'i, and Maui. The objective of the three Neighbor Island PIGs is to review and align county and State project and budget priorities to develop a joint TOD strategy and identify necessary actions to implement aligned TOD strategy.

By establishing four county PIGs, this could lead to a more active forum for State and county agencies to collaborate on TOD implementation and TOD priorities. The overall work plan is to: revisit the existing TOD projects in the State TOD Strategic Plan for any emerging opportunities that should be incorporated; getting better alignment of State and county resources for TOD implementation; and aligning State and county goals and objectives around infrastructure investments. This should translate into a set of priorities for TOD implementation in each county.

The first tasks for the Neighbor Island groups will be to determine the specific pilot study area for the infrastructure financing study and determining the process for integrating this effort with other studies going on. The groups will work on compiling TOD infrastructure needs and priorities that will guide alignment and an action plan for financing. They would have an initial report out of the action TOD strategies in 2022. At that point, the Council can disband the PIGs or re-establish them with a new set of tasks for implementation.

Each county PIG will be operating similarly, and memberships will be very similar. OPSD will be staffing this effort and will be working very closely with the county planning representatives. OPSD and the county planning representatives will be serving as co-chairs of the PIGs.

TOD Transit and Mobility PIG, O'ahu. The purpose of the TOD Transit and Mobility PIG is to review State and County transportation policies and priorities with respect to how they support TOD.

It was formed to investigate the degree to which current State/County transportation project priorities support TOD and TOD objectives in each county.

2.3 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)]

The TOD Council serves as a forum for (1) educating its member agencies and the public on best practices, funding, and other resources to support TOD; (2) providing advocacy and facilitating access to funding and resources; and (3) assisting agencies in making individual and multi-agency requests for funding and technical assistance to the State Legislature, other funders, and decision-makers.

Activities in calendar year 2021 related to funding requests and project advocacy are discussed in Section 2.5.

2.3.1 Presentations

■ **Initiative to Address TOD Infrastructure Financing Issues, February 2021**
Representative Nadine Nakamura, House of Representatives, and Stanford Carr, Stanford Carr Development

The presentation pointed out that the lack of infrastructure is the biggest impediment to building affordable housing or mixed-use development. This is a major issue and cost item along Honolulu's rail line and transit stations as well as on the Neighbor Islands. The unavailability of funding, competing priorities for resources, and multiple agencies involved in planning and construction create numerous barriers and complexity to the problem.

Regional Stakeholder Effort. Major landowners in the Iwilei-Kapālama area - Kamehameha Schools, DHHL, Castle and Cooke Homes, Weinberg Foundation, and HHFDC have been discussing ways to finance infrastructure in the area. This is the same area where HHFDC is currently working on an infrastructure master plan project. They initially met to see if the various parties were interested in collaborating on creating a community facilities district (CFD). Everyone agreed to proceed with exploring the economic feasibility of the idea. RM Towill is looking for the optimum starting point and how to phase the infrastructure development over time. The bonds would be amortized over a 30-year period and paid back using a surcharge on real property tax. It will also allow them to explore other avenues in capital market.

The low interest rate environment provides a great opportunity to utilize private financing to augment government funding from either the federal, State, or city sources to create a community facilities district to finance infrastructure improvement. The infrastructure needs to be ready with enough capacity for mixed-use, transit-oriented development when the guideway comes through.

Infrastructure Financing Project Proposal. During 2021 Legislative Session, Representative Nakamura introduced a bill (HB 1130) for an infrastructure finance study to be undertaken by OPSD to look at:

- Alternative financing opportunities, project delivery, and cost recovery mechanisms;
- Most promising options based on various sites and how this would apply to O'ahu and the Neighbor Islands;
- Analyze barriers/strategies to implement alternative financing. Since there are legal concerns with tax incremental financing (TIF), more study will be needed to determine how to use the tool; and
- Recommend any legislation, constitutional amendment, or administrative change.

This proposal was funded for \$300,000 as a proviso in the Executive Budget. Slides for this presentation are included in a PDF posted at:

<https://files.hawaii.gov/dbedt/op/lud/20210219%20TOD%20Mtg/Rep.NakamuraHB1130SlideSrev1.pdf>

2.4 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)]

The TOD Council monitors activities related to (1) individual projects identified in the TOD Strategic Plan; and (2) regional TOD-related projects that facilitate TOD development for multiple State, county, and private landowners in an area. The *State TOD Strategic Plan* currently includes 75 TOD projects and studies identified by the State and counties. This section provides an update on key TOD projects and studies—particularly those that have received TOD CIP funding—and other TOD staff initiatives to enhance State TOD project implementation.

Table 1 lists selected TOD projects with studies or project development underway. Appendix A provides the status of all TOD Strategic Plan projects being tracked by the TOD Council. Information for each project can be found in individual TOD Project Fact Sheets, which are available at http://files.hawaii.gov/dbedt/op/lud/State-TOD-Strategic-Plan_FactSheets_Rev-Aug-2018_rev20190715_secured-20190823.pdf.

Table 1. TOD Projects Underway or Being Initiated in Fiscal Years 2021-2022 (need to update table??)

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	
Oahu: State	East Kapolei	0-01	DHHL	East Kapolei	Kaaluokahai Increment II-A, Multi-Family/Commercial	33	RFP
		0-03	UHWO	East Kapolei, UHWO	UH West Oahu Long Range Development Plan	500	Planning
		0-06	DLNR	UH West Oahu	East Kapolei Master Development Plan	175	Planning/EA-EIS
		0-07	DOE	Hoopili	East Kapolei High School	45	Design
		0-38	HDOT/CCH	UH West Oahu, Hoopili	Farrington Highway Widening	45	EA-EIS/Design
	Halawa	0-13	SA/DAGS	Halawa	Aloha Stadium Redevelopment / Ancillary Development	99	EIS/P3 RFP
		0-14	HPHA	Halawa	Puuwai Momi Homes/Conceptual Master Plan	12	Pre-Planning
	Iwilei-Kapalama	0-21	HPHA	Kapalama	HPHA Administrative Offices Redevelopment	12	Planning/Design
		0-39	HHFDC	Iwilei, Kapalama	State Iwilei Infrastructure Master Plan	34	Planning
		0-22	HPHA	Iwilei	Mayor Wright Homes Redevelopment	15	Planning
		0-23	HHFDC/DAGS/HPHA	Iwilei	Liliha Civic Center Mixed-Use Project	4	Planning
	City & County of Honolulu	0-25	HHFDC	Kakaako	690 Pohukaina	2	Planning
		0-26	DOE/HHFDC	Kakaako	Pohukaina Elementary School	2	Design
		0-30	HHFDC/JUD	Ala Moana	Alder Street Affordable Rental Housing/Juvenile Service Center	1.5	Design
	City & County of Honolulu	0-32	CCH	Iwilei, Kapalama	Iwilei-Kapalama Infrastructure Master Plan	581	Planning
0-33		CCH	Pearlridge	Pearlridge Bus Center and TOD Project	3	Planning	
0-34		CCH	Kapalama	Kapalama Canal Catalytic Project/Linear Park	19	Planning	
0-35		CCH	Chinatown	Chinatown Action Plan		Plan/Des/Const	
0-36		CCH	Waipahu Transit Center	Waipahu Town Action Plan		Plan/Des/Const	
0-37		CCH	Kakaako	Blaisdell Center Master Plan	22	Planning	
Kauai	K-01	DAGS/COK	Lihue	Lihue Old Police Station/Civic Center TOD Proof of Concept	1	Pre-Planning	
	K-02	COK/KHA	Lihue	Pua Lake Affordable Housing	2	Planning/Design	
	K-14	COK	Lihue	Lihue Civic Center Redevelopment		Pre-Planning	
	K-15	COK	Lihue	Lihue Civic Center Mobility Plan		Pre-Planning	
	K-03	COK/KHA	Koloa	Koae Workforce Housing Development	11	Construction	
	K-04	COK/KHA/HHFDC	Eleele	Lima Ola Workforce Housing Development	75	Construction	
	K-08	COK/HHSC	Kapaa	Mahelona State Hospital/TOD Master Plan	34	Planning	
	K-09	COK/DPW	Mahelona	Kawaihau Road Multi-modal Improvements		Planning	
	Hawaii	H-13	COH	Pahoa	Pahoa Transit Hub		Planning
H-14		HPHA/COH	Hilo	Lanakila Homes/Complete Streets/Multi-Modal Improvements		Pre-Planning	
H-09		COH	Kailua-Kona	Old Airport Park Transit Station, Makaeo Transit Hub	14	Pre-Planning	
H-11		COH	North Kona	Kamakana Villages Senior/Low Income Housing	6	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-Plan/P	
	M-06	COM	West Maui	West Maui TOD Corridor Plan		Pre-Planning	
	M-02	HHFDC/DAGS	Kahului	Kahului Civic Center Mixed-Use Complex (fka Kane St AH)	6	Planning	
	M-03	COM/HHFDC/DAGS	Kahului	Central Maui Transit Hub	0.5	Design	
	M-04	COM/DAGS/DLNR	Wailuku	Wailuku Courthouse Expansion	3	Planning/Design	
	M-05	COM	Wailuku-Kahului	Kaahumanu Ave Community Corridor Plan (fka Wailuku-Kahului)		Planning	

1-Dec-20

2.4.1 FY 2017 CIP-funded Projects

In 2016, the Legislature appropriated \$500,000 in CIP funds to OPSD for FY 2017 to undertake plans for site master planning for State lands in TOD areas on O'ahu. The status of these funded projects is summarized below.

