Hawaii Interagency Council for Transit-Oriented Development

REPORT TO THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2019

Prepared pursuant to Hawaii Revised Statutes § 226-63(b)(9) by

Office of Planning
and
Hawaii Housing Finance and Development Corporation

Department of Business, Economic Development and Tourism
State of Hawaii

December 2018

Hawaii Interagency Council for Transit-Oriented Development

Council Members, Designees, and Alternates

as of December 2018

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
Administrative Director: Ford Fuchigami
Designee: Sara Lin

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: Bruce Anderson, PhD
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)
Director: Jade Butay
Designees: David Rodriguez and Robert Miyasaki

Hawaii Community Development Authority (HCDA)
Executive Director: Aedward Los Banos
Designee: Deepak Neupane

Hawaii Public Housing Authority (HPHA)
Executive Director: Hakim Ouansafi
Designee: Barbara Arashiro and Benjamin Park

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
Representative Nadine Nakamura

State Senate
Senator Lorraine Inouye
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 Pisicchio

County of Kauai
Mayor: Bernard Carvalho, Jr.
Designees: Lyle Tabata, Michael Tresler, and Kanani Fu

County of Maui
Mayor: Alan Arakawa
Designees: Michele McLean, David Goode, Pam Eaton, Marc Takamori, Rowena Dagdag Andaya, and Teena Rasmusssen

Business Representative
Cyd Miyashiro, American Savings Bank

Developer Representative
Bill Brizee, Architects Hawaii Ltd.

Housing Advocate
Betty Lou Larson, Catholic Charities Hawaii
Designee: Jillian Okamoto

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 2018. The TOD Council was established by Act 130, Session Laws of Hawaii (SLH) 2016[1], 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.

The focus of the TOD Council is on the promotion of mixed-use development, affordable and rental housing, and compact, pedestrian-friendly development in designated transit areas. On Oahu, the State of Hawaii 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 rail stations. As construction of the rail 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.

Hawaii Interagency Council for Transit-Oriented Development Duties

The TOD Council is charged with the coordination and facilitation of 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. The directors of the Office of Planning (OP) and the Hawaii Housing Finance and

[1] The sections in Act 130, SLH 2016 related to the TOD Council are codified in Hawaii Revised Statutes (HRS) §§ 226-63 and 64; the sections related to the roles and responsibilities of OP are codified in HRS § 225M-2(b)(10).

Development Corporation (HHFDC) serve as co-chairs of the TOD Council. TOD Council members are listed on the inside cover of the annual report.

HRS § 225M-2(b)(10) also designates OP as the lead agency for State smart growth and TOD development planning in the State. Through June 30, 2018, HHFDC and OP provided staff support to the TOD Council; as of July 1, 2018, OP fully staffs the TOD Council. One of OP's responsibilities is to approve all State agencies' development plans, defined as "conceptual land use plans that identify the location and planned uses within a defined area."

Activities & Accomplishments

The TOD Council's activities and accomplishments for calendar year 2018 are reported for each of its statutory responsibilities, which are cited in italics.

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 held nine meetings between January and November of 2018. Membership has been maintained and updated as personnel changes are made among appointed members and designees. The Department of the Navy was invited to participate on the TOD Council in an ex-officio, non-voting capacity.

2. Strategic Plan Development 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 Hawaii Strategic Plan for Transit-Oriented Development* was issued and forwarded to the Governor and State Legislature in December 2017. The TOD Strategic Plan provides a dynamic framework for the State to effect 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.

A revised Strategic Plan was issued and posted to the TOD Council webpage in August 2018. The revised plan provides updated information on TOD projects and redefines Neighbor Island TOD. The revised Strategic Plan is available at https://planning.hawaii.gov/wp-content/uploads/State-TOD-Strategic-Plan_Dec-2017-Rev-Aug-2018.pdf.

2.1 Strategic Plan Implementation: Advising the Governor

The Governor's Administrative Director is a member of the TOD Council; thus, the Governor's Office is kept apprised of the implementation of the 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 Strategic Plan. In January 2018, 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 Strategic Plan. The 2018 TOD CIP Budget Request recommendations are discussed in Section 5.

2.2 TOD Strategic Plan Project Updates

Throughout the year, State and county agencies continued to work on TOD planning and development projects as resources allowed. During 2018, State agencies and the counties provided updates on the status of their individual TOD projects. Staff also met with individual agencies and reported back to the TOD Council as needed.

Refer to Appendix A for a list of the State and county projects in the TOD Strategic Plan, with updated project status, funding, and funding gaps. Appendix B is the updated TOD Strategic Plan in its entirety.

2.3 Strategic Plan Implementation: TOD Council Permitted Interaction Groups

A Neighbor Island Sub-committee—comprised of TOD Council representatives from Hawaii, Kauai, and Maui Counties, OP, and HHFDC—met twice to discuss common problems with obtaining support and funding for TOD planning for the Neighbor Islands. The sub-committee prepared an informational brochure on Neighbor Island TOD that was sent to all legislators during the 2018 legislative session. The following sub-committee recommendations were reported to the TOD Council at its May meeting:

1. Research and formulate an outreach plan and schedule a legislative briefing for the 2019 Legislature and beyond;
2. Research and develop an approach for requesting TOD planning funds for Neighbor Island TOD prior to the 2019 legislative session;
3. Research and develop an approach for identifying specific TOD project funding requests for submission and awareness prior to the 2019 legislative session; and
4. Identify specific training and technical assistance needs to advance Neighbor Island TOD and funding for projects, identify resources and opportunities for training, and prepare a training schedule as resources allow.

At its June meeting, the TOD Council terminated previously established sub-committees and approved the creation of eight Permitted Interaction Groups (PIG) and workplans for each PIG. The eight Permitted Interaction Groups are: East Kapolei, Halawa-Stadium, and Iwilei-Kapalama on Oahu; West Hawaii and East Hawaii for Hawaii County; Maui; Kauai; and Neighbor Islands. The PIGs are tasked with coordination of planning and implementation of TOD projects identified in the Strategic Plan, as well as other needs for TOD implementation in their regions.

The Oahu PIGs met in July and September in conjunction with the State TOD Planning and Implementation Project; the State TOD Planning and Implementation Project is discussed further in Section 4. The Oahu PIGs are scheduled to report to the TOD Council in January 2019 on findings for the first phase of the project.

Planned county PIG meetings on the Neighbor Islands to work on TOD project implementation have not been possible due to the lack of TOD Council support staff and insufficient operating funds, particularly for additional travel, to coordinate and support on-island PIG work.

2.4 Strategic Plan Implementation: State TOD Planning and Implementation Project, Oahu

In 2017, the Legislature appropriated $1 million in CIP funds to OP for FY2018 to be used for master planning, site planning, and infrastructure assessments for State agency transit-oriented development projects near proposed rail stations on Oahu. In May 2018, OP contracted with PBR Hawaii and a multi-disciplinary consultant team to prepare a State TOD Project Implementation Plan for infrastructure needed to implement State TOD in the Strategic Plan's three priority areas for Oahu: East Kapolei, Halawa-Stadium, and Iwilei-Kapalama. The project will be key to formulating a cohesive and integrated investment strategy that allows agencies to cost-share in the provision of infrastructure for individual agency TOD projects identified in the Strategic Plan. The State TOD Planning and Implementation Project is discussed further in Section 4.

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 to (1) educate its member agencies and the public on best practices, funding, and other resources to support TOD; (2) provide advocacy and facilitate access to finding and resources; and (3) direct specific requests for funding and technical assistance to the State Legislature, other funders, and decision-makers.

Activities in calendar year 2018 related to funding requests and project advocacy are discussed in Section 5. In 2018, the State Legislature appropriated funding for seven of the ten TOD-related project budget requests recommended by the TOD Council for funding.

The TOD Council was presented with the following information related to funding, resources, and incentives available to facilitate TOD and the promotion of affordable housing on State lands.

3.1 Presentations: Financing and Affordable Housing-Related Topics

- **TOD Financing with TIFIA, Christopher Coes, Smart Growth America/LOCUS**

  The Fixing America's Surface Transportation (FAST) Act passed in December 2015, authorized over $1.4 billion over five fiscal years for the Transportation Infrastructure Finance and Innovation Act (TIFIA) federal credit assistance program. The FAST Act also made public infrastructure related to transit-oriented development eligible for TIFIA loans and credit assistance.

  The TIFIA program allows the federal government to provide local governments, transit authorities, state agencies, or private sector interests, low interest loans for surface transportation infrastructure projects. The program is intended to fill short-term financing gaps for transportation projects. Loan terms allow repayment of loans up to 35 years from completion of construction; repayment may be delayed for up to five years following construction; and loan payments are structured to match project revenues.

