



HCPO 2024

BALANCING CHANGE IN
A DYNAMIC LANDSCAPE



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BALANCING CHANGE IN
A DYNAMIC LANDSCAPE

Infrastructure Planning with Regional Investment

Community Facilities Districts (CFDs)

Tax Increment Financing (TIF)

Property Assessed Clean Energy (PACE) Financing

Katia Balassiano, OPSD; Ann Bouslog, PBR Hawaii

Zendo Kern, County of Hawaii

Andrea Roess, DTA

Dave Freudenberger, Goodwin Consulting Group



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Infrastructure Unlocks Housing

Katia Balassiano
State of Hawaii

Office of Planning & Sustainable Development

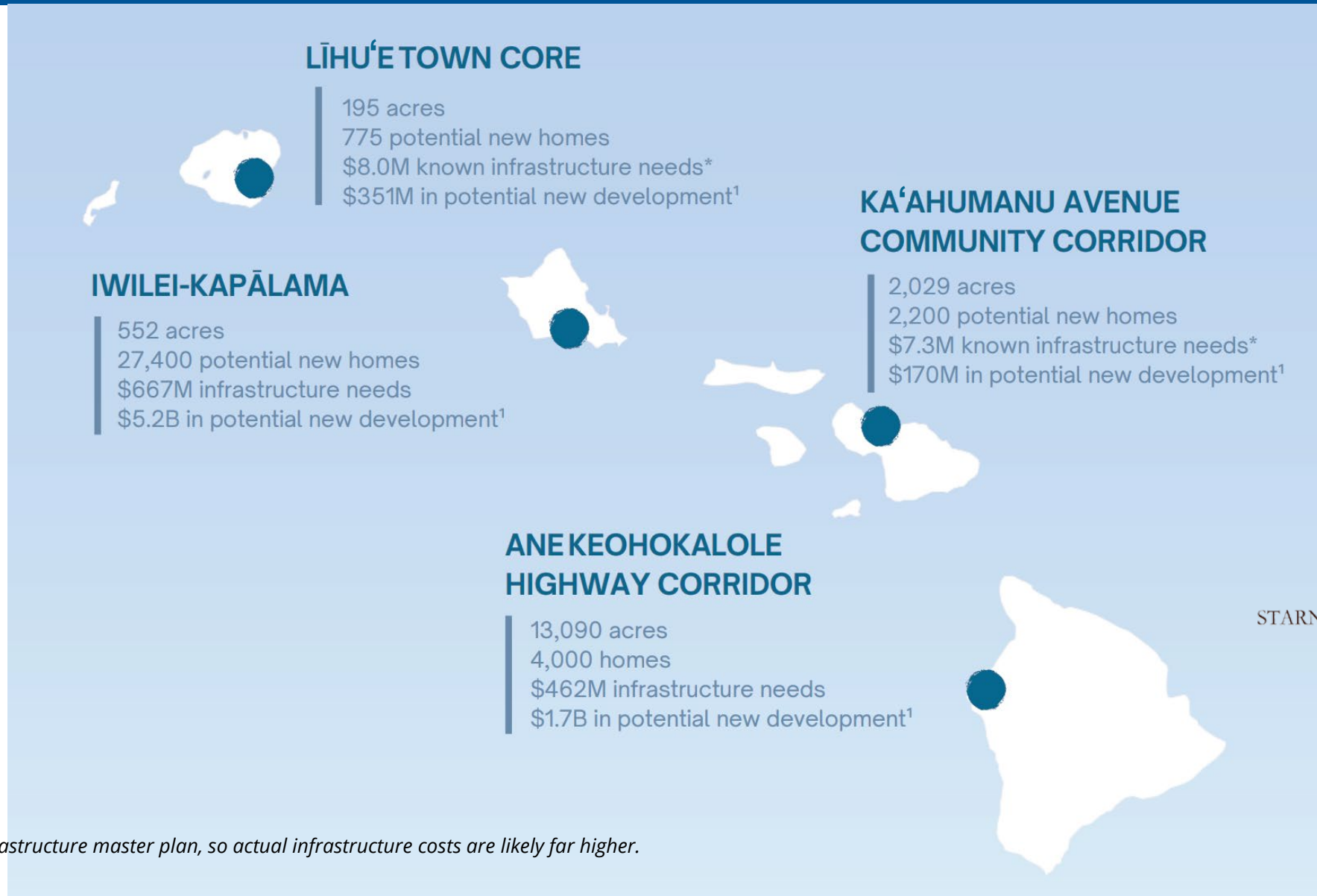
Housing Crisis?: Build housing in areas near rail stations and bus transit hubs

But before housing can be built...

...infrastructure – water, sewer, wastewater, and roads – needs to be in place. Infrastructure delays and costs limit housing construction and increase the cost of building new homes – especially affordable ones.

The total cost of infrastructure cannot be absorbed by private development alone, especially because much of the cost is upfront.

TOD Infrastructure Finance and Delivery Strategy



*Not all areas had an infrastructure master plan, so actual infrastructure costs are likely far higher.

1. Discount rate of 3%.

HR&A

PBR HAWAII
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KPMG

ashurst



R. M. TOWILL CORPORATION
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A LAW CORPORATION



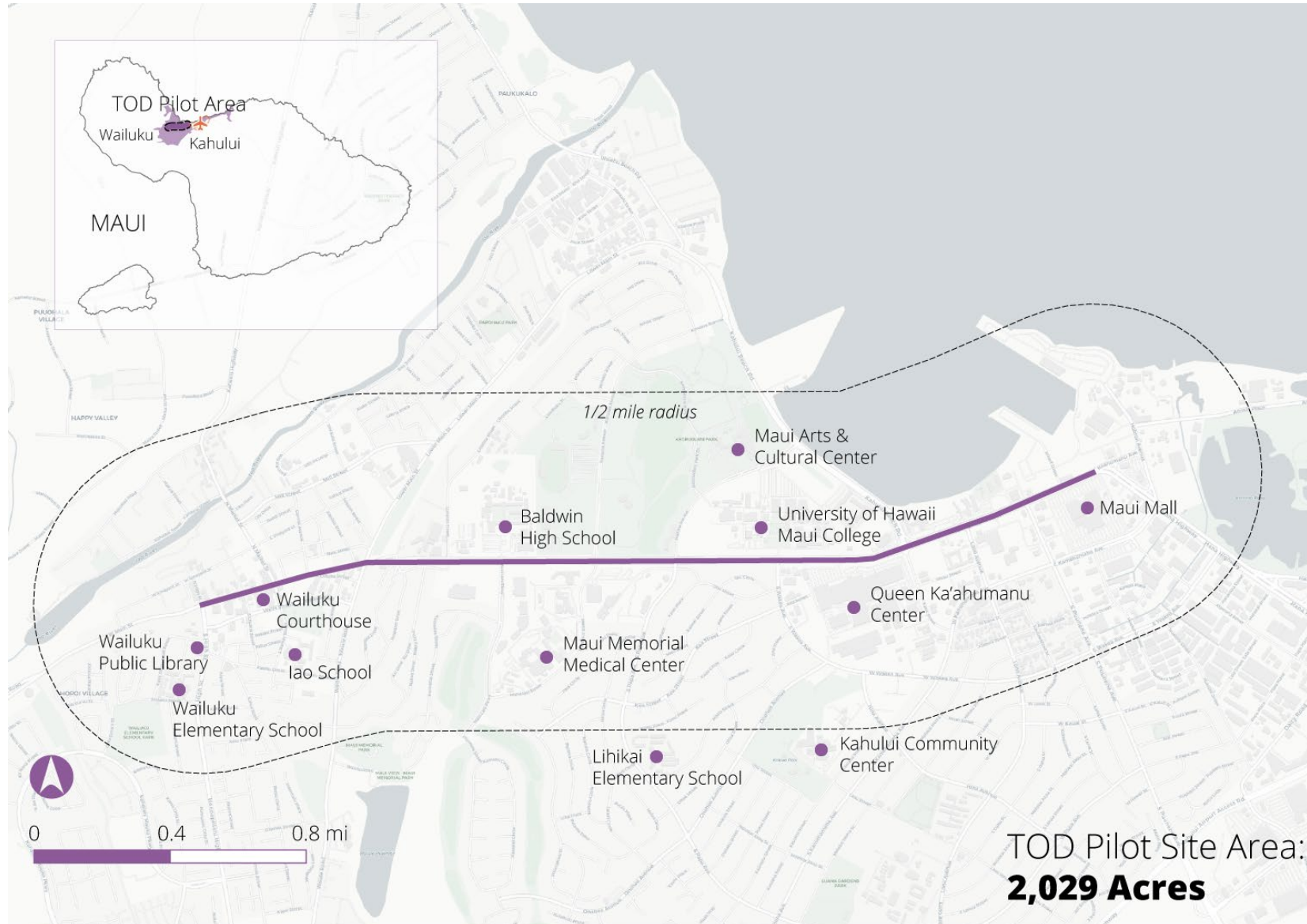
Iwilei-Kapālama (O'ahu)



\$667 million
in required district-wide
infrastructure costs,
including drainage,
electrical systems, roads
and sea-level rise
mitigation

27,400
housing units in
development program
(2025-2070)