■ DAGS / Stadium Authority

\$200,000

Aloha Stadium Redevelopment and Ancillary Development: Pu'uwai Momi Scoping **In-Progress**

These funds bundled in the DAGS/Stadium contract were re-programmed to prepare conceptual plan schemes for redevelopment of HPHA's Pu'uwai Momi Homes, to be coordinated with master planning of the New Aloha Stadium Entertainment District (NASED) Project. This will ensure better physical and infrastructure integration of the property into the overall redevelopment scheme for the Stadium property, and potentially explore shared infrastructure requirements to reduce the redevelopment costs for the public housing project. The DAGS consultant has prepared alternative conceptual schemes for the development of public and affordable housing units on the Pu'uwai Momi parcel, as well as alternatives that would distribute the total anticipated units throughout the three-phased NASED project area. Additional work on a highest-and-best-use market study of the Pu'uwai Momi parcel and supplemental studies related to traffic and environmental impacts is anticipated in 2022.

New Aloha Stadium Entertainment District Project (NASED). Three development teams have been shortlisted to participate in the project's P3 RFP solicitation. Public review and comment period for the draft EIS was completed. It is in the process of being finalized. To follow the progress of the Aloha Stadium Redevelopment project, visit the NASED website, <https://nased.hawaii.gov/>.

■ DLNR

\$200,000

East Kapolei lands—Strategic master plan **Completed**

The Board of Land and Natural Resources approved the strategic master development plan and the use of funds appropriated in the 2019 Legislative Session to prepare an environmental impact statement (EIS) for the plan. The plan area includes four DLNR parcels situated adjacent to UH West O'ahu, DR Horton Ho'opili lands, and UH West O'ahu transit station. DLNR sees the development potential of these lands as providing a revenue stream for its resource management and protection programs. The EIS is expected in 2022.

■ UH Honolulu Community College

\$100,000

UH HCC Campus—TOD Study **Completed**

The study assessed the potential TOD options in conjunction with the future transit station planned at the corner of Dillingham Boulevard and Kōkea Street on the HCC campus. TOD opportunities need to be aligned with the HCC higher education mission and the HCC Long Range Development Plan. The report was completed and presented to the UH Board of Regents in 2019.

2.4.2 FY 2018 CIP-funded Projects

■ Office of Planning \$1,000,000

State TOD Planning and Implementation Plan, Island of O'ahu* **Completed**

A legislative appropriation of \$1 million was used for master planning, site planning, and infrastructure assessments for State agency transit-oriented development projects near proposed rail stations at the TOD priority areas of East Kapolei, Hālawā-Stadium, and Iwilei-Kapālama. A multi-disciplinary consultant team led by PBR Hawai'i developed anticipated land use scenarios for each priority area, compiled infrastructure improvements and costs for infrastructure necessary to support projected buildout, and conducted a financial analysis of various tools to pay for the necessary infrastructure improvements. The estimated infrastructure cost and financial analysis of various financing options are discussed in the presentation summary in Section 2.3.1 of this report.

Executive Summary. The Executive Summary of the report is appended as Appendix B of this annual report. The final report and subconsultant reports are available at TOD Council website: https://files.hawaii.gov/dbedt/op/lud/20200811_StateTODProjectReport/State-TOD-PIP-Proj_WebReport-w-Appendices_202007.pdf.

*American Planning Association- Hawai'i Chapter recognized the 2020 State TOD Planning and Implementation Project with the 2021 Chapter Award for Economic Development Planning during its annual Hawai'i Congress of Planning Officials Conference in October.

■ OPSD / University of Hawai'i Community Design Center (UHCDC) \$250,000

Waipahu TOD Proof of Concept Project **Completed**

This project used course work and directed research to provide a framework for integrative analysis and planning for the development of all State parcels within the ½-mile radius of the Waipahu transit station. The Waipahu Proof of Concept project is intended to be a pilot project to develop a framework for applying a similar process to other TOD areas.

■ DAGS / County of Kaua'i / University of Hawai'i Community Design Center (UHCDC) \$250,000

Līhu'e Civic Center TOD Proof of Concept Project **In-Progress**

The Legislature appropriated \$250,000 to DAGS for UHCDC to conduct a TOD Proof of Concept study for a key community site. DAGS has elected to study the Līhu'e Civic Center area, which would incorporate redevelopment of the old Līhu'e Police Station site that is controlled by DAGS. The Proof-of-Concept study will utilize stakeholder engagement, applied research, conceptual planning, and design investigation. In addition, the project work will incorporate and complement the County's Līhu'e Town Center revitalization efforts. DAGS anticipates including select County properties in the study. The project is scheduled to start in 2020.

2.4.3 FY 2021 CIP-funded Projects

In 2020, the Legislature appropriated \$1.5 million in CIP funds to the Office of Planning for statewide planning of TOD projects identified in the *State TOD Strategic Plan*. The aim for FY

2021 TOD CIP funds was to direct funds to Neighbor Island TOD projects, since previous years' funding had been limited to O'ahu. The primary purpose of the funds is to jumpstart master planning or infrastructure assessment work that is critical to advancing TOD projects in proximity to transit nodes—with particular emphasis on projects that require multi-agency cooperation and collaboration and meet State TOD objectives and principles in the *State TOD Strategic Plan*.

Nine proposals were submitted, requesting a total of \$3.43 million in funding. Four projects were selected for funding and are summarized below. More information on the proposals submitted and the four projects funded is posted under the October 13, 2020 meeting at <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

■ **HPHA / County of Hawai'i** **\$550,000**

Lanakila Homes/County of Hawai'i Multi-Modal Transportation Project, Hilo, Hawai'i **In-Progress**

Joint proposal for planning and design for development of low-income and affordable housing units on an 8-acre area of HPHA's Lanakila Homes in Hilo, Hawai'i—incorporating the County of Hawai'i's Complete Streets and Multi-Modal Transportation elements in site planning and design to enhance "first and last mile" walking and bicycling opportunities and facilitate access to existing and planned bus facilities within Hilo town. The Master Plan will include strategies to deal with contaminated soils that are hindering use of the property; increase additional affordable housing units and determine the appropriate demographic mix; and any infrastructure improvements that may be required for proposed development.

■ **County of Maui** **\$500,000**

West Maui TOD Corridor Plan, Lahaina-Kā'anapali, Maui **In-Progress**

Planning and development of an implementation strategy for a transit corridor running along Honoapi'ilani Highway from the Lāhaina Recreation Complex to Whalers Village in the Kā'anapali Resort area. Objectives include improving connectivity between Kā'anapali and Lāhaina for residents, employees, and visitors; assessing market conditions for affordable/workforce housing, assessing infrastructure capacity to meet future growth; locating a transit hub; increasing transit availability in proximity to affordable housing, jobs, and commercial uses; improving pedestrian and bicycle safety throughout Lāhaina and to/from Kā'anapali; and completing West Maui Greenway realignments in the region.