Private firms (with a sponsor), public-private partnerships, and business improvement districts are also eligible to apply for TIFIA TOD financing. Eligible projects include bus, bike and pedestrian facilities, subway, rail, street car/light rail, and improvements or construction of public infrastructure for transit-oriented development projects located within walking distance and accessible to fixed guideway transit facilities, intermodal transfer facility, or other commuter rail facilities.

TIFIA applications for TOD and local projects must have a minimum project cost of $10 million. Predevelopment work such as development phase activities (planning, revenue forecasting), construction phase, and capitalized interest can all be included in the $10 million minimum project cost. TIFIA funds can be used for property acquisition, demolition of existing structures, utilities, open space, parking garages related to transit ridership, and intermodal transfer facilities, as well as commercial space in TOD projects. Residential development is not an eligible project cost. However, if the TOD project is a joint development with a transit agency and is approved by the Federal Transit Administration (FTA) joint development program, a project with a residential component could be awarded TIFIA funds.

The TIFIA application and award process can take a year if all documents are in order. The TIFIA application fee is approximately $250,000, although US DOT has the capacity to waive the fee and additional costs for projects under $75 million.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/TOD-Financing-with-TIFIA-presentation-1.pdf.

- **Affordable Housing Strategy, Linda Schatz, Schatz Collaborative and Charles Wathen, Hawaii Housing Alliance**

  The presentation highlighted findings of analysis done by the Hawaii Housing Alliance of affordable and workforce housing issues and barriers to development of workforce housing in Hawaii. Affordable housing is defined as housing, whose costs, whether owned or rented, is no more than 30% of household income. Their research shows that in Hawaii, housing costs are about 45% of household income. Subsidy programs are available for projects targeting populations with incomes lower than 60% of Area Median Income (AMI), but direct subsidies are not available for projects targeting households at 80% to 140% of AMI.

  Workforce housing is particularly important to addressing affordable housing in Hawaii. Workforce housing is meant to house "essential workers": a person, typically a public-sector employee, who is considered to provide essential services to the community in education, public safety, and public health. In Honolulu and Maui, this group would include those between 61-140% of AMI.

Workforce housing at 80-140% AMI can provide housing for lower-income households. Housing that accommodates roommates is key to housing affordability on both Maui and Oahu. Roommates are a large segment of the market and span a vast income range and occupations. Rentals can help solve the housing crisis, because a rental unit can serve either the family or roommate markets. Creating an additional supply of workforce rental housing (80-140% AMI priced rental units) will not only provide quality housing stock to lower-income and workforce households, but also free up older housing stock for others that will invariably be priced at a discount because of the new supply in the marketplace.

An analysis of subsidies required by AMI to produce a 100-unit garden style rental apartment on Oahu shows that subsidies are needed to produce units to reach the 80% AMI market. The subsidy is needed to make up the difference between the rent level needed to be affordable at the lower income levels and the cost of developing and constructing those units. Their analysis also shows that to feasibly develop units for each AMI bracket, it would take a State subsidy ranging from $123,000 per unit for 80% AMI rents to $13,500 per unit for 120% AMI unit rents. Units priced at 140% AMI rents do not need a subsidy.

Hawaii receives approximately $3.2 million in federal Low-Income Housing Tax Credits (LIHTC) per year. With these federal tax credits, the State can produce approximately 150-225 housing units per year statewide with additional State subsidies. Based on their analysis, the State subsidy required to build 10,000 units of LIHTC projects in Maui and Honolulu Counties are $2.6 billion and $2.3 billion respectively, as compared to workforce housing projects (80%-140% AMI) at $980 million and $320 million respectively. If the State subsidized workforce housing, market rents could drop overall, benefitting lower income residents the most.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/Affordable-Housing-Strategy-presentation-1.pdf.

- **City and County of Honolulu Affordable Housing Ordinances, Harrison Rue, City and County of Honolulu, Department of Planning and Permitting**

  In 2018, the City Council adopted two measures that were developed as part of the City's affordable housing strategy to address Honolulu's housing crisis and to build more housing units to meet current demand. The first was the Affordable Housing Requirement (AHR), Ordinance 18-10 (Bill 58), which imposes an affordable housing requirement on for-sale residential projects of 10 or more dwelling units, including subdivisions. Rental projects are exempt from the AHR, but affordable rental units may be provided to meet the requirement for for-sale projects. Accessory dwelling units (ADUs), micro-units, special needs housing, group living facilities, and timeshares are also exempt, as are project types that already have affordable housing requirements, including HHFDC-financed projects developed under the expedited HRS 201H process.

The affordable housing requirement focuses on homebuyers earning 100-120% of AMI and below and renters earning 80% of AMI and below. Units are incentivized (with a lower required percentage of units) to stay affordable for 30 years to build up and maintain the affordable housing supply over time. Developers have options to provide substantially more affordable units in return for a shorter required affordability period. The ordinance requires that developers provide the required units: developers will not be allowed to pay fees in lieu of producing the affordable units.

In areas with TOD zoning, projects will be required to provide community benefits, including affordable housing; projects requesting extra height and density will be required to provide a higher level of affordable units. In for-sale projects, the affordable units target households at 120% AMI and below, with half at 100% and below. The longer units are kept affordable, the fewer the number of units required. There are several options for for-sale projects: 1) on-site affordable units at 10% for 30 years, 20% for 10 years, and 30% for 5 years; and 2) off-site, percentages go up 5%, 15% for 30 years, 25% for 10 years, and 35% for 5 years. Developers can provide a combination of for sale and rental units, subject to DPP Director approval.

For rental units provided to meet the requirement for for-sale projects, the affordable units are rented to households at 80% AMI and below. The developers are required to keep the units affordable for 30 years.

Developers are encouraged to build the affordable units on-site vs. off-site. If units are proposed to be built off-site, they must be built in the same TOD area if they are in a TOD zone. If a project is located outside of a TOD zone, the off-site units must be built in the same development plan area.

The second measure adopted, the Affordable Housing Incentives, Ordinance 18-1 (Bill 59 (2017) provides financial incentives to help stimulate affordable housing production, especially rental housing, and to offset the impacts of the AHR. The incentives include exemptions to real property taxes and waivers from wastewater system facility charges (connection fees), plan review and building permit fees, and park dedication requirements. The incentives only apply to a project's regulated affordable units (on- or off-site), including those provided through IPD-T and PD-T permits. For qualifying affordable rental housing projects, incentives apply to projects in which 20% of the units are rented at or below 80% of AMI, and all remaining units at or below 140% of AMI. The financial incentives expire on June 30, 2027, except that the real property tax exemption for affordable rental units continues for the entire regulated affordability period.

The City is looking to set up a system that would apply the incentives once an applicant has completed an online affordable housing agreement and has obtained approval by DPP prior to applying for their building permit.

A PDF of a handout summarizing the City's affordable housing requirements is posted at https://planning.hawaii.gov/wp-content/uploads/City-and-County-of-Honolulu-Affordable-Housing-Requirement-and-Incentives.pdf.

- **Hawaii Housing Finance and Development Corporation's 201H Process, Richard Prahler, HHFDC**

  HHFDC's enabling authority for the expedited affordable housing permitting process is found in HRS Chapter 201H; rules are set out in Hawaii Administrative Rules (HAR) Chapter 15-307. The counties have similar authority for expedited permitting under HRS § 46-15.1. HHFDC will consider a 201H project application only if the developer's application is first denied by the county. The one exception is for projects in areas under HCDA's jurisdiction—in which case, the State is the land use regulatory authority and HHFDC processes the 201H application.

  Fifty percent plus one unit of 201H projects must be affordable, with affordable units priced for households at 140% of AMI or less. For standard for-sale projects, buyers have to qualify in an income category, and there is a 10-year owner-occupancy and buyback requirement. If HHFDC exercises the buyback, a formula calculates how much HHFDC will pay to purchase the unit. Sellers are able to get their money back plus a 1% per year appreciation, as well as the cost of improvements to the unit. The unit must be in saleable condition. When the unit is resold, HHFDC reinstitutes the 10-year owner occupancy and buyback provisions.

  For rental projects, HHFDC administers the General Excise Tax (GET) exemption. HHFDC has amended its rules to require a developer seeking a GET exemption on a new construction project, to set aside 60% of the units at 140% of AMI and below. The project has to be affordable for a 30-year period, and there are penalties for violations.