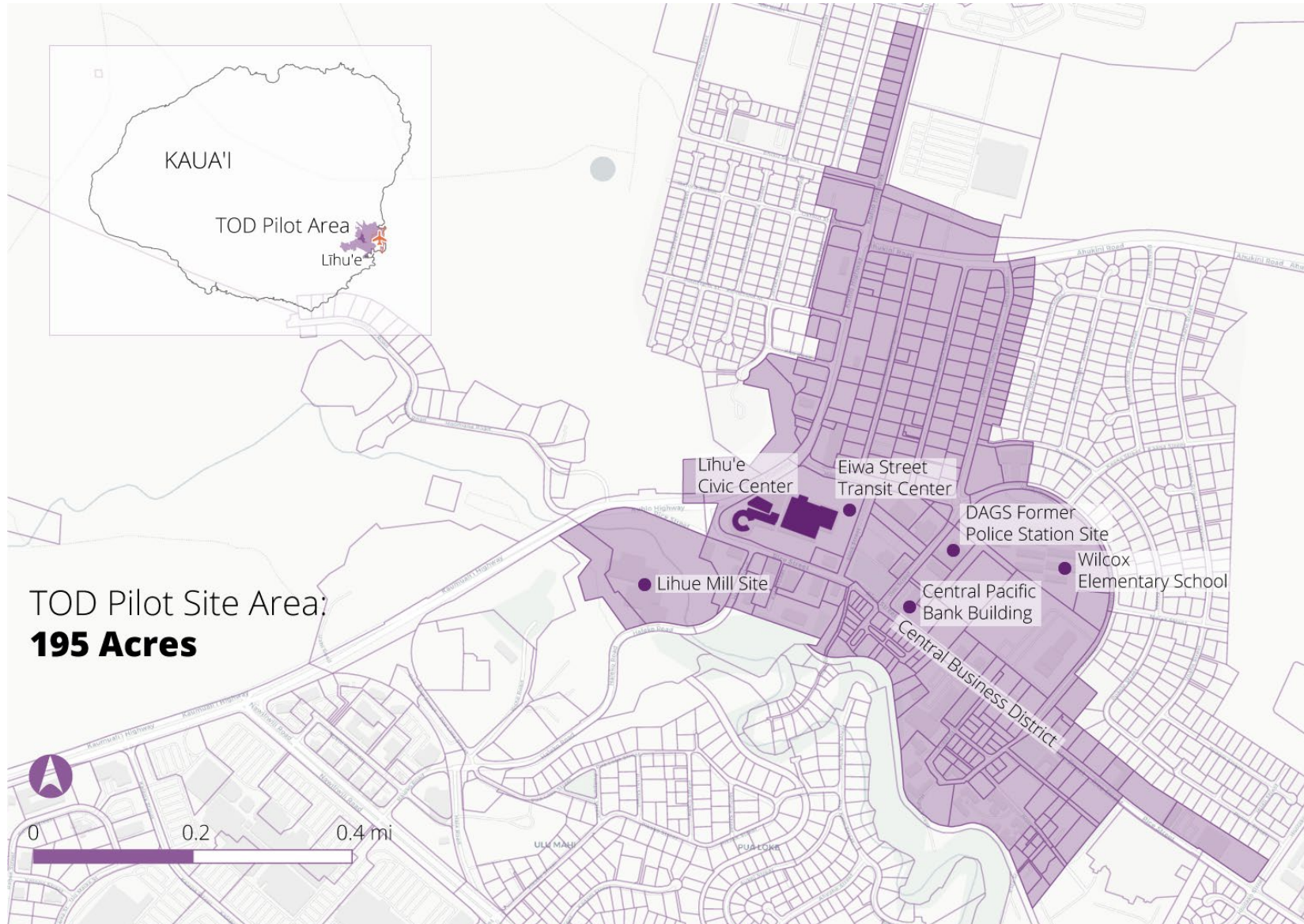
Ka'ahumanu Avenue Community Corridor (Maui)



At least \$7.3 million
required for water
capacity and community
infrastructure

2,200
housing units in
development program
(2025-2070)

Līhu'e Town Core (Kaua'i)



At least \$8.0 million
in required costs for
water capacity
improvements

775
housing units in
development program
(2025-2070)

Ane Keohokalole Highway Corridor (Hawai'i)



\$462 million

in required costs for water, wastewater, and road infrastructure, half of which to enable two housing developments

4,000

housing units in development program (2025-2070)

Revenues and Financing Capacity, by Instrument

Instrument <i>(revenues for 2025-2070, unless noted)</i>	Iwilei-Kapālama	Ka‘ahumanu Ave. Community Corridor	Līhu‘e Town Core	Ane K. Highway Corridor
TIF Financing Capacity <i>(2030/40 issuance, net of financing & admin costs)</i>	\$48/\$77M	\$40/\$87M	\$15/\$20M	\$36/\$58M
CFD/SID Financing Capacity <i>(2030/40 issuance, net of financing & admin costs)</i>	\$6.0/\$6.0M	N/A	N/A	\$4.4/\$4.7
Business Improvement District	N/A	\$74M	\$27M	N/A
Capacity of Absorption of One-Time Fees <i>For e.g., impact fees; developer fees.</i>	\$126M	Not Viable	Not Viable	\$46M
0.5% GET Surcharge on Construction & Retail Spending	\$10M	\$3M	\$11M	\$34M
3% TAT Surcharge on Hotel Spending	N/A	N/A	N/A	\$18M



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Market and Fiscal Observations

Ann Bouslog
PBR Hawaii

Housing goals are tied to regional infrastructure

- ❑ Regional infrastructure recognized as a substantial hurdle in all counties
- ❑ Confirmed by multiple county and State studies
- ❑ Priority of State & county leaders & agency heads in 2022-23 Act 305 Working Groups (“YIMBY”)
- ❑ Confirmed by private & P3 affordable/workforce housing development teams, all counties



Mayor Wright Homes redevelopment, Highridge Costa & HPHA



Lima Ola Community, County of Kauaʻi

1 Context and needs vary by county and area

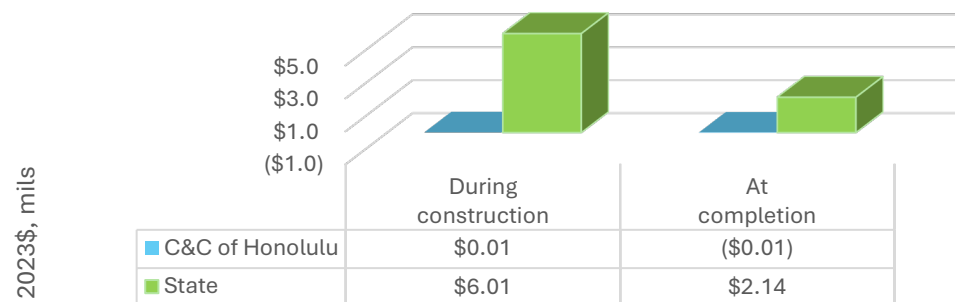
- ❑ Including within TOD areas
 - Selected pilot areas vary: 195 – 13,090 acres
 - Redevelopment, infill, greenfield
 - Community age, socio-economic profile, historic and market conditions
- ❑ Status of planning to date
- ❑ State & county property interests
- ❑ Different contexts → different funding & financing approaches



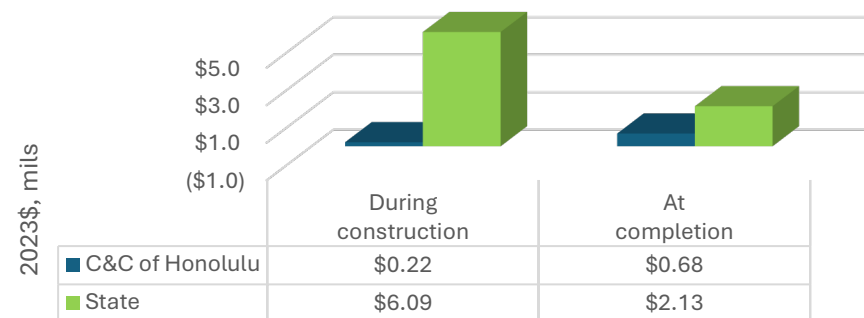
2 Needs and resources are asymmetric

- ❑ Infrastructure is largely a county obligation, but counties have limited revenue tools
 - High dependence on relatively low RPT rates
 - Exemptions & deferrals for AH development fees (201H & BBB)
 - Generous RPT exemptions for AH as rentals
- ❑ Counties often reluctant to ring fence new taxes