■ **County of Kaua'i** **\$250,000**

Līhu'e Civic Center Mobility Plan, Līhu'e, Kaua'i **In-Progress**

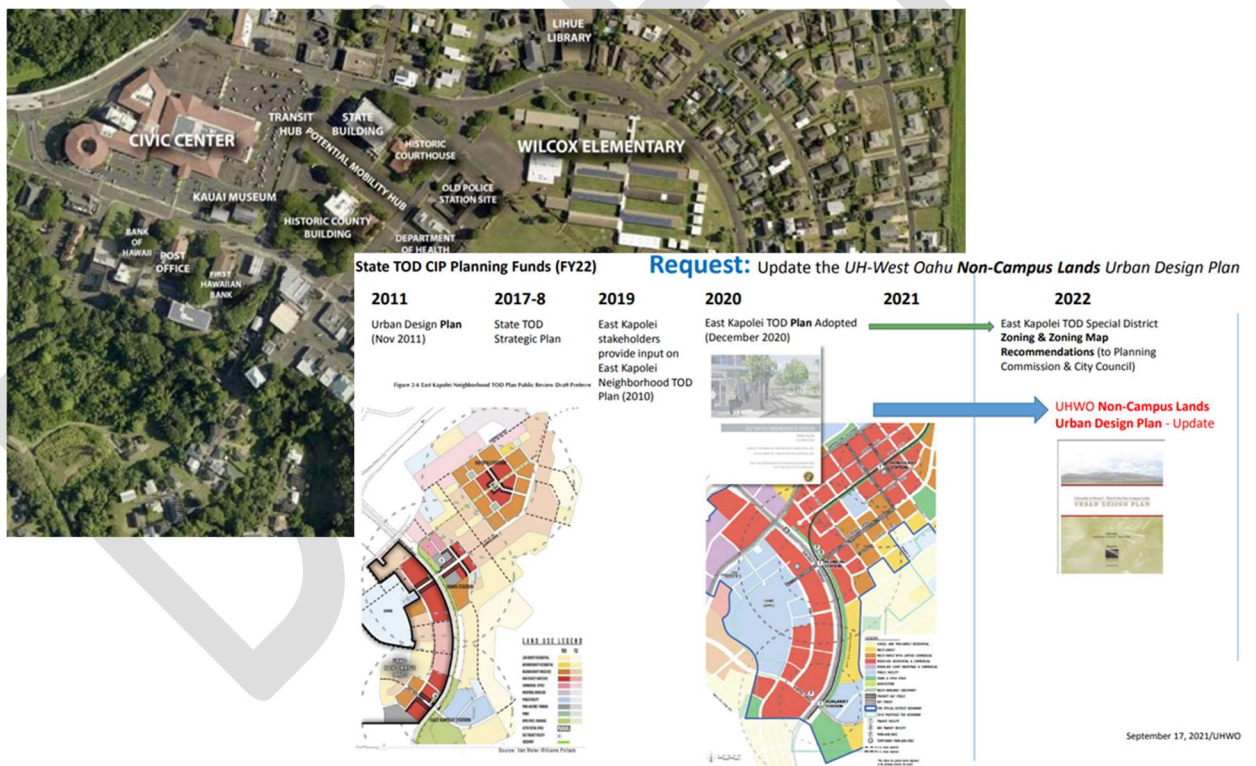
Preparation of a Civic Center Mobility Site Plan and development of parking management strategies for the Līhu'e Civic Center campus to support County TOD redevelopment at the Civic Center site. The Plan is intended to increase connectivity with other State facilities and State TOD projects in the vicinity, including the vacant former Police Station and underutilized DOH sites.

Integrated Kahului Library/Kahului Mixed-Use Civic Center Complex, Kahului, Maui **In-Progress**

Planning study to identify needs of a new Kahului Public Library, possible integration and cost of integrating into current DAGS Civic Center planning at State's Kahului Mixed-Used Civic Center project site in Kahului, Maui. Planning effort would enable HSPLS to explore relocation of library services from its outdated facility to a new, state-of-the-art public library in a location that is convenient and accessible to transit and the public.

2.4.4 FY 2022 CIP-funded Projects

In 2021, the Legislature appropriated \$2 million in CIP funds to the Office of Planning and Sustainable Development for statewide planning of TOD projects identified in the *State TOD Strategic Plan*. This year's TOD CIP Planning funds were available for projects on every island. The objective of the funds is to activate master planning or infrastructure assessment work that is critical to advancing TOD projects in proximity to transit nodes—with particular emphasis on projects that require multi-agency cooperation and collaboration and meet State TOD objectives and principles in the *State TOD Strategic Plan*.



Source (from top to bottom): County of Kaua'i Planning Department and UH-West O'ahu's Presentation, TOD Council meeting, September 17, 2021

Six proposals were submitted, requesting a total of \$2.675 million in funding. All six projects were selected for funding at reduced amounts and are summarized below. Each proposal made a compelling case for funding and implementation of TOD. It was at a critical juncture where funding it now would contribute significantly to project success. More information on the projects is provided under the September 17, 2021 meeting at <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

■ **County of Kaua'i**

\$350,000

Līhu'e Civic Center Redevelopment Plan, Līhu'e, Kaua'i

Preparation of a conceptual redevelopment plan for the Līhu'e Civic Center to support mixed-use development, including housing, commercial uses, and other services such as a childcare facility, and preparation of a phasing plan for redevelopment of the property. The conceptual master plan and phasing strategy will support County plans to revitalize the Līhu'e Town Core to provide much-needed affordable housing and create a civic and commercial anchor for Līhu'e Town and gathering place for the island. Conceptual schemes and a high-level redevelopment strategy will support County efforts to attract development partners in this redevelopment effort. The project will be coordinated with a previously funded mobility planning project to better serve State TOD projects and facilities in the town core.

UHWO Non-Campus Lands Urban Design Plan (UDP) Update, East Kapolei, O‘ahu

Update of the UHWO Non-Campus Lands UDP (November 2011) for consistency with the City’s East Kapolei Neighborhood TOD special district & zoning maps for the station areas in East Kapolei, Oahu. Non-Campus Lands include 2 key TOD areas surrounding the UHWO (Keoneae) and East Kapolei (Kualaka‘i) transit stations. The revised plan will streamline the City permit review process and provide a vision for future development of non-campus lands as well as design principles/guidelines to ensure development is compatible with the campus and supports TOD/densities in the City’s East Kapolei TOD Plan.

Department of Land and Natural Resources

\$300,000

East Kapolei TOD Conceptual Urban Design Plan, East Kapolei, O‘ahu

Preparation of a conceptual urban design plan for two DLNR East Kapolei parcels in East Kapolei, Oahu: one adjacent to the Keoneae Rail Station; the second situated mauka and east of the Kualaka‘i Parkway and Farrington Highway intersection. The urban design plan will include developing alternative site plan layouts, architectural design themes and guidelines, architectural renderings, circulation plan, and public realm improvements to provide walkable, livable mixed-use development in proximity to the HART rail station.

Hawai‘i Public Housing Authority

\$225,000

Kahekili Terrace Housing Master Plan, Kahului, Maui

Master planning & preparation of an EA for the redevelopment of a 3.9-acre portion of HPHA’s Kahekili Terrace in Wailuku, Maui, to provide additional density to increase number of affordable, work force, and/or market rate housing units on the property. Project will further support & enhance the Wailuku Redevelopment Area and incorporate elements to enable safe access for pedestrians, bicyclist, motorist, and transit users within the community.

Hawai‘i Public Housing Authority

\$400,000

Pu‘uwai Momi Housing Redevelopment Master Plan, Hālawā, Hawai‘i

Master planning for the redevelopment of Pu‘uwai Momi Housing situated adjacent to the Hālawā Rail Station and in proximity to Aloha Stadium redevelopment. The master plan will articulate the potential for redevelopment of Pu‘uwai Momi into a vibrant, mixed-use community that integrates affordable housing into the urban fabric envisioned in the City's Hālawā Area TOD Plan.

County of Hawai‘i

\$100,000

Pāhoa Transit Hub Site Selection and Planning, Pāhoa, Hawai‘i

Conduct of planning studies to inform the location, final design, and construction of a Pāhoa Transit Hub in Pāhoa Town to support a hub-and-spoke fixed route transit system for the County. The planning proposal includes site selection analysis and master planning for the

transit hub, to incorporate other mobility options such as carsharing, bikesharing, and micromobility. The project is important to improving transportation options and access for residents of the lower Puna area, one of the County's fastest growing areas. Site analysis/selection and conceptual plans will be critical to ensuring that the final location and design of the transit hub fosters and supports TOD within Pāhoā Town.

■ **Office of Planning and Sustainable Development**

\$500,000

Infrastructure Financing Study and Pilot Projects, Statewide

A provision in the State CIP appropriation bill sets aside \$300,000 of the \$2 million in FY22 State TOD CIP Planning Funds to coordinate an infrastructure financing study and pilot projects in each county. OPSD is charged with hiring a consultant to conduct the study. The primary tasks are:

- Find alternative financing tools, cost recover mechanisms to recapture upfront State infrastructure investment;
- Look at specific financing, cost recovery, value capture tools for a TOD Pilot Area in each county;
- Analyze barriers and strategies to implement tools for TOD; and
- Develop recommendations and legislation to implement tools for each TOD Pilot Area.

The proviso requires consultation with key stakeholders, which are listed in Act 88, SLH 2021. This advisory group becomes a forum for dialogue on findings and types of mechanisms that are needed to allocate resources and costs wisely. It will take about 4-5 months to get the funds released and procure a consultant. In early 2022, OPSD anticipates kicking off the project and take 18-24 months to complete. Input will be requested on scope, workplan, process, county stakeholders, best practices, and identification of the TOD Pilot Area.