  An EA or EIS is required for the project, and 201H developers are required to hold a public meeting to solicit community input on the proposed project. HHFDC reviews the cost benefit of what the developer is asking for. HHFDC works with the developer to determine the exemptions for the project. Standard exemptions include variances on height, setback, required parking, waiver or reduction of park requirements, waiver of fees for water, sewer, and permit applications, and granting of density bonuses. HHFDC has routinely provided exemptions to 201H projects similar to those adopted in the City's affordable housing incentives ordinance. HHFDC does not give any exemptions from health and safety standards and does not exempt projects from Department of Education school impact fees.

  Developers are required to provide a 30-day comment period for all the parties affected by the exemptions. HHFDC works with the developer to address comments. After agency concerns are addressed and after HHFDC makes a determination on the developer's qualifications, the application goes to HHFDC's Board for action. Upon approval by the Board, the project is tendered to the county. The county councils have final authority for approval of 201H projects.

- **Infrastructure Financing for TOD and Affordable Housing Presentation, Kenna Stormogipson, MPA, University of California at Berkeley**

  The presentation summarized research done to explore value capture options for financing TOD and infrastructure development. Hawaii's spending on infrastructure has decreased over the last few decades, and developers are expected to provide for needed public infrastructure for their projects—roads, sewers, parks, and schools. When developers are burdened with providing too much of the public infrastructure, what gets built is more expensive.

  "Value capture" means to capture the increased property values from public investment through assessments, fees, or taxes to finance the provision of public infrastructure and facilities. Bonds can be issued based on revenues from property, sales, or income taxes generated by new or redeveloped properties, but property assessments or property taxes are the most common source of revenue for bonds.

  A **Community Facilities District (CFD)** is a value capture tool: a special taxing district to fund the acquisition or construction of public improvements including transit, roadway, water, wastewater, pedestrian, cultural, and police and fire facilities. CFDs levy an additional assessment on the property above a base property tax rate. Bonds are issued at a higher rate than General Obligation (GO) bonds to account for the higher risk. Formation of a CFD requires agreement of 25% of the landowners within the proposed district; formation can be blocked if more than 55% of the owners object. California has over 400 CFDs with property tax revenues split among cities, counties, schools, and other special districts.

  Hawaii has one successful CFD established for Kukuiula, a master planned resort community on Kauai, which was formed in 2008. Bonds were sold for $12 million in 2012. Kauai County collects over half a million dollars a year in assessments that pay off the bond debt. Kauai County also negotiated approximately $1 million of bond funds to spend on other projects. Bonds are paid by new homeowners, not by the county or developer. The CFD is a way to mobilize access to lower cost municipal bonds, which lowers the cost of financing infrastructure.

  Tax increment financing (TIF) is a tool that captures growth in property tax revenues over time. Upon establishment of a TIF district, incremental tax revenues over a base year that would otherwise go to a county's general fund are made available to fund public improvements or pay debt service on bonds for public infrastructure within the district.

  In Hawaii, the challenges to use of TIF for State lands are that the counties receive 100% of property taxes and the State Constitution does not specifically name TIF for issuance of bonds. Until there is resolution of the constitutional question, hybrid forms of tax increment financing like that used successfully in New York City's (NYC) Hudson Yards Project can be considered.

  In 2007, NYC used a TIF-hybrid to fund public improvements for the Hudson Yards redevelopment project, which centered around City construction of a new subway station and extension of the subway to the new station and redevelopment over existing operating rail yards. The City used existing authority to enter into master development agreements with private developers within the project area to help finance the public infrastructure investment. They structured a set of **payments-in-lieu-of-taxes (PILOTs)** for residential and commercial properties, which are used to make payment on $3 billion in bonds sold by the City for construction of the station and the subway extension and related improvements. The City is also using a portion of the sales tax revenue generated in the project area to fund the public improvements. The project has spurred $20 billion of private investment in the area, where approximately 7,000 people are employed.

The conclusion of the research was that in order to promote production of affordable housing, developers need some relief from the burden of paying for infrastructure, since the cost gets passed on to buyers and slows down production of units. Public funding of infrastructure can save on financing costs and housing could be produced faster. It makes sense to look at a combination of tools—such as CFDs or hybrid TIFs—to structure public financing for the delivery of infrastructure and to provide more housing sooner.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/TOD-Council-Value-Capture-Presentation.pdf.

- **Opportunity Zone Potential in Hawaii, Mark Ritchie, Business Development & Support Division, Department of Business, Economic Development and Tourism**

The Opportunity Zone Program is a new tax tool, passed as part of the federal tax reform package in December 2017, designed to use federal tax incentives to direct investment capital to underserved low-income areas designated as Opportunity Zones. It is hoped that this program will lead to neighborhood and business district revitalization, as well as encourage entrepreneurship in the Opportunity Zones.

Investors and corporations who have capital gains can receive special tax benefits if they roll that gain into an Opportunity Fund within 180 days. The key benefits are: payment of the capital gains tax is deferred until December 2026 or when the funds are sold; the taxes owed on capital gains is reduced by up to 15% after 7 years in an Opportunity Fund; and earnings from funds held in an Opportunity Fund for ten years are tax-free.

Ninety percent of the Opportunity Fund funds must be held in equity investments used for business growth and expansion or improvements to real property in an Opportunity Zone. So far, the first Opportunity Funds established have been by property developers. More guidance on the funds is expected from the U.S. Treasury Department later in 2018.

Twenty-five census tracts in Hawaii were certified by the federal government as Opportunity Zones in May 2018. The locations of Opportunity Zones include Kalaeloa, Kalihi-Sand Island, Waipahu, Aloha Stadium, Pearl Highlands, and Iwilei-Kapalama on Oahu, Wailuku, Kahului, and Makawao on Maui, Hilo and Kona on

Hawaii Island, and Koloa and Hanalei-Haena on Kauai. Authorization for the Opportunity Zone program terminates in 2026. If the program is extended, there may be the potential for modifying the census tracts.

Given there are potentially trillions of dollars in capital gains nationwide, DBEDT will try to market the Opportunity Zones, and is working with partners to provide more information on Opportunity Zones and Opportunity Funds.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/2018-08-14-Ritchie-Opportunities-Zones-Presentation-TOD-Council.pdf.

- **Overview of Financing Strategies, Andrea Roess, David Taussig & Associates, Kuda Wekwete, Senior Vice President, David Taussig & Associates.**

  This presentation was made in conjunction with the State TOD Planning and Implementation Project.

  The presentation provided an overview of different financing mechanisms for infrastructure, as well as case studies to understand how some of these mechanisms have been used. The range of financing mechanisms are summarized in the following chart.

General obligation bonds (GO bonds)	Most common for infrastructure, interest rate is lower, backed by jurisdiction's taxing authority; may have limits to what they can fund, subject to bonding caps, other budget priorities; State may not always be available for local infrastructure
Revenue bonds	Municipal bonds that finance income-producing projects, secured/repaid through revenues from specific enterprise (water, sewer, etc.)
Community facilities districts (CFD)	District authorized to levy special taxes to fund public improvements or services, popular in California; Hawaii law modeled after California's; property owners within district vote to impose assessment on themselves to pay for infrastructure; only 1 CFD in Hawaii that has issued bonds
Improvement districts and special improvement districts	District authorized to levy assessments to fund public improvements (ID) or services (SID), similar to CFDs; typically, have benefit requirements that may make them more difficult for financing regional infrastructure
Impact fees	Fee imposed on new development by public agency to mitigate the impacts of such development on public infrastructure; one-time fee paid at time of building permit or map for fair share of infrastructure; impact fee study allocates cost to landowners; funds come in as development occurs, so can't pay upfront for infrastructure; can use CFD/assessment district in conjunction with impact fees for developers to pay upfront share of infrastructure
Tax increment revenues	Property tax revenue that results from an increase in assessed value above the base year; common in other states; there is a question whether issuing bonds backed by tax increment revenues is

	allowable under Hawaii constitution; there are other mechanisms that can be created similar to TIF that use tax increment revenues to bond against or use as security for another type of bond, such as CFD bond
Additional sales or excise taxes	Tax revenue resulting from sales of good and services; spreads revenues across residents and visitors
Public private partnerships (P3)	Contractual agreement between a public and private entity to deliver a service or facility for the benefit of the general public; payments from revenues generated from project or use fees for infrastructure
Grants and loans	• Transportation Infrastructure Finance and Innovation Act (TIFIA) • State Dwelling Unit Revolving Fund (DURF) • State Revolving Fund/s • FTA Small Starts/New Starts Note that these are not always reliable sources, and recommends against basing plans on expectations of solely using this type of funding
Development agreements	Voluntary contract between a local jurisdiction and a developer, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property; not specifically financing, but way to achieve public benefits (connectivity, sustainability, etc.) through project development
Opportunity Zones	Federal tax incentive program enacted in 2017 that provides incentives for investors to re-invest unrealized capital gains into Opportunity Funds in exchange for temporary tax deferral and other benefits; Funds must be used for business or real property equity investments in designated low-income census tracts; brings in private capital to help offset cost of private development, which could include infrastructure costs related to project; several OZs designated along the Oahu rail corridor
Property Assessed Clean Energy (PACE)	Program that allows property owners to finance the up-front cost of certain energy efficiency, renewable energy, water conservation, and seismic retrofit improvements; paying back on cost over time through a voluntary assessment on property
New Market Tax Credits	Federal tax credit program that provides incentives to attract private investment in distressed communities for business and job creation
Low Income Housing Tax Credits	Federal and state subsidy that provides financing for low income housing by allowing investors to claim tax credits on their income tax returns; program is place in Hawaii; coupling affordable housing with TOD is a good opportunity
Other strategies	• Shared parking structures, with designated stalls for residential, commercial, public • Housing Trust Fund for affordable housing