**NET ANNUAL TAX REVENUES: LILIHA CIVIC CENTER
AS RENTALS...**

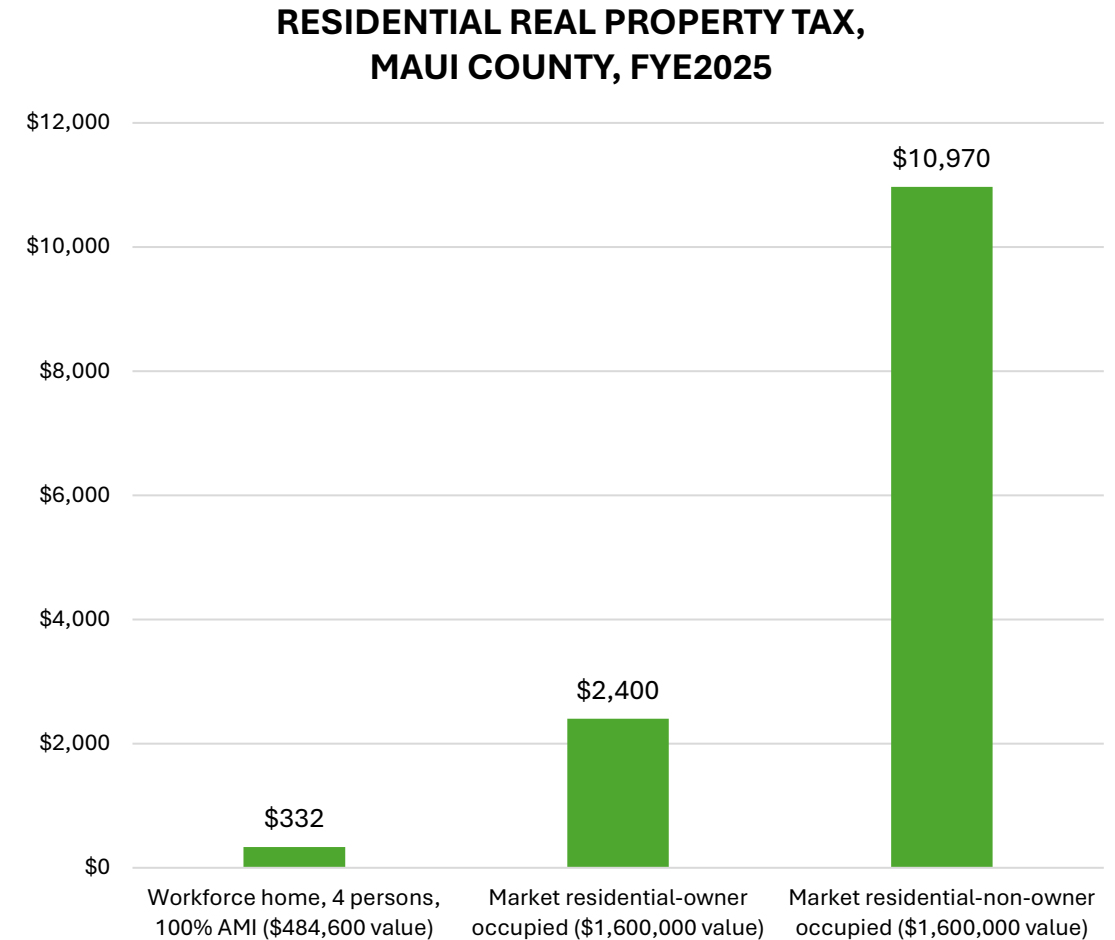


**AND SOMEWHAT MORE COUNTY YIELD
AS AFFORDABLE UNIT SALES**



3 Market uses are part of the recipe

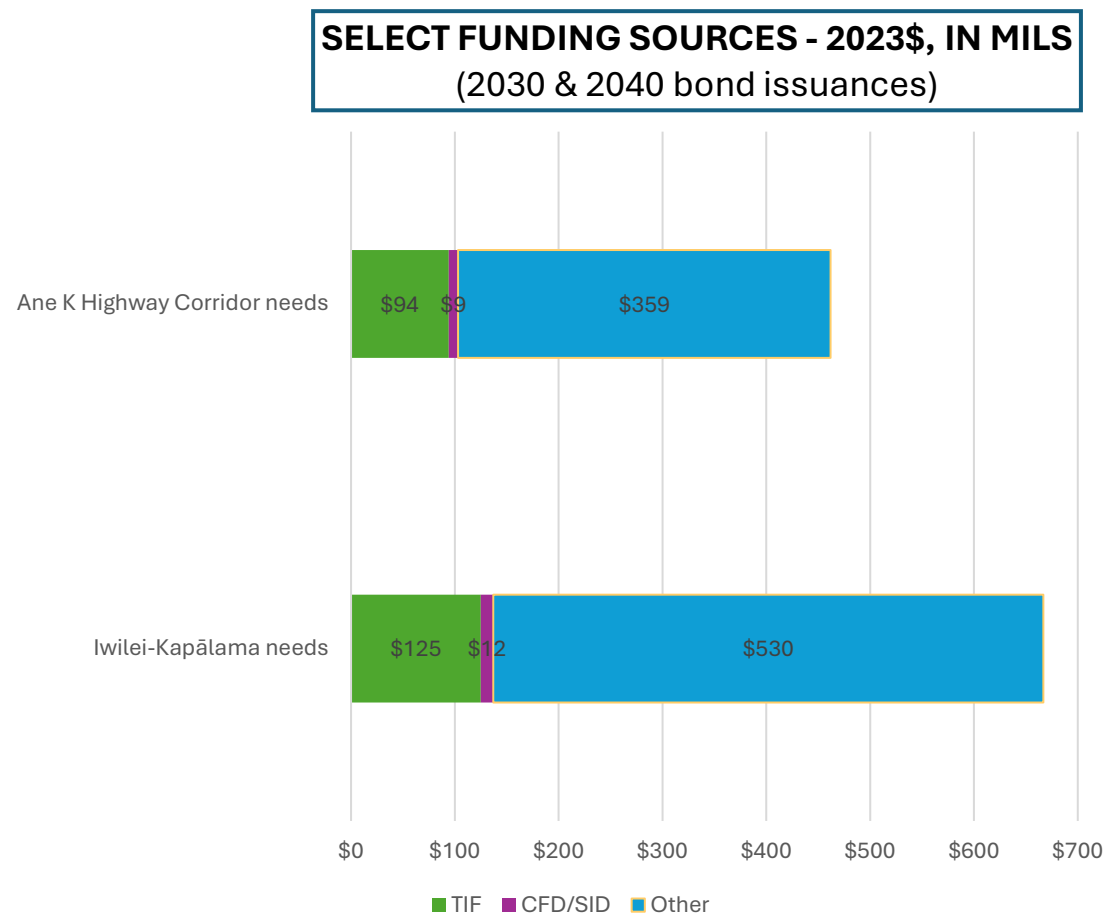
- Keys to value capture/value harvesting tools is profits → fiscal revenues
 - TIF, SIDs, & CFDs have less potential in areas of low demand for market housing & commercial uses
 - Yield must exceed everyday operating/maintenance obligations
- Importance of mixed income/mixed market developments
 - NASED – potential application of CFD/TIF



Source: PBR HAWAII, 2024. Workforce home based on 2024 HHFDC sales price guidelines, at 6.5% interest

4 Value capture tools belong in a suite of solutions

- Traditional funding sources like CIP are important but insufficient at current scales of need
- In 2023 analyses of the 4 TOD pilot areas TIF, CFD, SID appear to yield ~20% of example area needs
 - As financed (2 bond issuances)
 - Potential greater yields via pay-as-you-go
- Analysis was based on TOD areas as defined, and under current market conditions

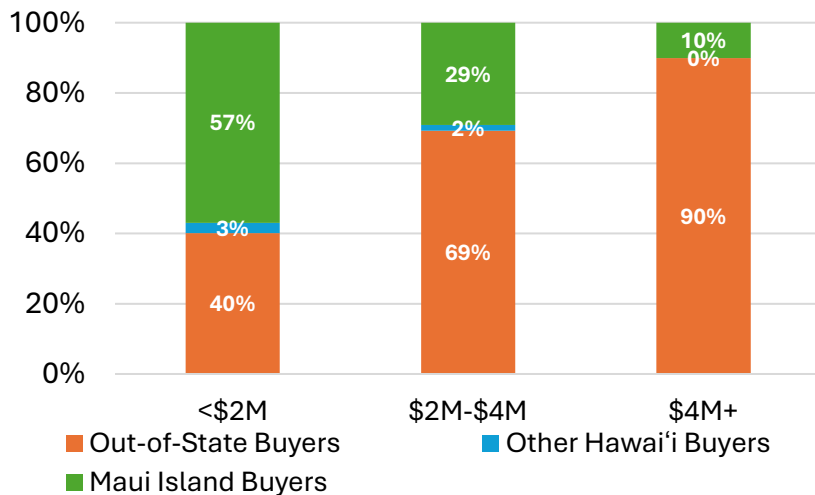


Source: HR&A Advisors for OPSD, 2023

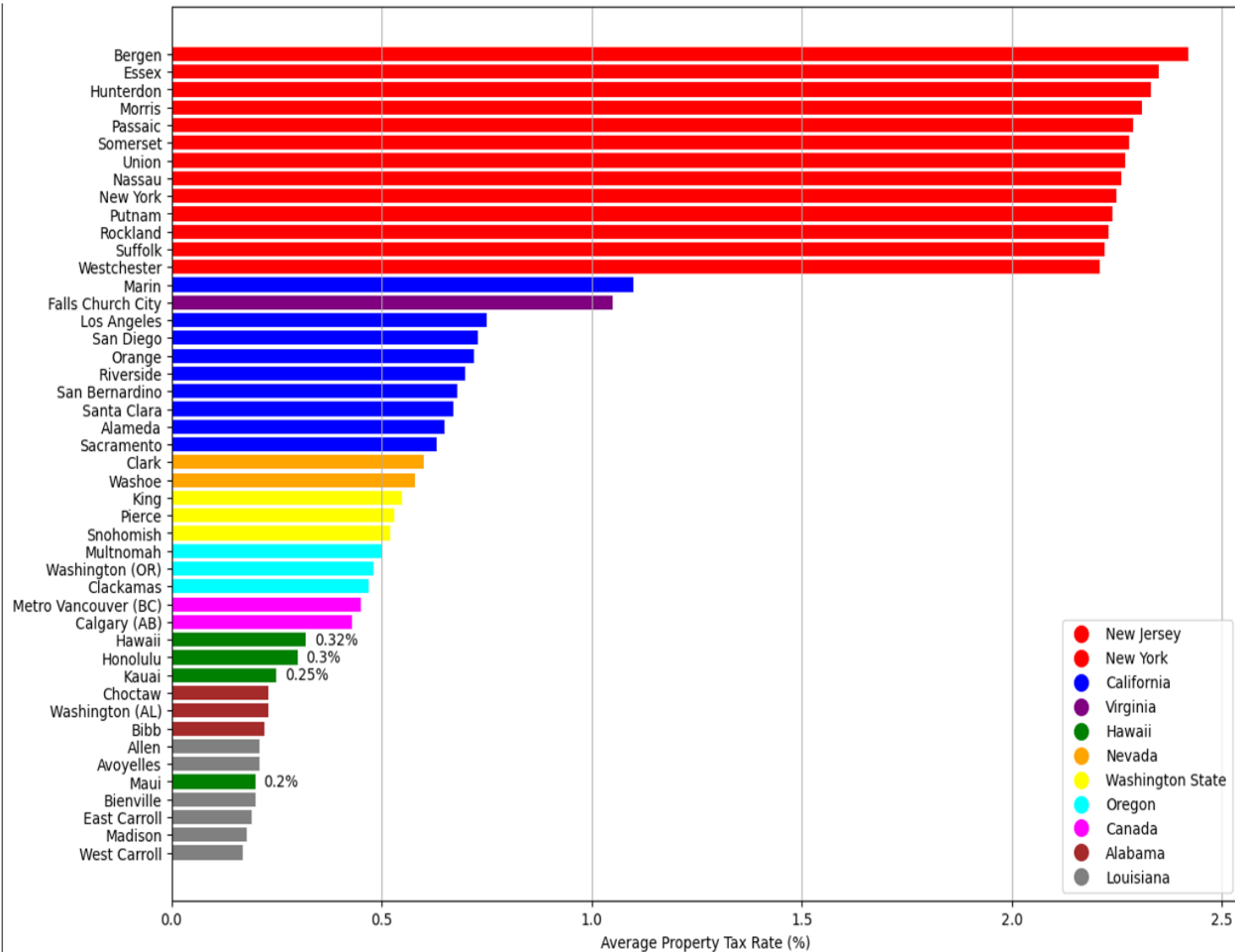
5 Grow the county pies

- State extended county access to GET surcharges
- Large rate changes needed to effect meaningful \$ yields
- Strategic, tiered RPT rate increases: out-of-State buyers used to high RPT
- Enhance area values, expand value capture areas