The TOD pilot areas identified for each county are: Iwilei-Kapālama on O'ahu; Līhu'e Town core on Kaua'i; Ka'ahumanu Community Corridor for Maui, and Ane Keohokālole corridor for Hawai'i County. Specific boundaries will be worked out in the PIGs.

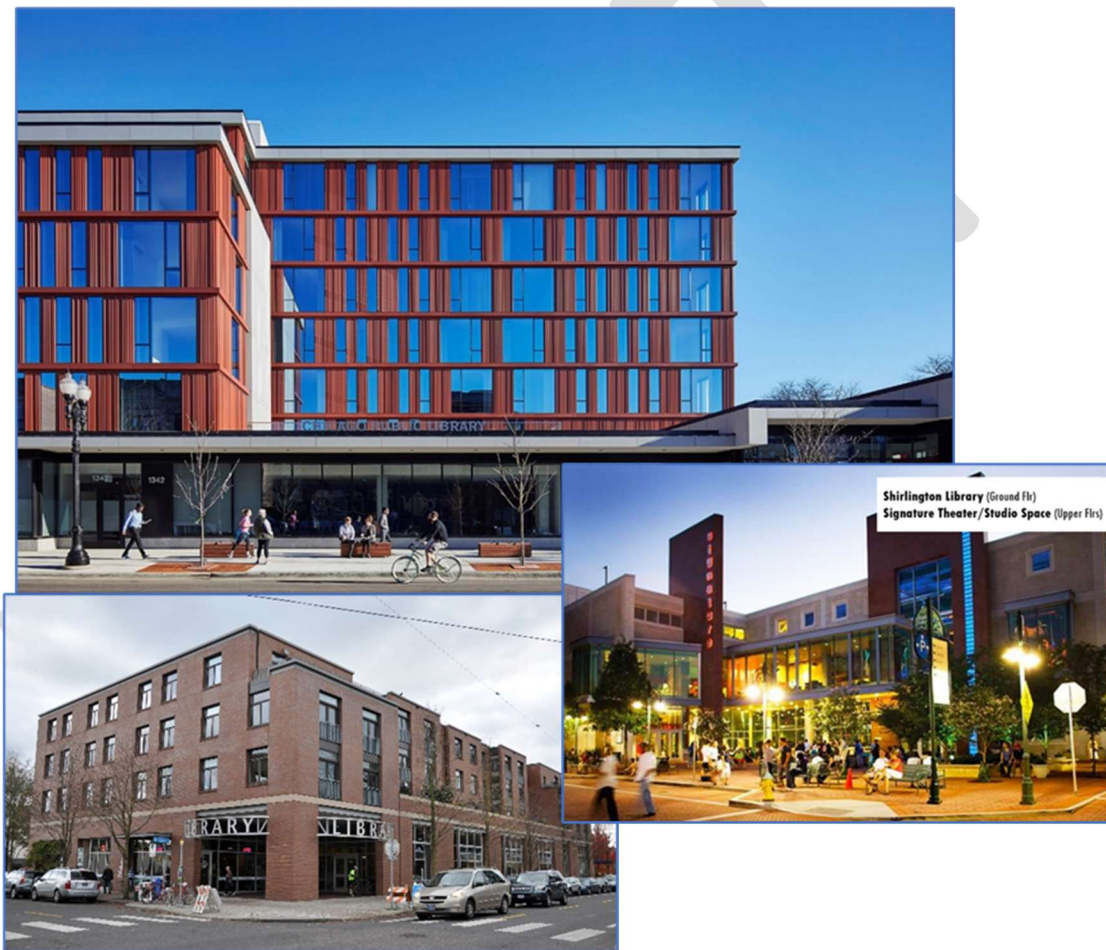
2.4.5 Other TOD Project Initiatives

Mixed-Use Library Projects. TOD staff has been working with the HSPLS, DAGS, and County of Hawai'i to continue exploring the potential for co-locating and integrating public library facilities in projects with other uses, such as affordable housing, other government services, and commercial and other community uses—especially in proximity to transit hubs. Over the last decade, public library systems across the U.S. have been reimagining and expanding their libraries as community hubs—some examples are illustrated on the next page.

The HSPLS Kahului Library Study and Pāhoā Public Library/Pāhoā Transit Hub Site Selection and Planning are the first efforts to determine how this integration could be done in Hawai'i.

Other sites are being discussed. (Do we need to change images? See next page.)

Previous images



Clockwise from top left: Hollywood Branch Library / The Bookmark Apartments, Multnomah County, OR; Shirlington Branch Library / Signature Theater, Arlington, VA; Little Italy Branch Library / Taylor Street Apartments, Chicago, IL

New images?



COOLING CENTERS

Kent Commons Community Center
Thursday & Friday • 12PM - 5PM • 525 4th Ave N

Kent Public Library
Thursday & Friday • 10AM - 5PM • 212 2nd Ave N

Impactful heat is expected Thursday and Friday with moderate to high risks of heat-related illness and increasing fire danger.

Clockwise from top left: Cornelius Public Library/Cornelius Place-Mixed-Use Development, Cornelius, OR (Lincoln Institute); Brighton Beach Branch Library – Mixed Use Co-Development, Brooklyn, NY (The Architectural League NY) / Kent Library (used as cooling center), Kent, WA/Los Angeles County Library) / El Cajon Valley High School Library (used for a Lions / Leo Club Meeting), El Cajon Valley, CA

2.5 Review of CIP Requests to the 2021 State 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)]

At its January, February, April, and June 2021 meetings, the TOD Council reviewed the following projects for CIP funding by the Governor and Legislature. OPSD and HHFDC briefed key legislators on the requests for CIP funding:

- **BED144–STATEWIDE TOD PLANNING – FY22, \$2M; FY22, Minimum of \$300,000 for Infrastructure Financing Study and Pilot Project. [First Year Funded]**
OPSD Request: \$2 million for Statewide planning and coordination (BED144) for certain transit-oriented development (TOD) projects identified in the *State Strategic Plan for Transit-Oriented Development*. Funds would be used for planning and feasibility studies, master plans, infrastructure assessments, cost estimation, preparation of environmental review documents as needed to advance TOD priority projects identified in the State TOD Strategic Plan, including support for coordination and collaboration of State and county agencies to plan and implement key projects.
- **BED160–DWELLING UNIT REVOLVING FUND (DURF) INFUSION, STATEWIDE – FY2023, \$20M [Funded]**
HHFDC Request: \$20 million enable and support multiple State TOD and affordable housing projects. The Dwelling Unit Revolving Fund has been a valuable source of pre-development financing for HHFDC projects on State lands and for interim construction financing for private developers of affordable housing projects. The proposed use of DURF funds has been coordinated with the HPHA and county housing agencies in facilitating the development of affordable rental housing. Act 132, SLH 2016 broadened the uses of DURF to also fund State regional infrastructure in conjunction with housing and mixed-use TOD projects.
- **BED160-RENTAL HOUSING TRUST FUND (RHTF) INFUSION, STATEWIDE – FY2023, \$25M, FY2022, \$40M HPHA School Street Senior Affordable Housing, O’ahu [Funded]**
HHFDC Request: FY2023, \$25 million; FY2022 and FY2023, \$38 million infusion to replace funding from conveyance taxes during this period; and FY2022, \$40 million for HPHA School Street Senior Affordable Housing, O’ahu.
The Rental Housing Revolving Fund (RHRF) provides “Equity Gap” low-interest loans to qualified owners and developers constructing affordable housing units. Funds may be used to provide a loan for the development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units.

Other TOD-related CIP Project appropriations approved this session (not part of the TOD CIP items recommended to the Legislature for FY 2022):

- **SUB501 - County of Kaua’i.** FY2022, \$9,850,000. Water improvements that benefit the Waialua-Kapa’a area, including the Samuel Mahelona Memorial Hospital site; and
- **HHL602 - Department of Hawaiian Home Lands.** FY2022 \$2,000,000. 250-unit multi-family residential rental complex in East Kapolei for their TOD project (Ka’uluokaha’i Increment II-A, Multi-Family/Commercial); FY2022/FY2023 \$5,132,000. East Kapolei TOD and Telcom Infrastructure.

2.6 Policy, Program, and Resource Recommendations for TOD Implementation

(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 provides a forum to consider and advance policy, program, and regulatory tools and resource strategies that would support successful TOD planning and implementation statewide. It does so by monitoring and advocating for TOD-related legislative proposals and TOD funding requests, educating its members on models and best practices that would contribute to a more TOD-supportive environment, and undertaking research or studies as resources allow to establish appropriate policies and program tools for effective TOD implementation.