	• Joint Development; on the P3 continuum; public lease to private development in exchange for putting in some of the public infrastructure

Through the course of the State TOD Planning and Implementation Project, the consultant team will be examining the range of tools available to determine how they might be used to finance public infrastructure for TOD on Oahu. It's likely that a number of financing tools will need to be used here for TOD.

Specific tools, like CFDs, are of particular interest. CFDs have a number of benefits: they are non-recourse to the public agency since bonds are secured by the value of the land within the district; they typically don't use other tax revenues; infrastructure can be financed earlier in the development process through bond sale revenues; and they help promote redevelopment that generates jobs and increased tax revenues.

The County of Kauai CFD No. 2008-1, Kukuiula, Kauai, is the first CFD in Hawaii to sell bonds. When it was formed in 2008, formation and bond issuance time and costs were a little high, but this is not unusual for a first CFD. Bond sales also provided funding for County-designated facilities in the area. Property assessments are paying off bond debt. This demonstrates that a CFD is a viable financing tool in Hawaii.

A number of projects were highlighted due to their use of multiple financing tools, their focus on public improvements and infrastructure to support TOD and community redevelopment, and the involvement of multiple jurisdictions, including:

- The Los Angeles Streetcar and street network improvements in downtown Los Angeles (additional funding from sales tax revenue and grant funding);
- The Anaheim Platinum Triangle redevelopment project for a mixed-use community near stadium (funding through CFDs, assessment districts, impact fees, and development agreements);
- The City of Buena Park CFD/TIF for revitalization of a shopping mall (funding using a CFD for upfront financing, with sales tax and tax increment revenues paying debt service on CFD bonds);
- Hudson Yards, New York City. The project included construction of a subway extension, a new subway station, infrastructure for mixed-use redevelopment of operating rail yards. Revenue bonds were supported by use of tax equivalency payments (TEP) and payment-in-lieu-of-taxes (PILOT) based on anticipated higher land values from new residential and commercial development. The project created a partnership between public and private entities to create the in-lieu payment structure;
- Pearl District, Portland, Oregon. The project involved the extension of a streetcar line to Portland's south waterfront and mixed-use development along the streetcar line, with funding from a combination of a local improvement district (LID), tax increment financing, and GO bonds. Participating entities included the City, Metro Regional Council, and the state and federal governments. LID and state and local funds pay for streetcar network improvements; TIF pays for urban redevelopment. LID required majority

support from property owners; assessments were based on frontage, land use, and assessed value;

- M Station Apartments, Austin, Texas, where location of affordable housing in a TOD zone facilitated greater access to financing. The project received fee waivers and expedited review as well as reduced setback and parking requirements through the City of Austin's TOD program; and
- Q Line transit improvements, Detroit, Michigan, was fully funded upfront and will be operated for the first ten years by a private non-profit.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/2018-09-19_DTA_TOD-Presentation_Final_For_Distribution.pdf.

3.2 Presentations: Other Resources for TOD

- **TOD Special District Design Guidelines, Liz Krueger, City and County of Honolulu Department of Planning and Permitting**

The City's *Transit-Oriented Development Special District Design Guidelines*, issued in June 2018, sets out the elements the City seeks from development projects in the TOD Special District to deliver on TOD goals, such as walkability. The *Guidelines* document covers TOD district objectives and permitting; district guidelines for buildings, parking, and streetscapes/pedestrian environments; use of the TOD zoning maps; and additional considerations for Planned Development-Transit permits.

The guidelines were developed to be integrated into existing code and permitting processes, and to be applicable along the rail corridor. Permitting is simplified if a project meets the development standards of the TOD special district zoning and the new guidelines. Projects that would deviate from the code and guidelines or seek additional height or density would go through either a minor or major special permit process.

The *Guidelines* document uses diagrams of standards for setbacks, façade treatment, streetscapes, etc., similar to form-based codes. Key elements include:

- Maximum setbacks for building placement that bring them closer to the street, with primary entrances on the street and parking to the side or rear of the lot;
- Transparency of facades at street level and active ground floor uses or activity required;
- Higher standards for pedestrian-oriented streetscapes on designated key streets providing access to and from rail stations;
- Parking reduced or eliminated in the TOD Special District, with design priority for access given to pedestrians, bicycles, and transit riders;
- Structured parking and podiums, bike parking, and multi-modal access within larger projects and between blocks that promote an active mixed-use environment at the ground level;
- Sidewalk design promoting wide sidewalks, safe grade changes to the street, and use of street trees and awnings to create shade along street frontage; and

- Provisions for non-conformities to address barriers to redevelopment and maintenance of properties.

The Guidelines document is designed for use as an online, digital document, and is available through the DPP webpage at honoluludpp.org. A PDF of the TOD Special District Design Guidelines is also posted at https://planning.hawaii.gov/wp-content/uploads/City-and-County-of-Honolulu_TOD-Guidelines-8-29-18.pdf.

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.

4.1 TOD Project Plans and Studies

State and county agencies continued to work throughout the year on TOD projects as resources allowed. During 2018, State agencies and the counties provided updates on the status of their TOD projects. Staff also met with individual agencies and reported back to the TOD Council as needed. **Table 1** lists selected TOD projects with studies or project development underway. Refer to Appendix A for a full listing of TOD Strategic Plan projects being tracked by the TOD Council.

Table 1. TOD Projects Underway or Being Initiated in FY 2019-2021

	Project ID	Agency	TOD Station/Area	Project	Status
Oahu: State	O-01	DHHL	East Kapolei	Kauluokahai Increment II-A, Multi-Family/Commercial	Pre-Planning
	O-06	DLNR	UH West Oahu	East Kapolei Master Development Plan	Pre-Planning
	O-13	SA/DAGS	Halawa	Aloha Stadium Property Redevelopment	Pre-Planning
	O-20	UH HCC	Kapalama	UH Honolulu Community College TOD Plan	Pre-Planning
	O-21	HPHA	Kapalama	HPHA Administrative Offices Redevelopment	Planning
	O-22	HPHA	Iwilei	Mayor Wright Homes Redevelopment	Planning
	O-23	HHFDC/DAGS/HPHA	Iwilei	Liliha Civic Center Mixed-Use Project	Pre-Planning
	O-26	DOE/HHFDC	Kakaako	Pohukaina Elementary School	Planning
	O-27	HCDA	Kakaako, Civic Center	Nohona Hale	Construction
	O-28	HCDA	Kakaako	Ola Ka Ilima Artspace Lofts	Construction
	O-29	HCDA	Ala Moana	Hale Kewalo Affordable Housing	Construction
	O-30	HHFDC/JUD	Ala Moana	Alder Street Affordable Rental Housing/Juvenile Service Center	Planning
City & County of Honolulu	O-32	CCH	Iwilei, Kapalama	Iwilei-Kapalama Infrastructure Master Plan	Planning
	O-33	CCH	Pearlridge	Pearlridge Bus Center and TOD Project	Planning
	O-34	CCH	Kapalama	Kapalama Canal Catalytic Project/Linear Park	Planning
	O-35	CCH	Chinatown	Chinatown Action Plan	Plan/Des/Const
	O-36	CCH	Waipahu Transit Center	Waipahu Town Action Plan	Planning
	O-37	CCH	Kakaako	Blaisdell Center Master Plan	Pre-Planning
	O-38	CCH	UH West Oahu, Hoopili	Farrington Highway Widening	Planning
Kauai	K-02	COK/KHA	Lihue	Pua Loke Affordable Housing	Planning
	K-03	COK/KHA	Koloa	Koae Workforce Housing Development	Construction
	K-04	COK/KHA/ HHFDC	Eleele	Lima Ola Workforce Housing Development	Planning
	K-08	COK/HHSC	Kapaa	Mahelona State Hospital	Pre-Planning
Hawaii	H-01	COH	Keaau	Keaau Public Transit Hub	Pre-Planning
	H-02	COH	Keaau	Keaau Public Wastewater System	Pre-Planning
	H-05	COH	Hilo	Ka Hui Na Koa O Kawili Affordable Housing	Planning
	H-12	HHFDC/COH	North Kona	Village 9 Affordable Housing	Planning
Maui	M-01	HHFDC/COM	Lahaina	Villages of Lealii Affordable Housing	Pre-Planning
	M-02	HHFDC/DAGS	Kahului	Kane Street Affordable Housing Project	Pre-Planning
	M-03	COM/HHFDC/ DAGS	Kahului	Central Maui Transit Hub	Planning
	M-04	COM/DAGS/ DLNR	Wailuku	Wailuku Courthouse Expansion	Pre-Planning