MAUI ISLAND RESIDENTIAL SALES, 2018-2024

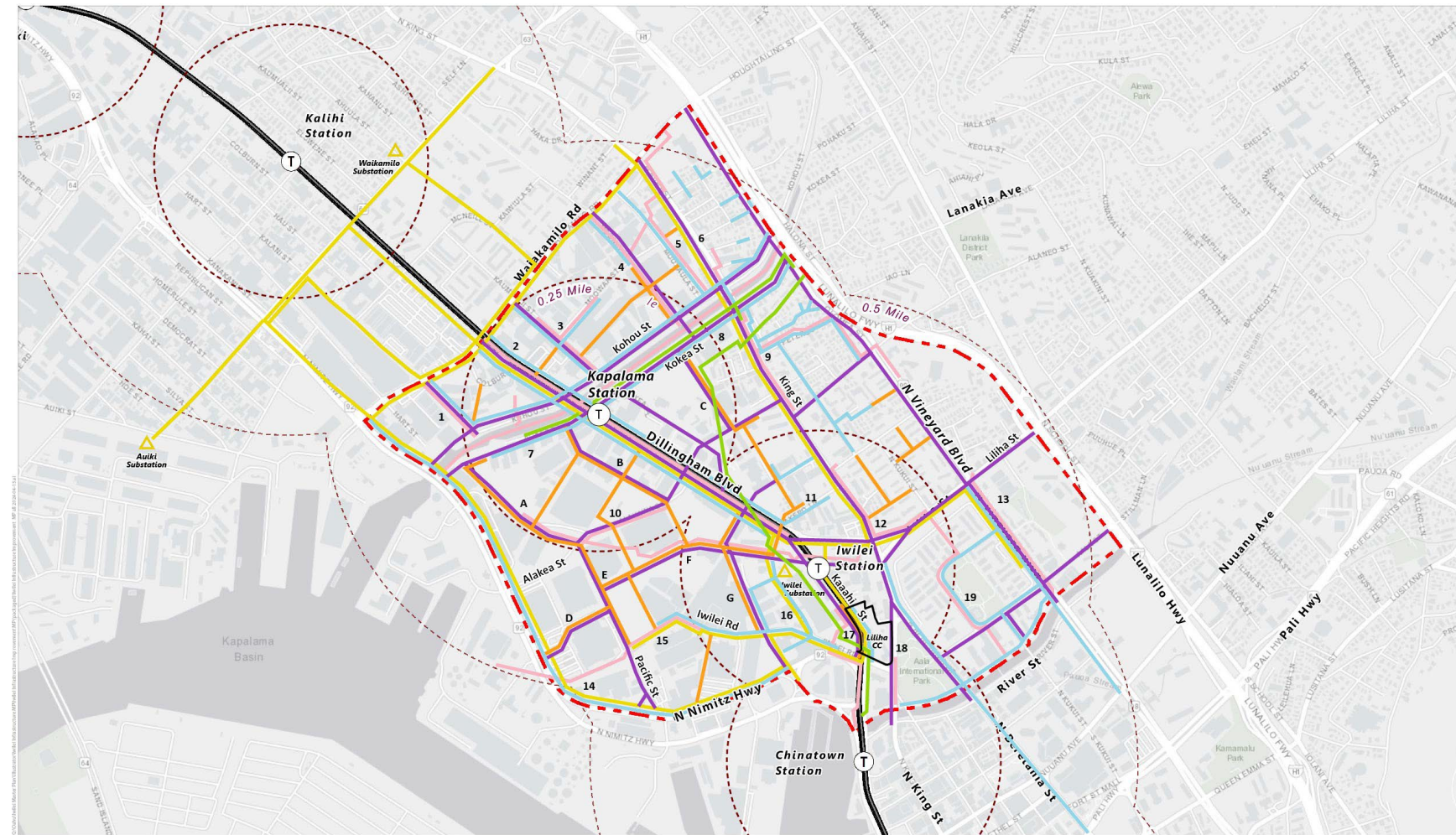


AVERAGE RESIDENTIAL RPT RATES IN SELECT COUNTIES



Iwilei Infrastructure Master Plan

- 555-acres
- Inter-agency & inter-jurisdictional
- Landowner/stakeholder consultation
- 27,400 homes, 1.9M SF commercial/ institutional/ industrial
- Civil engineering, traffic, cost, SLR, other studies
- EIS underway: Liliha Civic Center (\$703M), infrastructure (\$822M), 2022-23\$



LEGEND

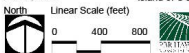


Source: City & County of Honolulu 2017 & 2020. NOAA 2018.

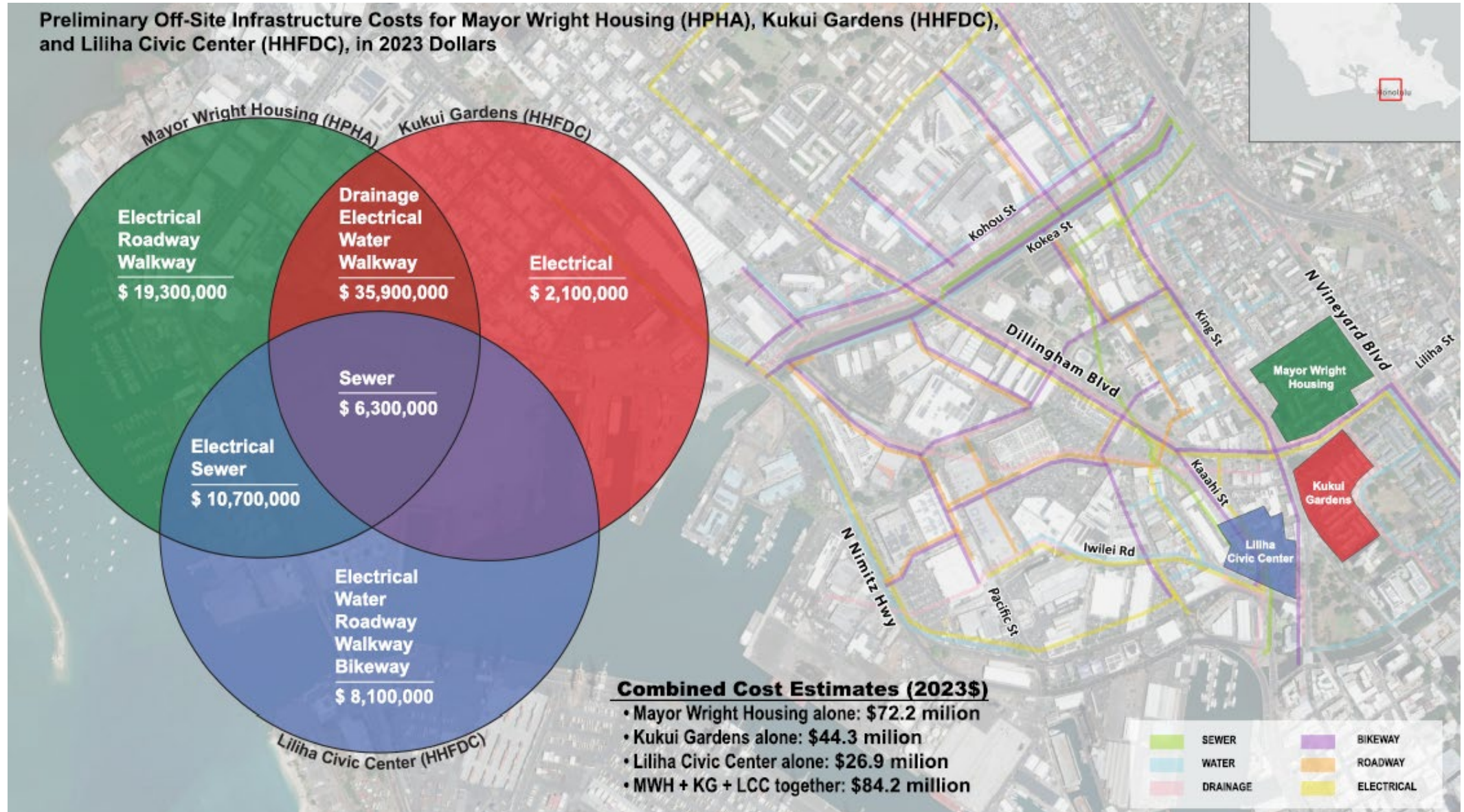
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.

Iwilei Infrastructure Improvements Identified in the Iwilei Master Plan

HHFDC/DAGS
Island of O'ahu
North
Linear Scale (feet)



Value of regional systems planning



Source: PBR HAWAII for HHFDC, December 2023



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Zendo Kern
County of Hawaii



Zendo Kern
County of Hawaii



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Introduction to Community Facilities Districts

Andrea Roess
DTA

DTA Background

- DTA
 - Founded in 1985
 - Based in Irvine, CA
 - More than 3,000 clients in 22 states, including CA and HI
- Andrea Roess
 - Managing Director
 - Been with firm since 1992
 - Holds Series 50 license as a registered Municipal Advisor with the SEC/MSRB
 - Manages more than 300 land-secured financing districts, including CFDs and Property Assessed Clean Energy (“PACE”) programs
 - Worked in State of Hawaii over last 20+ years including CFD formations and bond issues
 - Team member for State of Hawaii TOD financial analysis in 2021
 - Serves on Board of the Los Angeles chapter of Women in Public Finance and the Association of Women in Water, Energy, and Environment

What is a CFD?