2.6.1 Legislative Proposals for TOD-Related Policy and Program Supports

Throughout the 2021 Legislative Session, the TOD Council reviewed, discussed, and monitored approximately 30 measures related to TOD, including appropriations bills with requests for funding for TOD projects and TOD program support.

Key measures tracked in the 2021 Legislative Session included those that would:

- Specify that the cost of regional infrastructure improvements made by the HHFDC may be assessed against transit-oriented development projects specially benefiting from the improvements, as determined by the corporation;
- Requires the OPSD to hire a contractor to, among other things, identify and assess alternative financing, project delivery, and cost recovery mechanisms to recapture the State's upfront investment in transit-oriented development infrastructure;
- Establish the O'ahu Community Correctional Center site redevelopment working group to bring together State and county agencies, private entities, and broader Kalihi community.
- Establish the stadium development district special fund;
- Requires the HCDA to develop a transit-oriented development zone improvement program.
- Require at least one hundred thousand housing units be developed near the rail station nearest to the aloha stadium; and
- Establish the Office of Public-Private Partnership and the position of State public-private partnership coordinator.

Of the measures tracked, the following were approved. Several proposals became law.

Bills Passed

HB 200, HD1, SD1, CD1 [Act 88, SLH 2021], Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023. (CD1). Also, language from HB 1130 HD2 SD2 was included as a proviso in this budget bill.

HB 1348, HD2, SD2, CD1 [Act 146, SLH 2021], Establishes the stadium development special fund. Clarifies the role of the SA and HCDA in the development of stadium lands. The bill also expands the powers and duties of SA.

SB 225, SD21, HD1, CD1 [Act 95, SLH 2021], Allows HHFDC to assess infrastructure costs from the projects that benefit from Dwelling Unit Revolving Fund infrastructure subaccount funding of infrastructure improvements. It also requires the TOD Council to review and make recommendations on applications for subaccount funds on infrastructure project related to TOD.

SB 1402, SD2, HD1, CD1 [Act 131, SLH 2021], Requires the DOT to create motor vehicle, bicycle, and pedestrian highway and pathway networks.

2.6.3 Presentations on Models / Best Practices for TOD Design, Development, Implementation

As opportunities arise, TOD Council members are presented with information on practices and approaches that influence effective TOD-supportive policies and regulations, or highlight resources, mechanisms, and approaches that could be applied to address barriers to successful statewide TOD planning and implementation or serve as models for individual TOD project implementation. Presentation made to the Council in 2021 are summarized below.

■ **Multi-Modal Mobility Hubs**

Jean Crowther and Derek Abe, Alta Planning + Design (Alta)

Mobility hub is defined in the TOD context as “a location where mobility options are intentionally linked to transit-oriented development and amenities to make getting around more convenient, seamless, and enjoyable for the purpose of advancing mobility, climate, and equity goals.”

This presentation stressed the importance of urban design in making sure the competing and complimentary uses fit together. Some of the design decisions of a mobility hubs are:

- Integration of at least two transportation services with different land uses like housing, office, and commercial development;
- Being cognizant of all the ways a person might reach the site;
- Repurpose/retrofit of existing public facilities in many cases;
- Creating sense of place with human-centered design;
- Locally relevant and context sensitive program and amenities;
- Fair and equitable access, including universal design; and
- Cohesive, intentional design that is flexible/adaptable to evolving needs.

Elements of a mobility hub can include bus access/stop, rail access/station, passenger pick up/drop off areas, short-term bike parking, community space, etc. – elements that are already on the ground and people are currently using (see graphic on next page). For mobility hubs to be successful, it needs to have the right mix of elements for that specific area.

Elements of a Mobility Hub

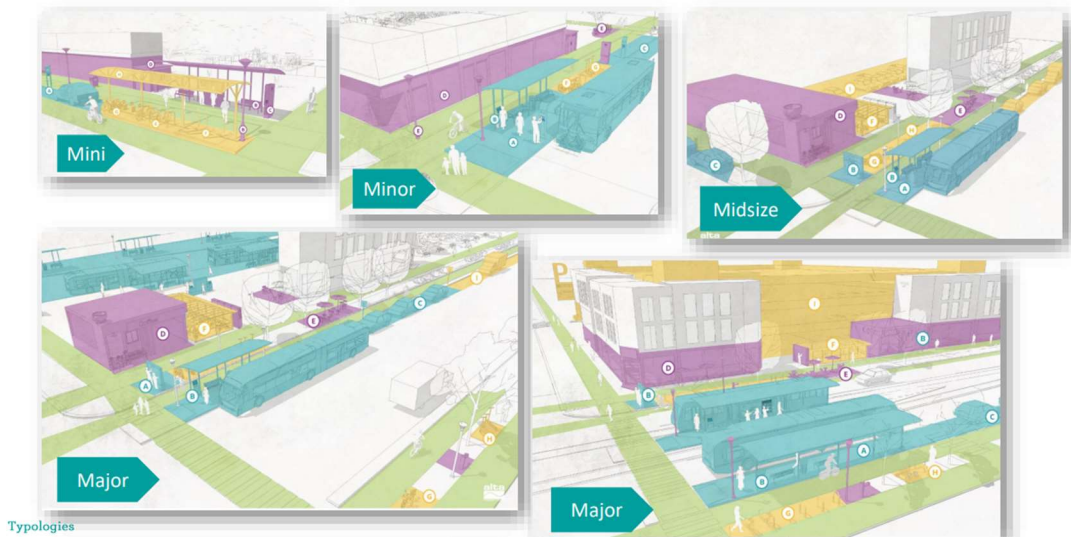


Source: Alta Planning + Design Presentation, TOD Council Meeting, April 16, 2021

Mobility hubs types can have different sizes and scales ranging from mini to major (See graphic on next page). Planners need to be very intentional on what they want to achieve with the co-location of services to serve the needs of the surrounding community. However, as demand increases, more amenities and co-location of services can be added over time. Agencies should think about all of the outcomes that you want to achieve and work backwards. These are the different types/sizes of mobility hubs:

- Mini: The facility could be as basic as a bike rack and/or a bus stop.
- Mid-sized: Slightly less than a major facility and less elements. Picking the right mix is critical. In some locations, it is going to resemble more of park-and-ride, and, in other areas, it is going to be more of a community center.
- Major: A facility that that could be found in a city where there is a natural convergence of different transit modes, transportation network companies, standard parking for cars and bikes, and amenities that support the transition between modes and uses. The amenities could include Wi-Fi service and coffee shops.

Mobility Hub Typology



Source: Alta Planning + Design Presentation, TOD Council Meeting, April 16, 2021

The final product should aim to give people more choices to reach their destinations, add new players, change behavior, support electrification and e-commerce, and manage curb space demand. Planners need to work with new business models and partnerships. There is no one-size-fits-all solution.

At a Utah project, Alta determined what is being accomplished and worked backwards. First, they worked with stakeholders to develop a quantitative analysis that focused on measuring need and demand specific to mobility opportunities. Then, the group developed a typology specific to the area looking at different scales and how elements may fit together. Next, they did a qualitative analysis to narrow down the sites based on the GIS data, mobility hub types, and goals. The final step was site design and programming as to what type of services could be offered and what could fit. The encountered several challenges:

- Location. Location is critical. It must be the right parcel. Lots of factors need to be considered;
- Constrained rights of way. The hub needs to fit into the zoning and context of the area.
- Existing policies. Laws may not allow electrical charging stations or co-location of services;
- Capacity limits. Many locations are already at peak capacity during peak demand times. Mobility hubs are supposed to attract more users;
- Meaningful engagement. It may not be a known concept, so agencies will need to do a significant amount of community outreach; and
- Known unknowns. Mobility hubs are constantly evolving, and technology is always changing.

Mobility hubs put into practice many of the objectives that agencies are using to try to future-proof projects and be flexible. Mobility hubs can be designed to address long-term environmental needs/functions for:

- Climate Change and Sustainability. Incorporating bio swales, stormwater retention/infiltration;
- Clean Energy Infrastructure. Renewable energy production/charging, water catchment;
- Smart Cities and Electrification. Mobility as a service supporting freight, e-commerce, Wi-Fi; and
- Recovery/Resilience. As urban cooling centers, quick-build active transportation networks, refuge centers during times of need.

By co-locating libraries, schools, hospital/clinics, and transportation networks, the community becomes more resilient.

The presenter emphasized that it is critical to keep the end user in mind at all phases. This is a challenge when agencies want to fit all needs into the project. To be successful, the design needs to be oriented towards the user to be convenient and as effortless as possible to make trip transfers as seamless as possible for multi-modal. Multi-modal hubs will make mixed-use space more attractive for people selling/renting residential units, employees working there and in surrounding areas, and businesses leasing out commercial spaces. Agencies need to look at the site as part of a larger network. For instance, a project added wider sidewalks and bike facilities to help set up their hubs for success. Finally, agencies may need to work with lawmakers and other entities to fix gaps in policies. For example, data sharing agreements/requirements need to be worked out to ensure private companies using the site will make information available and performance of the site can be measured.