30-Nov-18

4.2 FY 2017 CIP-funded Projects

In 2016, the Legislature appropriated $500,000 in CIP funds to OP for FY 2017 to undertake plans for site master planning for State lands in TOD areas on Oahu. The three projects below were selected for funding in 2016. In 2017, OP delegated the funds to the respective agencies for project use. During 2018, OP TOD program staff participated in project team meetings to support the achievement of TOD potential in each project. The current status of each of the funded projects is provided below.

DAGS / Stadium Authority **$200,000**

Aloha Stadium Redevelopment & Ancillary Development—Master Plan

Re-programmed for preparation of a conceptual master plan for redevelopment of HPHA's Puuwai Momi Homes, to be integrated into master planning of Aloha Stadium redevelopment project

The 2017 Legislature appropriated $10 million for master planning for Stadium redevelopment. DAGS bundled the $200,000 with the $10M for procurement of consulting services for the Stadium master plan project. In discussions with DAGS, Stadium Authority staff, and HPHA, it was decided to allocate $200,000 to have the Stadium consultant prepare a master plan for Puuwai Momi that would allow better physical and infrastructure integration of the property into the overall redevelopment scheme for the Stadium property. This will help ensure connectivity with other State facilities in area, and potentially explore shared infrastructure requirements to reduce the redevelopment costs for the public housing project. The Stadium consultant team has been selected and their final work products are expected in 2020.

DLNR **$200,000**

East Kapolei lands—Strategic master plan

Strategic master development plan and 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 a revenue stream for its resource management and protection programs. The funds have been used to expand the scope of DLNR's existing contract to enhance the lands' TOD potential. The strategic master plan is expected in 2019.

UH Honolulu Community College **$100,000**

UH HCC Campus—TOD study

Assessment of potential TOD options in conjunction with the future transit station planned on the HCC campus (corner of Kokea and Dillingham). TOD options for the HCC campus must be aligned with the HCC higher education mission and the HCC Long Range Development Plan. A draft report has been completed and will be presented to the Board of Regents in 2019.

4.3 FY 2018 CIP funded Project: State TOD Planning and Implementation Project, Oahu

In 2017, the Legislature appropriated $1 million in CIP to OP for FY2018 to be used for master planning, site planning, and infrastructure assessments for State agency transit-oriented development projects near proposed rail stations on Oahu. The funds have been used to procure planning and engineering services for preliminary site planning, infrastructure needs assessment, inter-agency consultation and coordination, and preparation of a State TOD Project Implementation Plan for infrastructure needed to support TOD project development in the three priority areas: East Kapolei, Halawa-Stadium, and Iwilei-Kapalama.

In May 2018, PBR Hawaii and a multi-disciplinary consultant team with local and mainland expertise in TOD and infrastructure system design, development, and financing, was awarded the consultant contract for the project.

From July to November, the project team worked in consultation with the three Oahu Permitted Interaction Groups and individual State and county agencies to identify anticipated buildout of State lands in the three TOD priority areas. The PIGs will report findings from this first phase to the TOD Council in January 2019. The next phase of the project will examine the current and expected infrastructure improvements necessary to support this projected buildout and will analyze potential cost-sharing and financing options for paying for the necessary infrastructure improvements.

The project will also be coordinated with and incorporate the City's Iwilei-Kapalama Infrastructure Master Plan efforts. Project findings and recommendations for a State infrastructure implementation plan and financial strategy for infrastructure investments necessary for State TOD projects along the rail corridor is expected in December 2019.

4.4 FY 2018 CIP-funded Project: Waipahu Transit Center Studies, University of Hawaii Community Design Center

The Waipahu Transit Center study is a collaborative effort led by the UH Community Design Center (UHCDC) of the School of Architecture, and includes the Department of Urban and Regional Planning, and the Public Policy Center. Over a two-year period, the UHCDC will study the Waipahu Transit Center area, where several State agencies have facilities and properties, including DLNR, DAGS, HHFDC, and HPHA. The properties include the Waipahu Civic Center, Waipahu Public Library, community service facilities, elderly public housing, affordable multifamily housing, and parking lots.

The TOD Council was briefed on course work undertaken by the UHCDC in Fall 2017. Three teams were tasked with assessing hazards, historical and existing conditions, conducting stakeholder interviews, developing site plans and doing site analyses, and developing conceptual design plans for the State-owned lands. Waipahu is designated as a mixed-use village in the City's TOD plan, and as such, it was important to incorporate increased density within the transit center node while still maintaining the community feel and the Waipahu community's strong ties to its immigrant and plantation heritage.

Three different conceptual plans for the State parcels in the Waipahu/Pouhala Station area were developed and presented. Core themes emerged: the preservation of social services, increasing walkability, interactive community engagement, access to open space, addressing flooding, and increasing or maintaining affordable housing. Four key takeaways were reported:

- The six State-held parcels are an opportunity to catalyze projects and address issues of flooding, adaptation and mitigation, environmental protection and restoration, aging infrastructure, and affordable housing;
- There is an opportunity to present new parking strategies for consideration in TOD areas;
- There is a critical mass in the area to introduce new housing and maintain the affordability of existing units; and
- There is an opportunity to reorder transportation priorities and to use rail to support walkability and connectivity over reliance on the automobile.

During the Spring and Summer 2018 semesters, UHCDC work included: (1) a planning practicum to use Waipahu as a TOD model for other TOD stations with similar context, and engaging the community to share ideas and visions through workshops; (2) an infrastructure capacity analysis, and examination of constraints and opportunities for multi-modal transportation and green infrastructure in Waipahu; and (3) performance of studies of tree canopy, flood mitigation, housing blocks, digital optimization/computational analysis, and strategic planning.

A PDF of the students' presentation is posted at https://planning.hawaii.gov/wp-content/uploads/Waipahu-Transit-Center-presentation-1.pdf; images of the students' display boards are posted at https://planning.hawaii.gov/wp-content/uploads/Waipahu-Transit-Center-UH-Center-for-Design-display-boards.pdf.

5. CIP Requests to the 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 2018 meeting, the TOD Council reviewed and made recommendations to the Governor and Legislature on the following projects for CIP funding by the 2018 Legislature:

1. HMS 220—Proj HI8002—MAYOR WRIGHT HOMES REDEVELOPMENT, OAHU – $4.5M **[Fully funded]**
   HPHA Request: $4,500,000 for on-site infrastructure improvements to prepare for future redevelopment of the 15-acre site which is planned for 2,500 residential mixed-income units, 66% of which are affordable units. The CIP request included $500,000 for design and $4,000,000 for construction. The Mayor Wright Homes redevelopment is a catalytic project in the Iwilei-Kapalama TOD area and will contribute significantly to affordable housing needs (66% affordable rental units). The site is underutilized, available for redevelopment, and a master development agreement has been executed for the project.

2. EDN 100—Proj P18137—POHUKAINA ELEMENTARY SCHOOL, KAKAAKO – $60M **[$10M funded]**
   DOE Request: $60,000,000 for design and construction of a much-needed new elementary school in the rapidly developing Kakaako area adjacent to Mother Waldron Park. The CIP request included $5,000,000 for design and $54,000,000 for construction. This would be DOE's first vertical school – four to five stories with an enrollment capacity of 600 to 750 students, being developed as part of a mixed-use, high-density development that includes an HHFDC 200-unit affordable rental project. The site is available for immediate development. The vertical school concept could set the standard for future new schools in developed areas along the rail corridor.

3. PSD 900—Proj 2019-4—PLANNING AND ASSESSMENT FOR PUBLIC-PRIVATE PARTNERSHIP (P3) OPPORTUNITIES, STATEWIDE – $1M **[Not funded]**
   PSD Request: $1,000,000 for consulting services to explore the potential for P3s to design, build, or finance prison or jail projects to help expand and modernize the crowded State correctional system. This would enable the replacement of the Oahu Community Correctional Center in Kalihi through a P3.