- CFD stands for “Community Facilities District”
- Financing mechanism allowing County to levy an annual special tax and issue bonds to pay for eligible public improvements
- Properties included in CFD are those that would benefit from the new public improvements, but can be non-contiguous
- Can be used on its own, or in conjunction with other financing tools

CFD Legal Authority in Hawaii

- Hawaii State Statute Section 46-80.1
 - Authorizes any Hawaii County having a charter to enact an ordinance providing for the creation of CFDs
 - Counties of Hawaii, Honolulu, Kauai, and Maui adopted CFD enabling ordinances



Typical CFD Legal Code

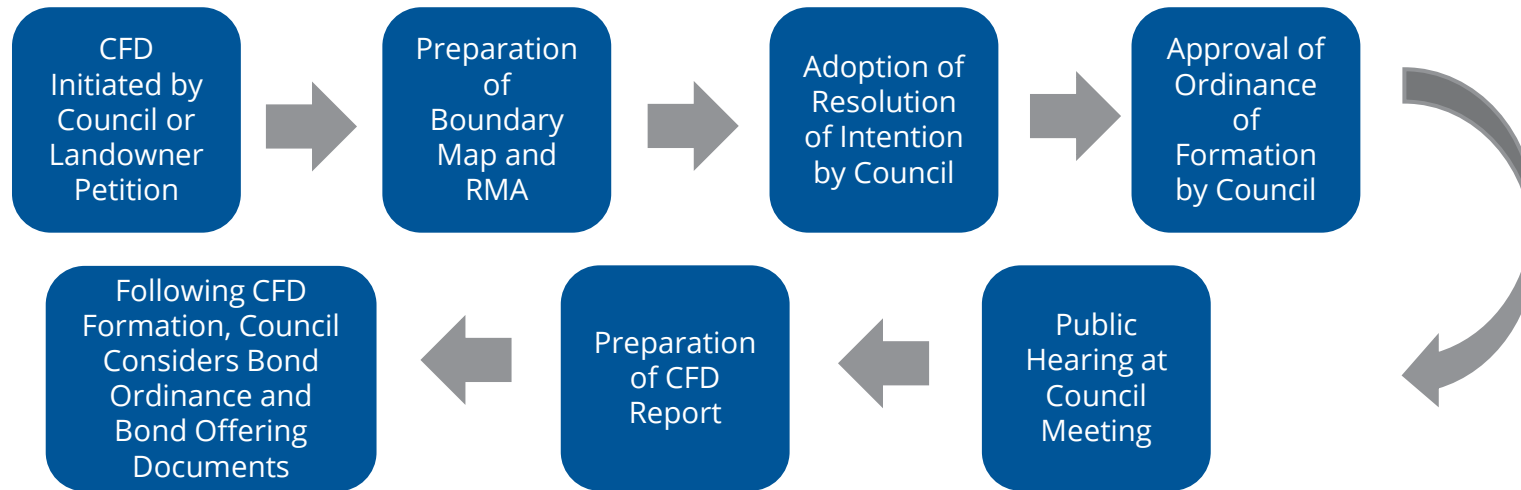
- Actual CFD legal requirements varies by County
 - CFD may finance improvements with a useful life of 5 years or longer
 - Improvements may be located within or outside the district and may benefit land within or outside the district
 - Term shall not expire until all debt service on bonds are fully paid
 - CFD formation can be blocked if owners of more than 55% of the land, or 55% of landowners, file written protests with the Council before or at the public hearing (55% requirement is also included in State Statute)
 - CFD formation initiated by petition from 25% of property owners within CFD

CFD Authorized Improvements

- Types of eligible CFD public improvements may include the following (varies by County):
 - Street, roads, and highway improvements
 - Public parking facilities
 - Lighting systems
 - Local park facilities
 - Childcare facilities
 - Libraries
 - Museums
 - Undergrounding of utilities
 - Water and wastewater systems
 - Police and fire facilities
 - Telecommunications facilities
 - Shoreline restoration and beach nourishment projects
 - Other authorized facilities

Establishing a CFD

- Formation process and bond sale for a CFD is shown below:



- Other considerations include the following:
 - The boundaries of the CFD may include areas that are not contiguous
 - The CFD may fund improvements that are outside the district boundaries
 - The CFD cannot fund ongoing annual services
 - The CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt

County of Kauai CFD No. 2008-1 (Kukui'ula)

- County and developer envisioned a world-class resort destination located near Poipu Beach at the southern coast of the Island of Kauai
- Bonds issued to fund necessary public infrastructure to convert large undeveloped land to a residential project

View from The Lodge at Kukuiula



The Farm at Kukuiula

County of Kauai CFD No. 2008-1 (Kukui'ula)

- Bond Issues listed below:
 - \$11,875,000 in 2012 (cumulative 75 individually-owned lots)
 - \$20,320,000 in 2019 (cumulative 220 individually-owned lots)
 - \$30,810,000 in 2022 (cumulative 292 individually-owned lots)
- Additional bond issues expected in the future as development progresses (approximately 1,400 residential lots expected at buildout)
- Amenities currently built for the CFD project area include; golf course, clubhouse, lagoon pool, restaurant, recreational fields, spa and treatment facility, trail system, and more
- CFD bonds financed public improvements including street, recreational, water, and sewer improvements



City of Anaheim CFD No. 2008-1 (Platinum Triangle)

- In mid-2000's, City envisioned a new residential/entertainment destination located around Anaheim Angels and Anaheim Mighty Ducks stadiums
- Area originally zoned for industrial use and developed with industrial buildings and warehouses
- CFDs formed to fund necessary infrastructure to convert area to mixed-use project (residential/retail/commercial/industrial)



City of Anaheim CFD Nos. 06-2 and 2008-1 (Platinum Triangle)

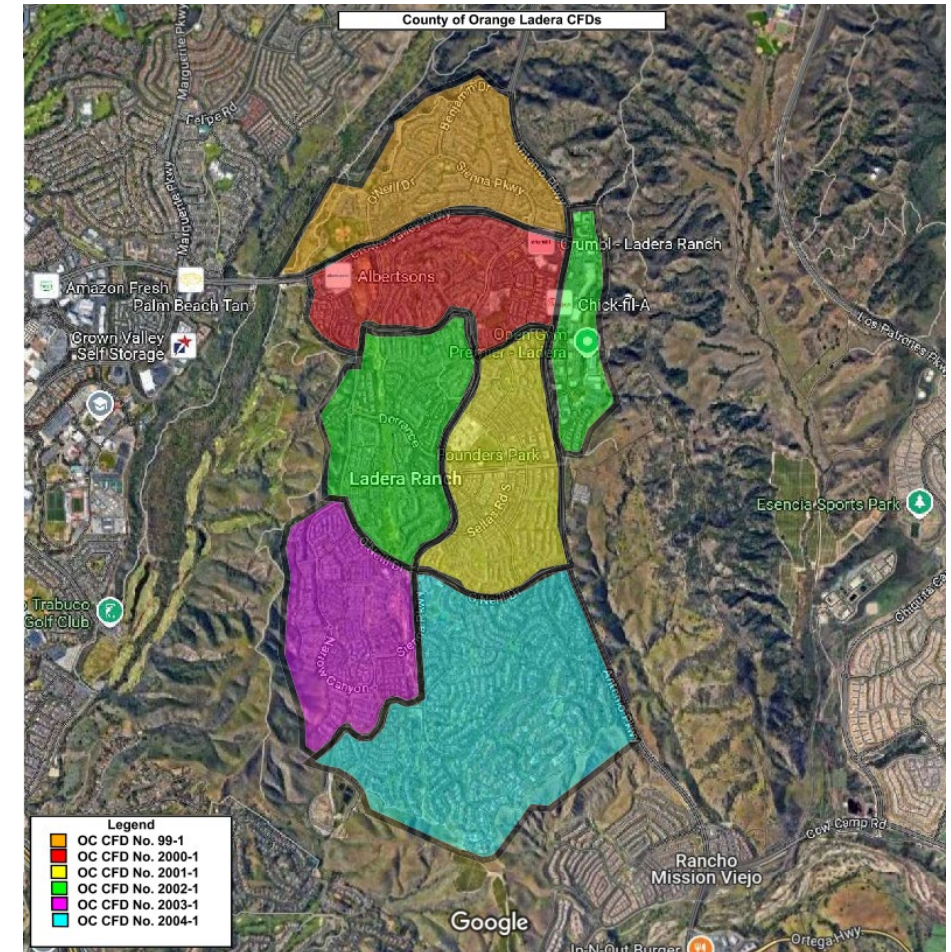
- Bond issues listed below:
 - \$9,060,000 in 2007 (390 units) [1]
 - \$28,630,000 in 2010 (1,530 residential units) [1]
 - \$60,000,000 in 2016 (2,968 residential units) [1]
 - \$7,540,000 in 2016 (3,358 residential units) [1]
- Currently 5,953 residential units in both CFDs (approximately 7,500 units expected at buildout)
- Additional bond issues expected in the future as development progresses
- CFD bonds funded street, water, and sewer improvements



[1] Includes units that have prepaid their CFD special tax obligation in full.

County of Orange - Ladera, Sendero, Esencia, Rienda, and CFDs

- Rancho Mission Viejo ("RMV"), one of California's major land developers, developed several master-planned residential communities located in South Orange County
- Ladera is now built out with over 8,000 residential units and 60 non-residential acres
- Overall CFD program included CFDs established by County of Orange, Capistrano Unified School District, and Santa Margarita Water District



Bonds and Development Progress for Ladera CFDs

- CUSD CFD No. 98-2 – \$105,330,000 in 1999
- OC CFD No. 99-1 - \$22,620,000 in 1999
- OC CFD No. 2000-1 - \$30,200,000 in 2000
- OC CFD No. 2001-1 - \$32,985,000 in 2002
- OC CFD No. 2002-1 - \$68,280,000 in 2003
- OC CFD No. 2003-1 - \$57,185,000 in 2004
- OC CFD No. 2004-1 - \$75,645,000 in 2005
- CUSD CFD No. 98-2 - \$19,500,000 in 2005



Pedestrian bridge at Ladera Ranch

Ladera Development Progress	
As of 1/1	No. of Residential Units
2000	478
2001	1,596
2002	2,747
2003	4,722
2004	6,263
2005	7,159
2010	7,937
2020	8,076
2024	8,091

County of Orange - Esencia and Rienda CFDs

- Esencia and Rienda are currently in progress
- Multiple CFDs have been created to date and additional CFDs will be formed in the future
- As of mid-2024, there have been over 3,800 residential units built within the CFDs
- CFDs have been formed or in progress that include over 5,500 units expected at built-out, of which 1,300 units are age-qualified units and 200 are affordable units



Ranch Camp at Rienda



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Introduction to Tax Increment Financing

Dave Freudenberger
Goodwin Consulting Group

Agenda for TIF Discussion



- GCG Background; Experience in HI
- General Description of TIF
- Uses for TIF
- TIF Implementation in HI
- TIF in CA
- Combining CFDs with TIF
- Case Study

GCG Background

- Goodwin Consulting Group

- Established in 2001
- Based in Sacramento
- Clients/projects in CA, HI, NV, and OR
- Public and real estate finance
- Planning, implementation, and administration

- Dave Freudenberger

- Senior Principal & Founding Partner
- Over 30 years of experience, hundreds of projects
- Nearly two decades in HI
- Conference panelist, speaker, and moderator
- University guest lecturer
- Series 50 Municipal Advisor

GCG Projects in HI

- **Nana Kai CFD Feasibility and CFD Application**, Nana Kai Development Corporation / County of Hawaii
- **Kaloko Heights CFD Formation, Bond Issue, and Annual District Administration**, County of Hawaii
- **ALOHA Homes Implementation Study**, HHFDC
- **820 Isenberg Street (Bowl-O-Drome Site)**, DHHL
- **Hawaii Housing Action Plan**, HHFDC
- **Alternative Funding Mechanisms for Acquisition, Improvement, and Maintenance of Shoreline Public Access**, Office of Planning
- **Funding Alternatives for 21st Century Schools**, HIPA
- **Ward Village CFD and TIF Feasibility, and CFD Initiation**, Howard Hughes Corporation
- **Wailuku Civic Center Project Economic Impacts, Fiscal Impacts, and PFFP (CFD+TIF)**, County of Maui
- **Wailuku Redevelopment Financing Plan**, County of Maui

GCG Projects in HI (cont.)