Slides for this presentation are included in a PDF posted at:

https://files.hawaii.gov/dbedt/op/lud/20210416%20TOD%20Mtg/AltaHI_TODCouncil_20210415.pdf

2.7 Assemble Fiscal and Demographic Information

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

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. The following presentations provided an overview of ALOHA Homes Implementation Study and ALOHA Homes Proposal which addresses Hawai'i's housing shortfall.

■ ALOHA Homes Implementation Study

Hawai'i Appleseed Center for Law and Economic Justice/Hawai'i Budget & Policy Center

- Kenna Stormogipson, Policy and Data Analyst;
- Abbey Seitz, Community Planner;
- Steven Miao, Research Assistant, Hawai'i Budget and Policy Center;
- Jacob Heberle, Summer Intern, Hawai'i Appleseed;
- Charles Long, Developer;
- Williamson Chang, JD, Legal Analyst, UH-Mānoa William S. Richardson School of Law;
- Arjuna Heim, Fall Intern, Hawai'i Appleseed;
- Dave Freudenberger, Public Finance Consultant, Goodwin Consulting Group;
- Dennis Silva, Planner, Hawai'i Planning LLC; and

- Jessica Sato, Freelance Designer.

Act 167, SLH 2019 charged HHFDC with studying and formulating a plan to implement an “affordable, locally owned homes for all” (ALOHA) Homes program. The focus of the proposed program was intended to be low-cost, high-density leasehold homes for sale to Hawai'i residents on State lands within a half-mile of a public transit station.

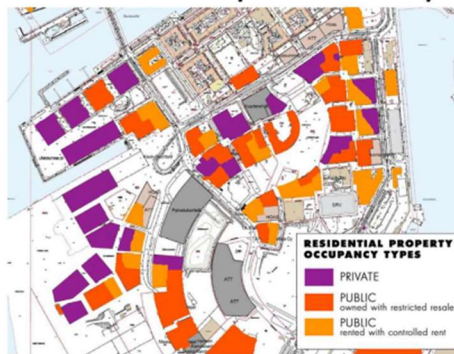
The ALOHA Homes proposal was based on Singapore’s Housing Model. The country has been very successful in providing homeownership with over 90 percent of its residents owning a home. Eighty percent is state-financed and -built. The government will provide subsidies if someone cannot afford to buy one due to their income. They emphasize homeownership using a 99-year lease rather than renting. They are able to provide adequate supply by utilizing cheap labor for construction.

There are two areas that will be very difficult to replicate in Hawai'i. One is the low construction costs. In Singapore, it costs between \$125 to \$150 per square foot to build. This is less than half the price experienced in the islands. The other is a strong central government. They do not have to engage its citizens in planning. As a result, they built over 15,000 homes in 2013 and over 30,000 units in 2017, with average per unit re-sale price remaining flat at about \$300,000.

The study team found two locations, Helsinki, Finland and Vienna, Austria, similar to Hawai'i that have been successful in providing affordable housing. Both have western-style citizen engagement, strong labor unions, and high construction costs. The cost per square foot is \$325 - \$400 in Helsinki and \$250 - \$300 in Vienna. In Finland, private market housing can be sold at any price. However, public housing, either rented or owned, is essentially restricted or controlled and stays affordable for the life of the building. All neighborhoods are a mix of 50 percent private and 50 percent public housing.

Helsinki, Finland and Vienna, Austria- more similar

JÄTKÄSSARI, HELSINKI, FINLAND



PUBLIC VERSUS PRIVATE AFFORDABLE HOUSING



- Citizen engagement (NIMBY)
- Strong labor unions
- High costs of construction
 - Helsinki \$325-\$400/sq ft
 - Vienna \$250-\$300/sq ft

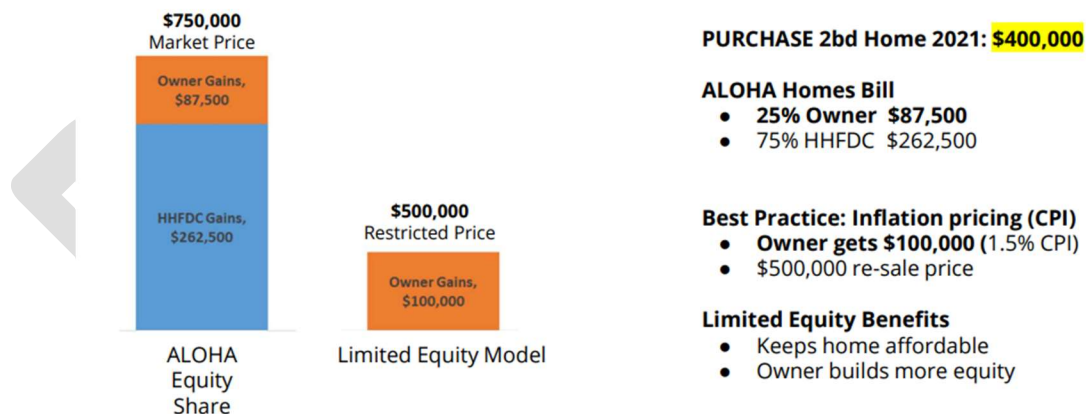
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Source: Hawai'i Appleseed Center for Law and Economic Justice/Hawai'i Budget & Policy Center, TOD Council meeting, June 18, 2021

The key is maintaining affordability. Between 2008-2019, there were about 7,300 for-sale homes in Kākā'āko. Initially, 26 percent were affordable due to inclusionary zoning practices with 1,850 units priced below-market. However, affordable units now make up 9 percent (637) of existing housing stock, and it's going to be even lower at 3 percent by 2025. The bulk of for-sale affordable homes were lost due to the expiration of the 5-year affordability period. It is very unlikely these units will be replaced.

One of the solutions to this is to restrict the re-sale price. The original ALOHA Homes bill had an equity share approach, which meant that the home would still sell at market rate (diagraph below). For example, HHFDC would receive 75 percent and the owner would receive 25 percent (See graphic below). Another approach is the Limited Equity Model similar to land trust models or DHHL practice. When a person sells the property, the individual does not get to sell it at market rate, but owner can still earn equity. The price can be restricted so that it stays in line with wages and goes up with inflation. For example, if a home is purchased in 2021 for \$400,000 and sold for \$750,000 in the Aloha Homes Equity Share Model, the owner gains \$87,500 and HHFDC earns \$262,500. However, in the Limited Equity Model, the sale price is restricted at \$500,000, so only the owner gets \$100,000. The next owner can purchase it at \$500,000. Although HHFDC would not receive any revenues, there would not be the loss of an affordable home.

ALOHA homes model vs Maintaining Affordability



11

Source: Hawai'i Appleseed Center for Law and Economic Justice/Hawai'i Budget & Policy Center, TOD Council meeting, June 18, 2021

The report focused on for-sale affordable housing. No region in the country is doing a good job in this area. These units are available to 80-120 percent of Area Median Income (AMI). It is a real challenge to construct homes in this cost range. They looked at a lot of pro formas using low-income tax credits and saw that they produced a lot of units for rent at a tremendously high cost. Their recommendation on for-sale housing is to focus on the following measures:

- State Land Contribution – In many cases, Low-Income Housing Tax Credit (LIHTC) projects do not receive free land because the developer is charging for the parcel. Land generally adds \$100,000 - \$150,000 per unit. The State should make land available through long-term leases;
- Off-Site Infrastructure – The infrastructure cost for the affordable housing component can be zero or very low cost. The planning process needs to make sure it protects affordable housing from disproportionate allocation of infrastructure cost;
- Streamlined Entitlement – One way to reduce costs is to streamline the entitlements for affordable housing. It should be “by right” since many of the TOD zones are already envisioned for growth through an area’s planning process;
- Financing Access – Most of the affordable housing financing is done through LIHTC in Hawai‘i and across the country. They found that the most straightforward and cost-effective means of financing affordable for-sale housing is to use taxable mortgage revenue bonds. Another option is to have a local bank provide the construction financing, and in exchange, they would be the first in line to do the mortgages.

By doing all of these, the construction cost can be reduced substantially and make the units affordable to moderate income range (80-120 AMI) individuals. No LIHTC and extra time will be required.