4. BED 160—Proj HFDC09—ALDER STREET MIXED-USE RESIDENTIAL, HONOLULU, OAHU – $25M **[Not funded]**
   HHFDC Request: $25,000,000 set aside from the Rental Housing Revolving Fund, to accelerate the construction of the Alder Street Mixed-Use Residential Project to finance the development of affordable rental housing. The project is co-located with the Judiciary's

juvenile services center on a 1.45-acre site near the Ala Moana rail transit station. 180 affordable rental units are proposed in a 19-story building targeted for households earning 60% and below AMI.

5. BED 160—Proj HFDC05—DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE – $25M **[$10M funded]**
HHFDC Request: $25,000,000 DURF infusion statewide to facilitate the development of affordable rental housing and State regional infrastructure. Act 132, SLH 2016 broadened the uses of DURF to also fund State regional infrastructure in conjunction with housing and mixed-use TOD projects. The requested DURF funds would support:
   1. Liliha Civic Center Mixed Use Residential, Iwilei, Oahu (including State regional infrastructure);
   2. Kane Street Affordable Housing project, Maui (including site prep for the Central Maui Transit Hub);
   3. West Hawaii Village 9 affordable rental housing, North Kona, Hawaii (including County of Hawaii homeless facility off-site infrastructure); and
   4. Villages of Leialii affordable rental housing, West Maui (including State regional infrastructure).

6. COUNTY OF KAUAI—PUA LOKE AFFORDABLE HOUSING, LIHUE – $1.5M **[Not funded]**
County of Kauai Request, Pua Loke Affordable Housing: $1,500,000 to provide multifamily housing that can accommodate a blend of affordable incomes ranging from 60% to 100% of area median income and readily accessible to transit. The project may contain up to 50 units, including designated units for permanent housing that will serve families and individuals experiencing homelessness.

7. COUNTY OF MAUI—CENTRAL MAUI TRANSIT HUB, KAHULUI – $2.5M **[Fully funded]**
Central Maui Transit Hub: $2,500,000 for construction of a new Central Maui Bus Transit Hub on Vevau Street near a shopping mall, commercial services and residential areas. The Maui Bus is required to relocate from its hub at Queen Kaahumanu Center by January 31, 2020. The County is funding the planning and design phase.

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 did not recommend any policy, regulatory, or statutory changes during the 2018 Legislative Session. At its monthly meetings during the legislative session, the TOD Council reviewed, discussed, and monitored 28 measures related to TOD, including appropriations bills with requests for funding for TOD projects and TOD program support.

6.1 Legislative Proposals for TOD-Related Policy and Program Supports

Key measures tracked in the 2018 Legislative Session included those that would:

- Establish a TOD zone improvement program under HCDA, which had general support from TOD Council members provided that the measure did not give HCDA land use authority over the new zones;
- Establish TOD Community Districts within HCDA;

- Establish a P3 office and funding positions to provide technical assistance to agencies;
- Clarify the procurement code to enable P3s and alternative delivery mechanisms; and
- Impose various affordable housing requirements on projects in TOD areas.

Of the 28 measures tracked, the following were passed:

Bills

SB 2237, SD2, HD1, CD1 [Act 210, SLH 2018], requiring the City and County of Honolulu to transfer to the DOE all property on which a public elementary or intermediate school is situated.

SB 2293, SD2, HD3, CD1 [Act 150, SLH 2018], requiring the HHFDC to institute proceedings to condemn the ground lease for the Front Street Apartments affordable housing project. Appropriates general funds for the appraisal and condemnation if the County of Maui provides matching funds. Appropriates rental housing revolving funds to HHFDC for the expedited construction of the Leialii affordable housing project.

HB 2748, HD2, SD2, CD1 [Act 39, SLH 2018], directing HHFDC to study and report on housing for populations with access and functional needs. Extends exemption from general excise tax for development costs of affordable rental housing certified by HHFDC. Increases limits on costs eligible for exemption and clarifies eligibility to qualify for the exemption. Prohibits discrimination against tenants based solely on receipt of Section 8 housing assistance. Appropriates $200 million to the rental housing revolving fund for fiscal year 2017-2018.

Resolutions

SCR 48, SD1, requesting the DHHL to provide multi-family, high-density development in TOD Zones and Tiny Homes for Native Hawaiians.

SR 22, requesting the Legislative Reference Bureau to conduct a study regarding designating, dissolving, or transferring certain community development districts under HCDA. The study is due twenty days prior to the convening of the 2019 legislative session.

6.2 Resources for Implementation of Strategic Plan: Appropriations for TOD Projects and TOD Council Support

Act 53, SLH 2018 appropriated funds in the FY 2019 Executive Budget for several TOD projects as noted in Section 5, and appropriated a total of $163,700 in operating funds for FY 2019 to OP for the following TOD program support:

- **$15,000**, for Neighbor Island TOD Council member travel to and from TOD Council meetings;
- **$69,540**, to fund a new TOD Program Manager position in OP; and
- **$79,176**, to fund and transfer the existing TOD Council TOD Coordinator position from HHFDC to OP.

The TOD Program Manager position requires supplemental funding, which will be requested in the Executive Budget for Fiscal Biennium 2020-2022. OP plans to fill the TOD Coordinator position as soon as this new position has been approved.

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 will oversee the development of 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 the work of the TOD Council and implementation of TOD statewide. As plan implementation proceeds, this support work will continue, and new information will be brought to the TOD Council as opportunities allow.

Presentations and Workshops

- **Presentation on Integration of Innovation Industries into TOD Plans, Kelly Kline, Economic Development Director/Chief Innovation Officer, City of Fremont, California**

  This presentation was funded by a U.S. Economic Development Administration grant to OP, to assist in the support of targeted emerging cluster industries on State lands along the rail.

  The City of Fremont, California, has used TOD planning to advance both its economic diversification and redevelopment goals. Fremont's innovation strategy for the new Warm Springs BART Station area emerged from two plant closures in 2010-11, which resulted in the loss of approximately 6,000 jobs in a 14-month period. The Warm Springs/South Fremont Community Plan adopted in 2014 was formulated to create transit-oriented communities that link workforce potential with great lifestyle amenities, and balance housing and jobs. Fremont's successful economic development strategy is focused on expansion of its existing assets of manufacturing and production companies and expertise, targeting growth in advanced manufacturing, biotech/medical device companies, and clean technology.

  At the core of the Plan is the concept of innovation districts, defined as "geographic areas where leading-edge companies, research institutions, start-ups, and business incubators cluster and connect. Physically compact, accessible by public transit, technically wired, the areas offer mixed-use housing, office, and retail amenities." A successful innovation district requires that its economic assets, physical assets, and networking assets work together to create an innovation ecosystem and environment that fosters industry growth and expansion.

  The City's Warm Springs Community Plan is a performance-based plan. The plan includes job targets, guidelines, a minimum density threshold, locates housing in proximity to the

BART station with set-aside residential areas, but has no height limits. All of the required affordable housing is to be built onsite and at the most affordable levels. The City has streamlined its development approval process: with relatively quick approvals if developers can show how their master plans are meeting job targets and the spirit of the guiding principles in the plan. Since the plan's adoption, four thousand (4,000) housing units are now under construction, with 15% of the units affordable units.

Fremont is also selling some assets to finance some front-end infrastructure work. The funds from property sales are deposited into an Enterprise Fund to be used specifically for TOD areas.

Other notable elements of Fremont's economic development strategy:

- Extensive and ongoing collaboration and partnering with a lot of different agencies including federal labs in the region, other cities, workforce agencies, and industry groups;
- Workforce training and development for advanced industries, linking industry to K-12 and post-secondary education institutions in the City to build a training and job pipeline for residents;
- Facilitative introductions between the maker communities and landlords and developers to ensure that companies have the kind of space and support needed to grow;
- City placemaking near their existing BART station to create interest in an emergent downtown area: working with a public space program entity to host activities such as a beer garden, movies, ping pong, maker spaces, and helping small tenants incubate in free space; having their artist community paint buildings; and
- Extensive branding and marketing—hiring a public relations firm, cultivating relationships with the media—to tell the Fremont story.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/Kelly-Kline-TOD-and-Innovation-Industries-presentation-4.10.2018-1.pdf.

- **Siting Emerging Growth Industries in TOD Areas, John Kirkpatrick, Belt Collins Hawaii**

This study was funded by a U.S. Economic Development Administration grant to OP, to assist in the support of targeted emerging cluster industries on State lands along the rail.