- **Kamakana Villages at Keahuolu PFFP and CFD Application**, Forest City Enterprises
- **Parking Feasibility Study**, Kailua Village Business Improvement District
- **Kona Community Development Plan Public Facilities Financing Plan (PFFP)**, County of Hawaii
- **Lono Kona Subdivision Sewer Project ID**, County of Hawaii
- **Kamanu Street CFD**, County of Hawaii
- **Waikoloa Regional Connector Roads CFD Analysis**, County of Hawaii
- **Waimea Connector Roads/Parker Ranch CFD Analysis**, County of Hawaii
- **Kilohana Sewer Improvement Financing Analysis**, County of Hawaii
- **North Kona Wastewater Facilities Financing Analysis**, County of Hawaii

What is TIF?

- Financing mechanism that utilizes future increases in property tax revenue (“tax increment” or “TI”)
- Not based on increase in property tax rate; increment results from increased property value primarily due to redevelopment or new development
- Formed to fund public infrastructure and other items as well
- Specific geographic boundaries, which can be non-contiguous
- TIF is implemented in HI with the formation of a Tax Increment District (TID)

Establishing a TID

- Council approves Tax Increment Financing Plan
 - Project costs and sources of funds
 - Amount of TI bonds to be issued
 - Most recent AV within proposed TID
 - Duration of TID
 - **Fiscal impacts on County**
- Council adopts an ordinance
 - Describe boundaries of TID
 - Identify commencement date and termination date of TID
 - Create tax increment fund
- **No election or protest procedure**

TID Authorized Improvements

- Public works or public improvements, new buildings, structures, and fixtures
- Demolition and reconstruction of existing buildings, structures, and fixtures
- Land acquisition, clearing, and grading
- Relocation costs to the extent required by law
- Financing costs
- Professional service costs
- County staff costs

Why Use a TID?

- Encourage economic development and job creation
- **Facilitate affordable/workforce housing**
- Improve environmental quality
- Promote redevelopment
- Foster infill development
- **Direct growth to TODs or specific locations**
- Provide for local control over a portion of tax revenue
- Utilize tax-exempt interest rates
- Eliminate blight

TIF Legal Authority in HI

- Hawaii Revised Statutes 46-101 through 46-113 (“Tax Increment Financing Act”)
- County of Hawaii enabling ordinance (Hawaii County Code Chapter 33)
- Tax Increment Districts (TIDs) have not been implemented in HI yet

TI Bonds in HI

- Tax Increment Financing Act authorizes issuance of TI bonds, which may be secured in whole or in part by TI
- It is not clear whether the State Constitution allows bonds to be issued solely with a pledge of TI
- Constitutional amendment confirming a County's ability to issue TI bonds may be required, or an AG opinion
- Several bills have been introduced in the State Legislature over the past decade, but none have become law (except this past FY ???)
- **Counties can use TIDs now (with enabling ordinance):**
 - ***Fund infrastructure on a pay-as-you-go basis***
 - ***Fund private financing debt service with annual TI***
 - ***Fund CFD debt service with annual TI***
 - ***Bond against TI through a CFD***

TIF in CA

- Formerly 400 Redevelopment Agencies (RDAs); 81% of cities and 53% of counties
- Millions of SqFt of development and tens of thousands of jobs per year
- TI = \$5B-\$6B per year; approx. \$1B per year spent on affordable housing (20% set-aside)
- Used prudently and with solid results, but focus moved to claims of waste and mismanagement and calls for reform (oversight, audits, transparency)
- State guaranteed a minimum level of school funding; needed to reimburse schools for revenue lost to RDA
- State abolished RDAs in 2012 to help fill state budget gap
- Legislation has revived TIF through Enhanced Infrastructure Financing Districts (EIFDs) – “TIF 2.0”

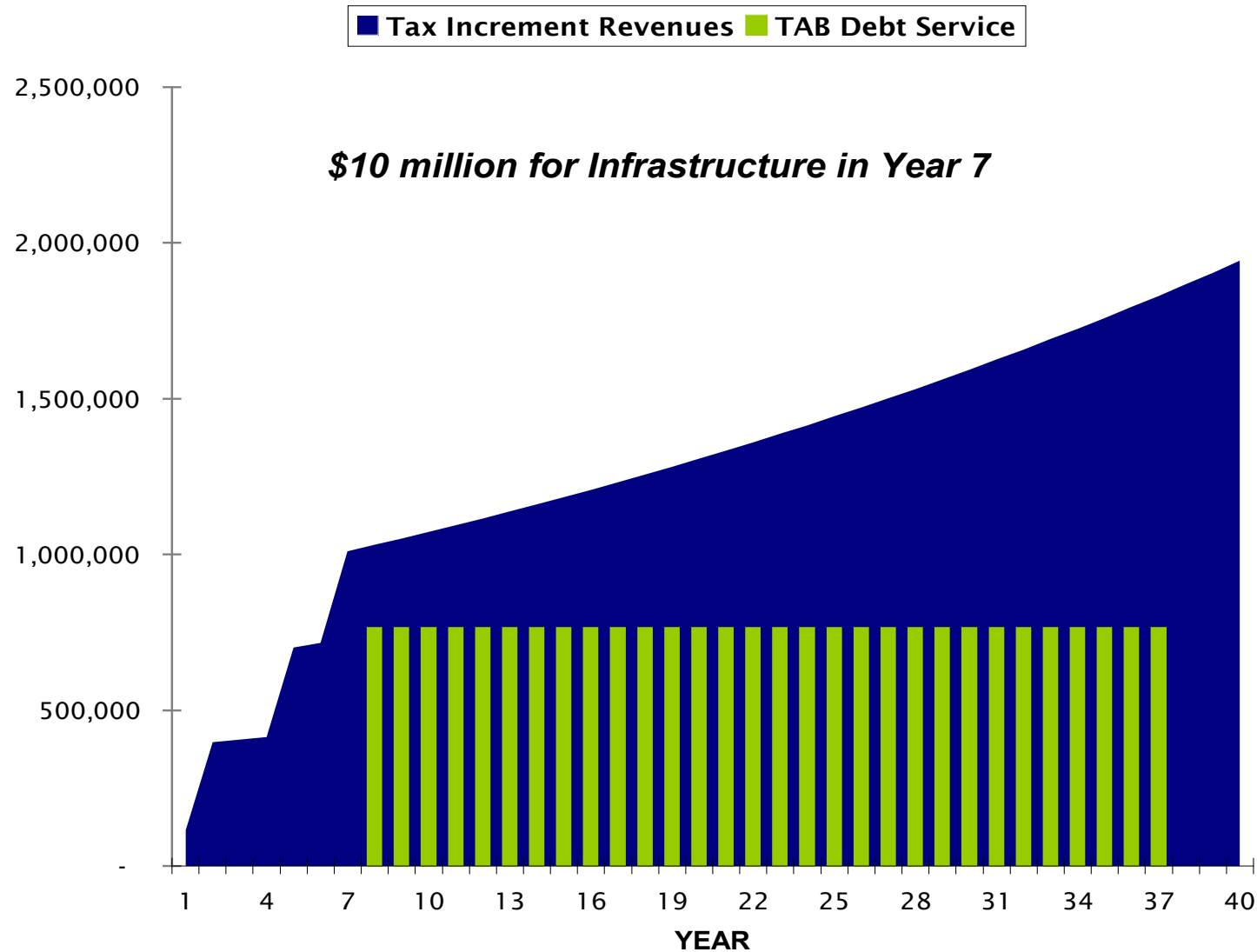
IFD → EIFD

- Statutory authority for IFDs since 1990, but rarely used
- Recent legislation expanded IFD powers and changed voter approval for bonds, including:
 - District life extended from 30 to 45 years
 - Bond voter approval requirement reduced from 2/3 to 55%
 - Many additional uses for funds beyond infrastructure
 - May be implemented in a former redevelopment project area
- Infrastructure and Revitalization Financing Districts (IRFDs) in SF very similar to EIFDs
- Approximately 30 EIFDs (incl IRFDs) have been formed or are in the process of evaluation/formation
- 20% set-aside not required, but many are including it