As part of the implementation process, off-site infrastructure improvements need to be financed and handled separately. This will remove a huge cost burden for affordable housing. It can be done in several ways including continuing to have market rate housing pay its fair share or just eliminate any cost obligations. Other approaches include the use of community facilities districts (CFD) (most common and progressive), General Excise Tax (GET)/sales tax (less common, more regressive), and federal dollars. These would be on top of existing Real Property Tax (RPT). Another possibility is to use a portion of current RPT and apply towards improvements.

A focus group was held to find out how residents felt about different affordable housing issues:

- Owner-occupancy enforcement. People were against any high-tech solutions. They suggested having one person assigned to handle all the information to ensure compliance;
- Preferences and set asides for target groups such as elderly and houseless. There appears to be greater support for set-asides than preferences;
- No income limits. All U.S. cities have income limits ranging from 80-150 percent AMI. Even Singapore has income limits. Their recommendation for the project is 140 percent AMI;
- Future Tenant Involvement. Focus group overwhelmingly support involvement in the planning, design, and management of the future project. In Helsinki and Vienna, they have very active tenant associations that participate in the management of these housing units. Locally, Pu‘uhonua O Wai‘anae is good example. The residents are very active in planning and design. These practices can be integrated into a future ALOHA Homes Project;

- Leasehold Housing. Focus group was very interested in this housing model. They saw it as a great best practice to incorporate because it provided stability, financial gain, and the ability for family members to inherit;
- State lands long-term lease controversy. Currently, leases are typically 65-years long. There is a strong feeling among Native Hawaiians that ceded lands or “5B Lands” should not be given 99-year leases, especially with automatic extensions to existing leases. They concluded that more consultations need to be done with Native Hawaiian groups. Office of Hawaiian Affairs’ position is 99-year lease on after-acquired lands or “5c Lands” are okay for housing. These are lands that were set-aside for the Department of Education, etc.

If ALOHA Homes were to be implemented, it would benefit middle-income individuals who cannot afford most market-priced homes. Current demand in this group is about 5,000 households. It is a middle-step between renting and ownership because it builds wealth and provides stability. This is not an overall solution to the affordable housing crisis. However, it would be a good step forward. Unfortunately, individuals earning 80 percent and below are going to be left out of this program. Over half of the housing need is in this category.

The group recommended the following next steps:

- Stewardship support – This focuses on enforcement of occupancy and the resale of units. Many cities and counties employ a non-profit to provide this stewardship of homes;
- Use of mortgage revenue bonds – These are available, but have not been used for affordable housing in Hawai‘i;
- Pilot Project – Identify suitable State land to do a feasibility study.

The focus groups demonstrated that there is demand for affordable leasehold ownership and would be interested in a ALOHA Homes Program. Although there would be a State contribution, it can be done without using general fund. Elements of the proposal have the potential to fulfill an important housing need.

After reviewing proformas of LIHTC projects in Hawai‘i, they noticed that as much as 10 percent is allocated to developer fees. On his projects on the mainland, he gets only as high as 3 percent. LIHTC adds a lot of costs waiting for financing. With the “by right” (streamlined entitlements), immediately available taxable mortgage revenue bonds, allocation of infrastructure costs, and 65-year leases, costs could be reduced drastically. Another area that needs to be improved is management of projects. This is something that can be worked out using the pilot project.

A PDF of the presentation is posted at:

<https://files.hawaii.gov/dbedt/op/lud/20210618%20TOD%20Mtg/20210618%20TOD%20Meeting/ALOHAHomesBoardPresentation.pdf>

■ **ALOHA Homes Proposal, Senate Bill 1**
 Senator Stanley Chang, Hawai‘i State Senate

ALOHA Homes Proposal (Senate Bill 1) was introduced during the 2021 legislative session and is similar to the ALOHA Homes Implementation Study. Some of these areas are (see graphic on next page):

- Need for high-density construction;
- Use of State-owned lands near rail stations, under 99-year lease;
- An unsubsidized sale price of \$400,000. Current market price is \$569,000;
- Restrict buyer eligibility to Hawai'i residents and owner-occupants who own no other real property;
- No first-time homebuyer requirement.

"Many of the provisions proposed in the ALOHA Homes model would have the potential to address [the] housing needs of middle-income earners that are currently priced out of the housing market and have very limited opportunities for homeownership."

- | | |
|---|---|
| <ul style="list-style-type: none"> • High density construction • State-owned lands near rail stations • 99 year leases • Unsubsidized sale price: \$400,000 <ul style="list-style-type: none"> ◦ Current market price: \$569,000 • Buyer eligibility: Hawaii residents, owner-occupants, own no other real property • No first time homebuyer requirement • Mixed use: ground floor retail • Consistently build enough to meet demand | <ul style="list-style-type: none"> • No new taxes • No development of agricultural, conservation land • No redevelopment of existing residential communities • Priority to those impacted by development • Limit windfall profits • Prohibit overseas investors • Enforcement of owner-occupancy • Walkability-focused urban planning • Demand for leasehold housing |
|---|---|

Source: Senator Stanley Chang's Presentation, TOD Council meeting, June 18, 2021

The proposal would not need any new taxes and give priority to those who suffer the greatest impact. New development should not occur on agricultural or conservation land and where communities currently exist. Homes need to be built consistently to meet the demand of the people of Hawai'i.

With this amount of common ground, they will have a robust plan if the bill is approved.

Hawaii's severe housing shortage has existed for generations. Since the start of the pandemic, the price of homes has hit record highs on all islands. For instance, the median sale price on the island of Hawai'i increased 35.1 percent, Kaula'i climbed 45.6 percent, Maui rose 29.9 percent, and O'ahu went up 22.7 percent.

During the pandemic, Hawai'i's had zero demand from vacation rentals, Airbnbs, and overseas investors. The median single home price on O'ahu reached \$985,000 even with the highest unemployment rate in the country. This underscores the need to focus on supply-side solutions. One of the predictable impacts of high housing costs is four straight years of population decline, which appears to be accelerating.

Current home construction is like private school education: It is expensive and for the few. There needs to be a public school-like option for housing that is inexpensive and available to all with every generation in Hawai'i having the right to live here. He pointed out that Hawai'i

produces about 11,000 high school graduates per year, but only 2,000 housing units are built each year. Housing production needs to be “quintupled” on a statewide basis to meet demand. This is the purpose of the ALOHA Homes proposal and what State and county government should be focused on.

A PDF of the presentation is posted at:

<https://files.hawaii.gov/dbedt/op/lud/20210618%20TOD%20Mtg/20210618%20TOD%20Meeting/SenatorChangTODCouncilPresentation2021-06-18.pdf>

2.8 Models for TOD Collaboration and Initiatives

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

OPSD and HHFDC staff routinely scan, monitor, and research other TOD initiatives and development projects—whether they are here in Hawai‘i, in other states or jurisdictions on the mainland, national or international—for best practices that could advance and support the work of the TOD Council and contribute to successful implementation of TOD statewide. As TOD planning and implementation proceeds, this support work will continue, and new information will be brought to the TOD Council as opportunities allow.

The following presentation to the TOD Council offered insights and guidelines on how TOD areas and communities near the shorelines will need to adapt to prepare for future environmental impacts.

■ **Climate Adaptation Design Principles for Urban Areas Vulnerable to Sea Level Rise, April 2021**

Harrison Rue, Community Building and TOD Administrator, City and County of Honolulu

The City and County of Honolulu’s Climate Adaptation Design Principles for Urban Areas Vulnerable to Sea Level Rise as an outgrowth of the O‘ahu Resilience Strategy. The design principles were directed primarily at City agencies, but there are good ideas in the guidelines for State agencies and private developers. The document does not have regulatory authority. It is focused mostly on building sites and structures in urban areas, mainly looking at sea level rise, heat, and water inundation. The ARUP consultant team studied several cities around the world.

The presentation summarized four resilient design principles and associated strategies.

- **Understanding Applicable Hazards.** The City developed a Climate Ready O‘ahu Web Explorer app locator where landowners and developers can assess what climate change-related hazards may impact their site to inform design decisions. It combines data available from the City, State, and federal governments, and maps the term sea level rise exposure zone (SLR-XA);
- **Managing Stormwater.** The document also offers strategies on how to manage stormwater. It includes references to existing best practices guidance;
- **Design for Flooding and Sea Level Rise.** Based on a Mayor’s Directive, all City agencies, departments, and consultants to City projects to consider sea level rise of 3.2 to 6 feet by the end of the century. The City has adopted the 2012 International Building Code (IBC)

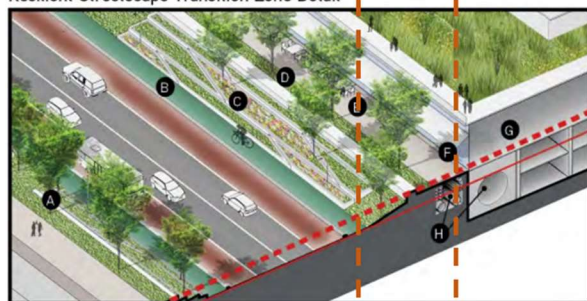
and International Residential Code (IRC) which requires new construction to be designed with one-foot freeboard above current Base Flood Elevation (BFE) in flood zones; and

- Mitigating Extreme Heat. As heat rises, people need safe, comfortable place to do daily activities. Mayor’s Directive 20-14 requires City departments to consider climate change mitigation and environmental benefits of a health urban tree canopy in decisions that affect City trees. City is developing street tree plans for all City TOD areas.