The study conducted by Belt Collins Hawaii (Belt) focused on: describing and identifying potential sites and projects that could support innovation industries on State lands near rail stations; researching TOD-related innovation districts/innovation hubs outside Hawaii; and developing recommendations on how to integrate innovation industries into State TOD planning and to support innovation industry growth.

Belt conducted interviews with State landowners along the rail, agencies involved in economic development, and other major landowners to identify project potential and challenges. Firm or innovation projects in the pipeline include: the Kakaako Sandbox and future Innovation Hale; Foreign Trade Zone (FTZ) support for creative industries and training; UHWO Creative Media Center and new film studio proposed for UHWO lands; and Integrated Industrial Technology training at UH Leeward Community College.
Potential innovation/industry hub opportunities were identified at Halawa for sports and entertainment and Iwilei-Kapalama for manufacturing. Opportunistic development

potential identified included: the UH Urban Gardens site near the Pearl Highlands station; energy, communications, and defense clusters in the Airport/Joint Base Pearl Harbor Hickam area; incubators on State lands slated for redevelopment; and new DOE school sites at Hoopili and Kakaako.

Five innovation districts on the mainland were studied: the Cortex District in St. Louis, Missouri; Denver, Colorado's innovation partnership between the City, Panasonic, Denver International Airport, and transit; Chattanooga Innovation District, Chattanooga, Tennessee; Warm Springs Innovation District, Fremont, California; and innovation districts in East and West Baltimore, Maryland. Lessons learned from these mainland cases: innovation districts need research, corporate, political support, and a clear vision and objectives; leadership, collaboration, and capital are critical to long-term growth and an agile response to opportunities. Social inclusion that involves community residents in the economic and redevelopment process is also important to avoid displacement. Successful innovation districts also require sustained, long-term collaborative effort.

Through interviews and discussions, it was reiterated how expensive it is to live and do business in Hawaii. Companies remain in Hawaii because of their affinity for Hawaii, dependence on local resources not found elsewhere, or dependence on local staff training and/or contacts that a growing firm needs.

Both clustered and opportunistic growth strategies are needed to support innovation and innovation districts in Hawaii. General recommendations for this include: involvement of the private sector throughout; inclusion of economic development in TOD goals; use of sustainable development standards and renewable energy and storage integrated in new development; close collaboration of research, training, and commercial firms; having champions in the community and the legislature and agreement among agencies to support common objectives.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/2018-08-14_Kirkpatrick-INNOVATIVE-INDUSTRIES-IN-TOD-ZONES-draft-180811.pdf.

- **Avoiding Design That Will Fail? Climate Action and Resilient Communities, Cole Roberts, ARUP Energy and Resources Sustainability Group, San Francisco, California**

  This presentation was made in conjunction with the State TOD Planning and Implementation Project.

  The presentation provided an overview of high-level frameworks for how to approach community design in the face of climate change and an uncertain future, describing a range of sustainable and resilient infrastructure design considerations that should be examined in planning for TOD priority areas.

  Communities can respond to climate change in two ways: mitigate or adapt. ARUP's approach to effective action to mitigate climate change has six components—with the first being things that are the most cost-effective, and the sixth being less cost-effective:

  - **Density**, i.e., appropriate use of space, land, and building. A recent study for a city concluded that just doubling the density of that jurisdiction had a 70% greater impact on reducing carbon per person than the more expensive application of high-performing technologies;

- **Walkable**, i.e., the right amount of building, reducing movement to keep the community in close quarters;
- **Efficient**, i.e., efficiency in transportation modes and buildings;
- **On-site renewables**;
- **Off-site renewables**, i.e., utility-scale, community-sourced; and
- **Trees & Travel**, vis a vis sequestration, vegetating ecosystems, and other such measures.

Strategies need to also consider the optimal scale for different systems—for TOD areas, it might be good to look at whether certain systems are optimized at the block/campus/district scale vs. the building scale. Scaling systems across the entire development area has the potential to significantly reduce fuel and operating and maintenance costs in comparison to the cost of individual energy systems to individual building owners.

Shifting thinking in this way is challenging: two-thirds of the time, the action taken is what has been done before—because it's safe, easy, known, financeable (since the financial system knows how to pay for it), and so forth. With TOD, there is the potential to set performance standards that are achievable, cost-effective, and affordable, not in terms of the first cost, but the total cost of development.

In one scenario of inundation zones with a 1-meter sea level rise in Honolulu's urban corridor, the value of assets at risk is estimated at $43 billion. Risk is cumulative: there's a domino effect from the lack of ability to respond to risk or hazard events, which can lead to economic and health system failures.

The essential challenge for adaptation to climate change and sea level rise is how to design communities to increase their resilience and resistance and improve their coping ability to manage vulnerability to the risks that are coming. This entails finding those things/practices that can be baked into a community that will either (1) increase resilience and the ability to recover, and/or (2) increase resistance and the ability to withstand events.

ARUP has developed the following framework of six components for practices that support successful adaptation. The first is the easiest and cheapest set of actions; the last takes more time and is costlier. The six components are:

- **Build capacity**—things that bring community together, emergency preparedness, and emergency response, such as creating public space that brings people together, providing design guidance that sets out common terms, data, and adaptation pathways for how resilience measures/investments can be implemented/integrated over the life of a building/project, or using climate change scenarios to stress-test project and system designs; and
- **Site appropriately**—which can include de-siting or returning the physical environment to a prior state. If priority development areas are in areas at risk (as they are in the South Bay of the Bay Area and Honolulu), then this is policy to hold this ground and protect it;
- **Build in passive survivability**—incorporating features in the built environment that are designed to absorb the impact of extreme events;

- **Design active resilient systems**—such as installation of devices or technologies that armor and protect buildings from damage;
- **Allow for flexibility and retrofit**—use of codes and recommended best practices make existing structures more resilient; and
- **Manage retreat**—through active resettlement (buying people out) or passive resettlement, such as when people choose to relocate voluntarily after an event.

A PDF of the presentation is posted at https://planning.hawaii.gov/wp-content/uploads/2018-09-19_ARUP_Resilience-Sustainability_Presented.pdf.

Planned Activities

The TOD Council work plan for calendar year 2019 includes the following activities.

1. Permitted Interaction Group Work on TOD Strategic Plan Implementation.

On Oahu, the PIGs for East Kapolei, Halawa-Stadium, and Iwilei-Kapalama will be convened to address interagency coordination—particularly with respect to infrastructure requirements—and develop recommendations for an infrastructure financing strategy for State lands along the Honolulu rail corridor. The Hawaii, Maui, and Kauai County PIGs will be convened to work on further definition of TOD projects relative to their feasibility and potential, identification of agency and funding support needed, and taking steps to further TOD project planning and implementation. The Neighbor Island PIG will be convened to develop a legislative communication and advocacy strategy for advancing and funding Neighbor Island TOD issues, needs, and priorities.

2. Review of FY 2020 & FY 2021 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 and Review 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. Testimony will be prepared as determined to be needed by the TOD Council and Council co-chairs. 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 will review findings and recommendations reported from the State TOD Planning and Implementation Project to determine how to expand the tools available for TOD and to create a 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 P3 and other alternative project delivery systems;
2. Expansion of financing tools; and
3. Expanded use of value capture financing tools.

5. Support TOD Project Implementation.

a. Provide State TOD Project Coordination/Facilitation

1. Support regional Permitted Interaction Groups' work on individual and regional TOD project implementation; and
2. Support priority project CIP requests.

b. Provide TOD Policy Support and Administration

1. Review and advise on 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.

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

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

State TOD Strategic Plan (Aug 2018), Hawaii Interagency Council for Transit-Oriented Development