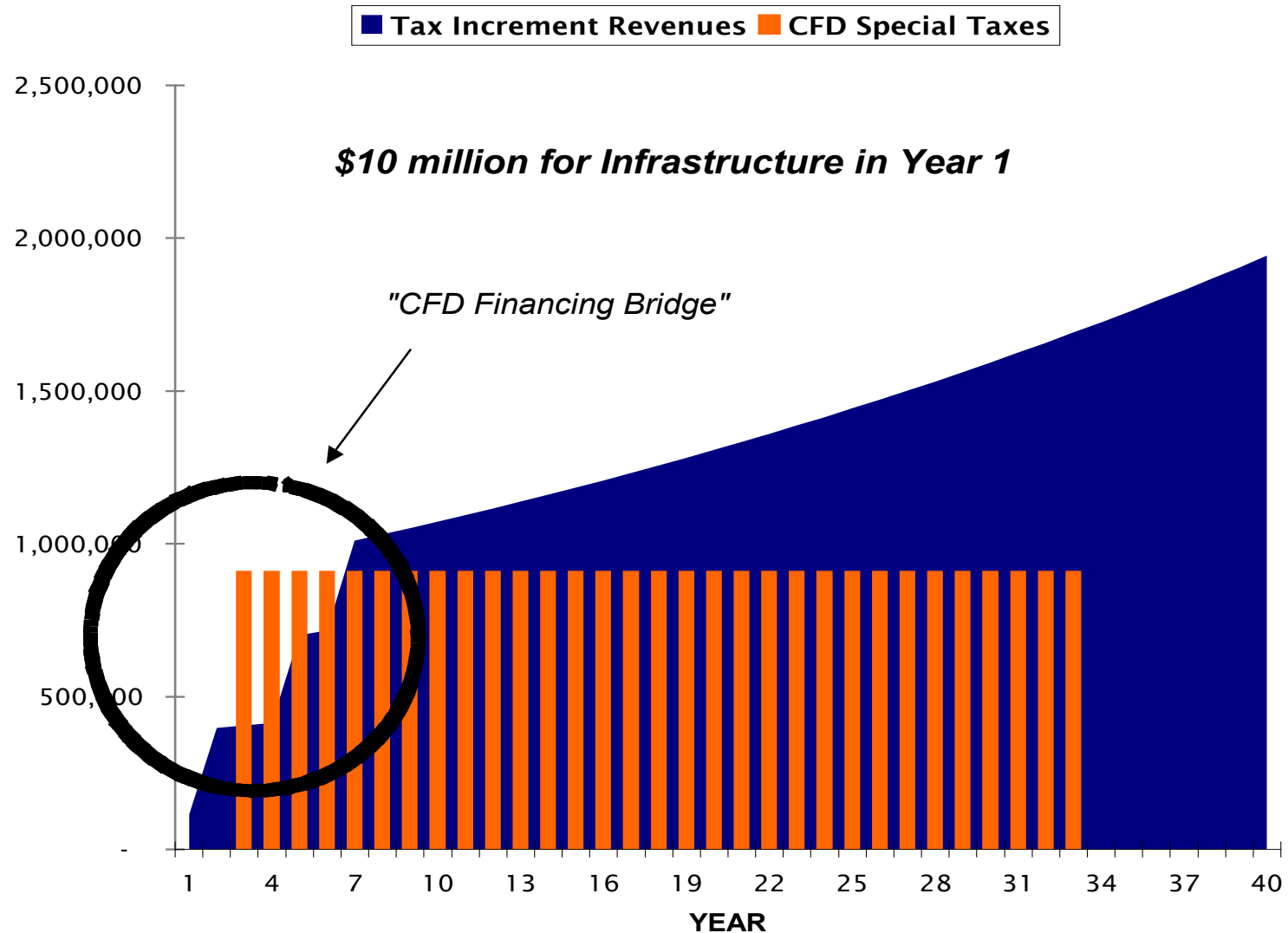
Combining CFDs with TIF

- CFD financing can provide a source of funding for infrastructure sooner than traditional TIF, while TI can be used when available to pay CFD debt service, increase infrastructure funding, or both
- TIF can be a reimbursement mechanism for public agencies that front infrastructure costs
- Development risk related to tax increment assistance can be shared between private and public sectors
- CFDs offer a cost-effective off-balance sheet financing vehicle to developers that can be turbo-charged with tax increment

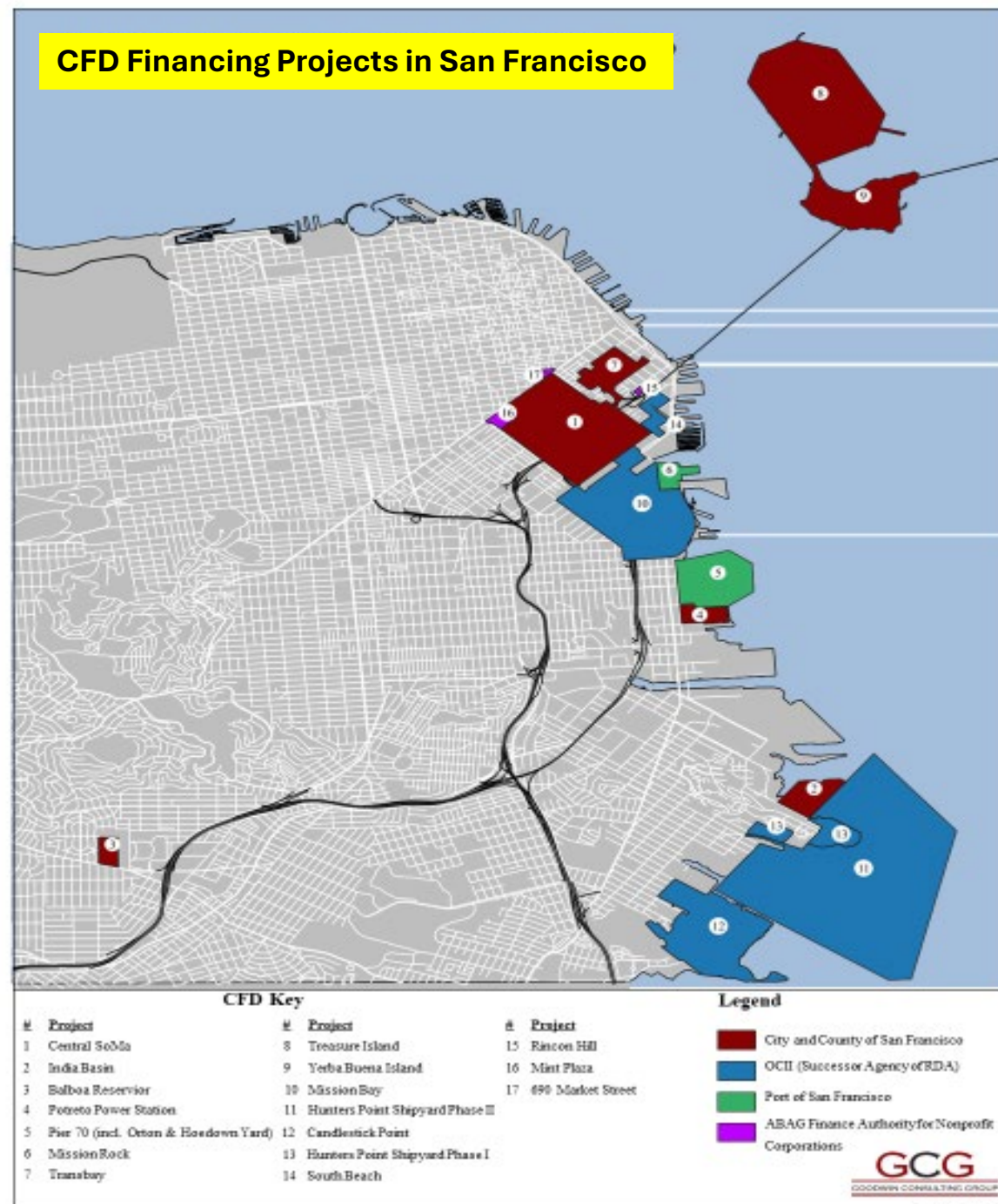
Scenario 1: Traditional TIF



Scenario 2: Combine CFD with TIF



CFDs in SF



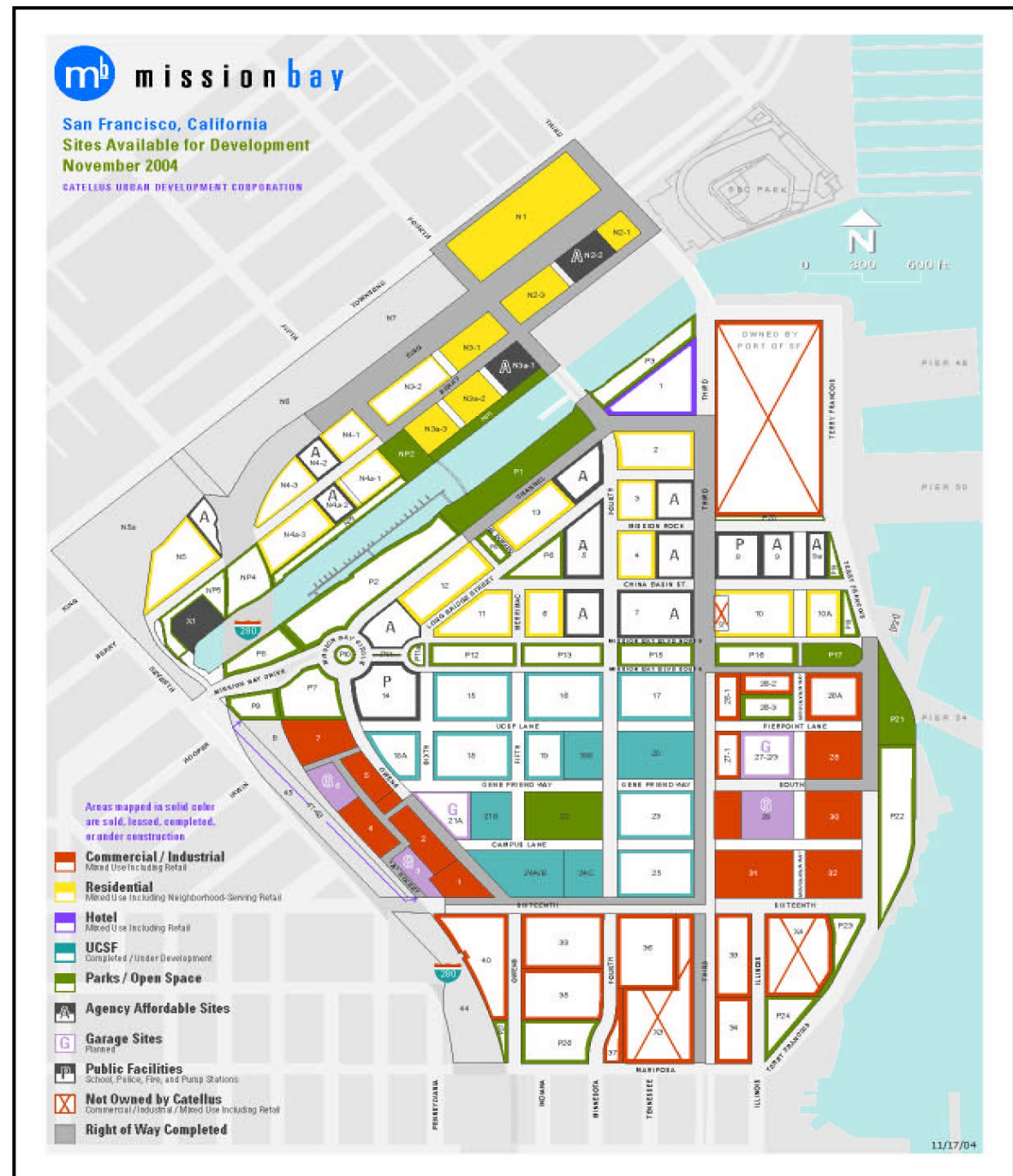
CFDs + TIF in SF

- Pier 70 (Map #5)
 - Will use TI to offset the CFD levy for rental residential and non-residential
- Mission Rock (Map #6)
 - Will use TI to offset the CFD levy
- Treasure Island (Map #8)
 - Will not use TI to offset the CFD levy, but has issued one tax increment revenue bond and plans to issue more
- Mission Bay (Map #10)
 - CFD No. 4 (NOC) used TI to offset CFD levy completely
 - CFD No. 6 (SOC) does not offset the CFD levy; issues tax increment revenue bonds instead (See next slides for more on Mission Bay.)