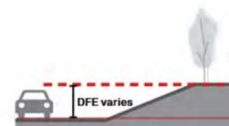
The Guidelines focus on the Resilient Streetscape Transition Zone (See below), the area between the street curb and building façade. Several previous projects have already applied a form of the new requirements, but sea level rise will call for climate-proofing sidewalks to be even higher. The document provides numerous ways a building can be designed to prepare for the future such as elevated mechanical systems, solar panels, use of parking podiums, and residential/office lobby areas.

Resilient Streetscape Transition Zone

Resilient Streetscape Transition Zone Detail



Design Flood Elevation
Standard Design Elevation



- A Public green space
- B Bike Lane
- C Transitional planters
- D Tree lawn
- E Street furniture
- F Active ground floor use
- G Raised ground floor
- H Supporting Infrastructure

All Resilient Transition Zones must be ADA compliant

Resilient Streetscape Transition Zone

- Flood-resistant/saltwater tolerant landscaping
- Pedestrian amenities
- Shade structures
- Paths



Source: City and County of Honolulu-Department of Planning and Permitting Presentation, TOD Council Meeting, April 16, 2021

The Kapālama Canal Catalytic Project/Linear Park Conceptual Plan design is being changed from the 2017 design when they were looking at 2 feet of sea level rise and the use of berms to protect low-lying areas. Current plans call for using sea walls. The City is working on how best to design and build them.

A PDF of the presentation is posted at:
https://files.hawaii.gov/dbedt/op/lud/20210416%20TOD%20Mtg/201210ClimateAdaptationDesignPrinciples_TODCouncil.pdf

3 PLANNED ACTIVITIES

Planned and proposed activities and tasks for the TOD Council and TOD support staff for the next fiscal year and beyond are organized by the four strategy components of the *State TOD Strategic Plan*, which are:

1. **TOD Project Support**. Actions and investments at the TOD project-level to facilitate TOD project implementation;
2. **Regional Project Support**. Actions and investments for projects at the regional or area-wide level that are needed to facilitate individual TOD project implementation, such as infrastructure delivery;
3. **TOD Implementation and Investment Tools**. Analysis and actions to create a TOD-supportive environment through the refinement and establishment of policy, regulatory, and program tools as well as financing tools and strategies that would facilitate and enhance effective TOD implementation; and
4. **State TOD Program Support and Administration**. Actions and tasks to sustain multi-agency, multi-sector collaboration around TOD statewide and the coordination and facilitation of TOD initiatives statewide.

The TOD Council work plan for calendar year 2022 includes the following activities.

3.1 Support TOD Project Implementation

Support for TOD CIP-funded Projects. OPSD TOD staff will administer the disbursement of the \$1.5 million in FY 22 CIP funds to the six projects selected for funding. Once the projects are underway in 2022, OPSD will facilitate project implementation as needed, and monitor and report to the TOD Council on project progress. OPSD will also continue to monitor and facilitate as needed with prior year CIP-funded projects that are not completed and report progress to the TOD Council.

Strategic Plan and Project Facilitation and Updates. TOD staff will continue to monitor and facilitate project discussions and coordination as needed for the 75 TOD projects in the State TOD Strategic Plan. TOD staff will begin reviewing the Strategic Plan to determine what updates it may need, as well as examine ways to make the Strategic Plan and the TOD Project Fact Sheets more accessible in a web-based format.

OPSD Review of State TOD Conceptual Plan Documents. As projects proceed, OPSD will review and provide comments on State TOD project plans during the project's EA/EIS public comment period, as required by statute.

3.2 Support Regional or Area-Wide Project Implementation

Affordable Housing/State TOD Implementation Work Group, O'ahu (O'ahu WG). The Work Group will be convened at various points in the Work Group workplan process to review analysis and work

products prepared to formulate a coordinated high-level strategy to guide State TOD infrastructure investment decisions for O'ahu. The strategy is intended to provide the following interrelated components

- Schedule. Development of a generalized project and cost schedule for required TOD infrastructure investments—immediate/near-term and long-term actions; and
- Funding and Delivery. Development of infrastructure financing tools and delivery options for TOD infrastructure improvement projects—immediate/near-term and long-term actions.

County/State TOD Alignment and Implementation PIG for Hawai'i, Kaua'i, and Maui Similar to the O'ahu WG, the Neighbor Island PIGs will be convened to support efforts of the infrastructure financing study and pilot areas in each county. It will also be used to align County/State TOD priorities and action plan for TOD implementation:

- Schedule. Development of a generalized project and cost schedule for required TOD infrastructure investments—immediate/near-term and long-term actions; and
- Funding and Delivery. Development of infrastructure financing tools and delivery options for TOD infrastructure improvement projects—immediate/near-term and long-term actions.

TOD Transit and Mobility PIG. [Place holder until we meet with Senator Lee/Ed Sniffen]

Participation in Other Region-Serving TOD-related Initiatives. TOD program staff will continue to participate in, provide input to, and monitor region-serving projects that have strong TOD components, including the following:

- State Iwilei Infrastructure Master Plan;
- Samuel Mahelona Memorial Hospital Master Plan, Phase 2;
- Ka'ahumanu Avenue Community Corridor Plan and West Maui TOD Corridor Plan;
- East Kapolei Master Plan and EIS;
- Farrington Highway Widening Project;
- New Aloha Stadium Entertainment District Project; and
- Public library mixed-use facility integration feasibility.

3.3 Development of TOD Support Tools and Resources

Research and Advocacy for Tools. TOD program staff and the TOD Council will review findings and recommendations reported from the OPSD State TOD Planning and Implementation Project to determine how to expand the tools available for TOD. The TOD Council will continue to serve as a forum to create and advocate for a more TOD-supportive environment, which would include promotion of use of critical TOD support tools, including legislation as may be needed for:

1. Establishment of an institutional framework for TOD project implementation, P₃, and other alternative project delivery systems;
2. Expansion of financing tools; and
3. Expanded use of value capture financing tools.

Review of FY 2022 TOD CIP Budget Requests. The TOD Council will be reviewing proposed TOD-related CIP budget requests and make recommendations for funding requests that advance identified and priority TOD projects in the 2022 Legislative Session.

Monitoring and Review of TOD-related Legislation. During the 2022 legislative session, the TOD Council will review proposed bills for their impact on agency projects and activities, as well as bills that propose TOD-supportive policies and program tools. Testimony will be prepared as needed for submittal, as delegated by the TOD Council, by the TOD Council Co-Chairs. The Council and TOD staff will follow-up as needed on any TOD-related legislation enacted.

Other Initiatives—Opportunity Zones. OPSD staff will continue to work with DBEDT BDSO on providing a workshop for State and county agencies on how to market their projects and tap OZ investment interests. OPSD will also support BDSO and its partners as needed with any further activities related to the establishment of a Hawai'i-focused private OZ investment fund.

3.4 Provide State TOD Program Support and Administration

OPSD Support for TOD Council Meetings and Responsibilities. OPSD staff will continue to provide administrative support for the TOD Council and support existing and new initiatives as resources allow. It is anticipated that for calendar year 2022, the TOD Council will have seven scheduled meetings, and that the meetings will be conducted using interactive conferencing technology due to COVID-related fiscal constraints on travel and continued social distancing precautions.

Project Management Tools and Metrics. OPSD staff intends to pursue, as workload and resources allow, the development of data tools to monitor TOD project implementation, as well as performance metrics to monitor and assess project implementation and the alignment of TOD implementation with the key principles for State investment in the State TOD Strategic Plan.

TOD Engagement Strategies. OPSD will continue to research and consult with State and county TOD agencies on improving the approaches and methods by which community stakeholders, including community-based organizations, can be engaged in ensuring equitable outcomes in communities where TOD could be both disruptive and transformative for existing residents and businesses.

TOD Alignment Between the State and Counties. Align State and county agencies to allow for more leveraging of funding and greater cooperation on TOD projects including affordable housing and mixed-use development.

Appendix A. State and County Priority TOD Projects: Project Status and Funding

Project costs, funding, and timeframes are based on information reported to the TOD Council as of November 19, 2021. Project funding in *ITALICS* is unfunded or is seeking funding

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