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	FY18 ('000s)	FY19 ('000s)	FY20 ('000s)	FY21 ('000s)	2018 Project Update
East Kapolei	O-01	DHHL	East Kapolei	Kauluokahai Increment II-A, Multi-Family/Commercial	33	Pre-Planning					
	O-02	UHWO	East Kapolei, UHWO	UH West Oahu University District	168	Pre-Planning					
	O-03	UHWO	East Kapolei, UHWO	UH West Oahu Long Range Development Plan	500	Planning					
	O-04	UHWO	East Kapolei, UHWO	UH West Oahu TOD Infrastructure		Pre-Planning		$ 750			
	O-05	UHWO	UH West Oahu, LCC, HCC	UH West Oahu Multi-Campus Housing		Planning		$ 80			
	O-06	DLNR	UH West Oahu	East Kapolei Master Development Plan	175	Pre-Planning	$ 350		$ 2,000	$ 20,000	
	O-07	DOE	Hoopili	East Kapolei High School	45	Planning					
	O-08	HPHA	West Loch	Waipahu I and Waipahu II Redevelopment	1	Pre-Planning					
	O-09	HHFDC/ DAGS/DOE	Waipahu Transit Center	Waipahu Civic Center TOD Project	10	Pre-Planning					
	O-10	HPHA	Waipahu Transit Center	Hoolulu and Kamalu Redevelopment	3.78	Pre-Planning					
	O-11	UH-LCC	Leeward Comm College	UH Leeward Community College TOD Master Plan	50	Pre-Planning			$ 200		
	O-12	HPHA	Pearl Highlands	Hale Laulima Homes	4	Pre-Planning					
Halawa	O-13	SA/DAGS	Halawa	Aloha Stadium Property Redevelopment	99	Pre-Planning	$ 10,200		$ 55,000	$ 260,000	
	O-14	HPHA	Halawa	Puuwai Momi Homes	12	Pre-Planning					
	O-15	DHHL	Lagoon Drive, Middle St.	Moanalua Kai Conceptual Plans	14	Pre-Planning					
	O-16	PSD/DAGS	Middle St., Kalihi	Oahu Community Correctional Center Redevelopment	16	Pre-Planning					
	O-17	HPHA	Kalihi	Kamehameha Homes	16	Pre-Planning					

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

State TOD Strategic Plan (Aug 2018), Hawaii Interagency Council for Transit-Oriented Development

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	FY18 ('000s)	FY19 ('000s)	FY20 ('000s)	FY21 ('000s)	2018 Project Update
	O-18	HPHA	Kalihi	Kaahumanu Homes	7	Pre-Planning					
Iwilei-Kapalama	O-19	DHHL	Kapalama	Kapalama Project Conceptual Plans	5	Pre-Planning	$ 1,500	$ 10,000		$ 175,000	
Iwilei-Kapalama	O-20	UH HCC	Kapalama	UH Honolulu Community College TOD Plan	23	Pre-Planning	$ 100				
Iwilei-Kapalama	O-21	HPHA	Kapalama	HPHA Administrative Offices Redevelopment	12	Planning					
Iwilei-Kapalama	O-22	HPHA	Iwilei	Mayor Wright Homes Redevelopment	15	Planning		$ 4,500			
Iwilei-Kapalama	O-23	HHFDC/ DAGS/ HPHA	Iwilei	Liliha Civic Center Mixed-Use Project	4	Pre-Planning					
Iwilei-Kapalama	O-24	HPHA	Iwilei	Kalanihuia Homes	2	Pre-Planning					
	O-25	HHFDC	Kakaako	690 Pohukaina	2	Planning					
	O-26	DOE/ HHFDC	Kakaako	Pohukaina Elementary School	2	Planning	$ 10,000	$ 58,998			
	O-27	HCDA	Kakaako, Civic Center	Nohona Hale	0.3	Construction		$ 53,000			
	O-28	HCDA	Kakaako	Ola Ka Ilima Artspace Lofts	1	Construction		$ 55,700			
	O-29	HCDA	Ala Moana	Hale Kewalo Affordable Housing	1	Construction		$ 57,500			
	O-30	HHFDC/ JUD	Ala Moana	Alder Street Affordable Rental Housing/Juvenile Service Center	1.5	Planning		$ 1,700		$ 87,600	
	O-31	HPHA	Ala Moana	Makua Alii & Paoakalani	9	Pre-Planning					

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

State TOD Strategic Plan (Aug 2018), Hawaii Interagency Council for Transit-Oriented Development

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	FY18 ('000s)	FY19 ('000s)	FY20 ('000s)	FY21 ('000s)	2018 Project Update
City & County of Honolulu	O-32	CCH	Iwilei, Kapalama	Iwilei-Kapalama Infrastructure Master Plan	581	Planning	$ 5,000		$ 50,000	$ 500,000	
	O-33	CCH	Pearlridge	Pearlridge Bus Center and TOD Project	3	Planning	$ 1,000		$ 10,000	$ 130,000	
	O-34	CCH	Kapalama	Kapalama Canal Catalytic Proj/Linear Park	19	Planning	$ 1,500	$ 10,000		$ 175,000	
	O-35	CCH	Chinatown	Chinatown Action Plan		Plan/Des/ Const	$ 100,000				
	O-36	CCH	Waipahu Transit Center	Waipahu Town Action Plan		Planning					
	O-37	CCH	Kakaako	Blaisdell Center Master Plan	22	Pre-Planning	$ 5,000	$ 50,000		$ 500,000	
	O-38	CCH	UH West Oahu, Hoopili	Farrington Highway Widening	-	Planning		$ 4,000			
Kauai	K-01	DAGS/COK	Lihue	Lihue Old Police Station	1	Pre-Planning					
	K-02	COK/KHA	Lihue	Pua Loke Affordable Housing	2	Planning	$ 1,000	$ 2,000		$ 13,000	
	K-03	COK/KHA	Koloa	Koae Workforce Housing Development	11	Construction		$ 44,000			
	K-04	COK/KHA/ HHFDC	Eleele	Lima Ola Workforce Housing Development	75	Planning		$ 19,000			
	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/HHSC	Kapaa	Mahelona State Hospital	34	Pre-Planning	$ 500				
	K-09	COK/DPW	Mahelona	Kawaihau Road Multimodal Improvements		Planning					
	K-10	COK/DPW	Koloa School	Poipu Road Multimodal Improvements		Planning					

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

State TOD Strategic Plan (Aug 2018), Hawaii Interagency Council for Transit-Oriented Development

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	FY18 ('000s)	FY19 ('000s)	FY20 ('000s)	FY21 ('000s)	2018 Project Update
Kauai	K-11	COK/DPW	Maluhia Rd	South Shore Shuttle		Pre-Planning	$ 500				
	K-12	COK/DPW	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	UH Hilo/ HCC	Hilo	UH Hilo University Park Expansion/HCC Komohana Campus	267	Planning					
	H-07	UH Hilo	Hilo	UH Hilo Commercial/Mixed Use/Student Housing	36	Pre-Planning					
	H-08	COH	Kailua-Kona	Kailua-Kona Multimodal Transportation Plan	200	Pre-Planning					
	H-09	COH	Kailua-Kona	Old Airport Park Transit Station, Makaeo Transit Hub	14	Pre-Planning					
	H-10	COH	North Kona	Ulu Wini Housing Improvements	8	Planning		$ 815			
	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					

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

State TOD Strategic Plan (Aug 2018), Hawaii Interagency Council for Transit-Oriented Development

	Proj ID	Agency	TOD Station or Area	Project	Area (Acres)	Status	FY18 ('000s)	FY19 ('000s)	FY20 ('000s)	FY21 ('000s)	2018 Project Update
Maui	M-01	HHFDC/ COM	Lahaina	Villages of Lealii Affordable Housing	1033	Pre-Planning		$ 6,000	$ 4,000	$ 55,000	
	M-02	HHFDC/ DAGS	Kahului	Kane Street Affordable Housing Project	6	Pre-Planning		$ 1,000			
	M-03	COM/ HHFDC/ DAGS	Kahului	Central Maui Transit Hub	0.5	Planning		$ 650	$ 2,500		
	M-04	COM/ DAGS/ DLNR	Wailuku	Wailuku Courthouse Expansion	3	Pre-Planning	$ 250				

30-Nov-18

Appendix B. State of Hawaii Strategic Plan for Transit-Oriented Development Revised August 2018

Strategic Plan separately attached;
revision notes on next page.

State of Hawaii

Strategic Plan for Transit-Oriented Development

REVISIONS
to the December 2017 *State Strategic Plan for Transit-Oriented Development*

The December 2017 *State Strategic TOD Plan* was revised primarily to update missing information and correct inconsistencies in the presentation of information for TOD projects in the TOD Plan. The content of the December 2017 version of the Plan is unchanged.

The August 2018 version of the Plan contains the following revisions:

- Corrections, as needed, to TOD project information related to cost, development status, and timeframe for the 30-year and five-year/fiscal biennium timelines, project fact sheets and narratives, and the table of projects;
- Corrections to State Oahu TOD Priority Maps' project lists;
- Use of "TOD" and "Neighbor Island TOD" for Neighbor Island TOD and Smart Growth initiatives instead of "transit-ready development/TRD," at the request of Neighbor Island TOD Council members;
- Updates to Chapter 4, Tools, to include reference to Opportunity Zones and Payment-in-Lieu-of-Taxes (PILOT) value capture mechanisms; and
- Changes to format and layout to improve readability and visual organization of the Plan.

Hawaii Interagency Council for Transit-Oriented Development

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 (Revised August 2018)