Case Study: Mission Bay

- Located in San Francisco on what was one of the largest undeveloped tracts of land along the Bay
- Two redevelopment project areas: North of Channel (NOC) and South of Channel (SOC)
- 6,400 affordable and market-rate high-rise dwelling units, and 50 acres of office, biotech, high-tech, retail, and hotel land uses (3.4M sf)
- Extension of UCSF campus and hospital (3.2M sf)
- Golden State Warriors event center (Chase Center)
- More than 10 years to process approvals; development started approx 2005

Map of Mission Bay Project Areas



Aerial View of Mission Bay (~10 Years Ago)



Aerial View of Mission Bay (Recent)



Mission Bay Financing Approach

- Combine CFD and TIF to provide flexibility
 - Use TI revenues to pay CFD debt service (but no direct pledge)
 - Use TIF to refund CFD bonds
 - Use TIF to fund more infrastructure
- Finance backbone infrastructure obligation
 - Reimburse developers as quickly as possible
 - Fully fund infrastructure
- Provide funding for affordable housing
 - Utilize excess increment + 20% set-aside
 - Achieve excess increment quickly

Mission Bay Financing Details

- Approx \$560M in backbone infrastructure (> 2X original estimate)
- CFD financing separated into two districts
 - NOC = \$40M of short-term variable-rate bonds (secured by direct pay Letter of Credit from BofA)
 - SOC = \$120M of long-term fixed-rate bonds
- Tax increment financing
 - NOC = fully pay CFD debt service; fund construction of infrastructure; retire CFD debt (\$120M total)
 - SOC = issue tax increment revenue bonds; fund construction of infrastructure (\$320M total)
- Funds for affordable housing:
 - 20% set-aside = \$150M present value (PV)
 - Excess increment = \$60M (NOC) + \$170M (SOC) = \$230M total PV
 - Total set-aside + excess increment = \$380M PV



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Introduction to PACE

Andrea Roess
DTA

What is PACE?



- Property Assessed Clean Energy ("PACE")
 - Enables private property owners to finance energy efficient projects for homes and businesses
- Commercial Property Assessed Clean Energy ("C-PACE")
 - Allows building owners and developers to access capital for financing new projects or to make upgrades in their existing buildings

C-PACER in HI

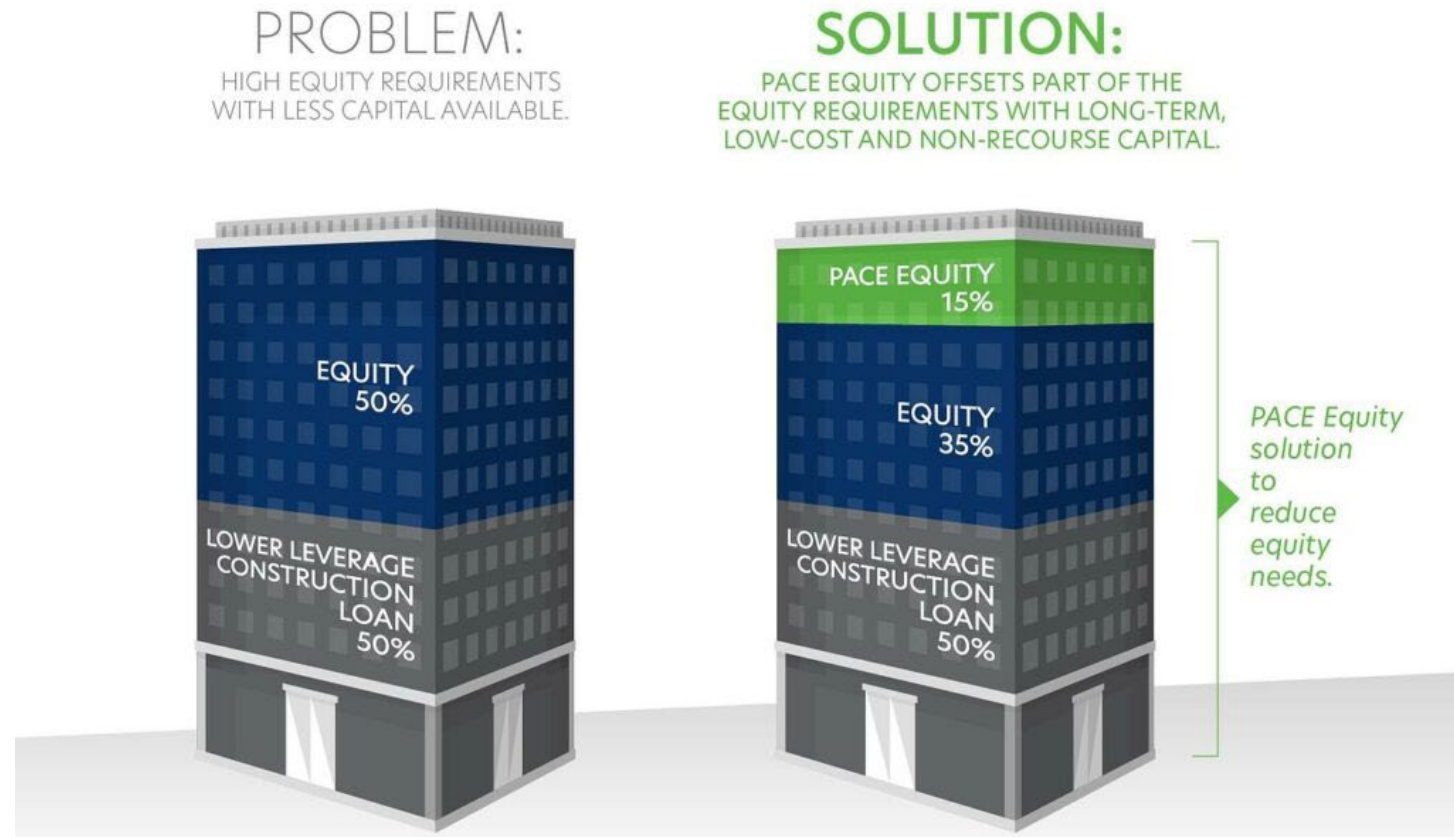
- Act 41, Session Laws of Hawaii, 2024 elevated the C-PACE financing program to a State-level program
- Managed by Hawaii Green Infrastructure Authority (state administered clean energy financing authority established in November 2014, Act 211 (SLH 2013))
- For non-residential properties, including
 - Multi-family properties of 5 or more units;
 - Condominium Associations;
 - Agricultural properties & Leasehold properties
- Qualifying improvements are financed through a voluntary assessment, senior to mortgages, but junior to real property taxes

C-PACER Authorized Improvements

- Clean energy (Solar PV, EV Charging Stations, Fuel Cells, etc.)
- Energy Efficiency (HVAC, Lighting, Solar Thermal, etc.)
- Water Conservation Measures
- Resiliency (Flood & Hurricane Mitigation, Microgrids, Seismic measures, Fire Suppression Systems, etc.)
- Other Eligible Expenses (Energy/water audits & feasibility studies, soft costs, prepaid O&M, extended warranties, financing costs, etc.)
- Effective 7/29/2024, all condominium association related improvements that are affixed to the property or building (e.g., re-piping, elevator upgrade, concrete spalling, replacing rusted rebar, swimming pool repairs, etc.) are eligible for C-PACER financing.

Why use PACE?

- C-PACE financing reduces cost of capital
- C-PACE financing fills equity gaps in development capital stacks
- Mitigates lender risks to open new markets for long term fixed rate financing



PACE Examples

- PACE improvements have been used for a wide range of properties including the following:
 - Hotel/motel projects
 - Multi-Family projects
 - Office buildings
 - Hospitals
 - Private schools
 - Student housing
 - Wineries
 - Golf courses
 - Others





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Next Steps for HI

Next Steps for HI

- Expedite and encourage market acceptance in HI
- HI projects need multiple funding options; fill the funding toolbox
- Establish public financing task force
 - Subcommittee of TOD Task Force?
 - Determine priorities and implementation steps



Next Steps for HI

- Enact TIF changes in State law/County ordinances
 - Revise County of Hawaii TIF (Ch. 33)
 - Adopt similar enabling ordinances for other 3 counties
 - Obtain bond counsel/AG opinion
- Implement pilot projects
 - Combine TIF with CFD, w/ or w/o AG opinion (or Const Amdmt)
 - Facilitate affordable housing



Recommendations

High-Level Recommendations

Continue **State-County collaboration** via existing resources like CIP.

Specific Recommendations

State authorization of **new funding tools** for Counties.

- Additional Tourism-related Surcharges
- Tax Increment Financing
- Additional GET Surcharge

State **resources to supplement** County ones.

- Conveyance tax

State creation of **new dedicated funding sources** for TOD infrastructure.

- Infrastructure Revolving Fund or Bank

Change County policies to **enhance existing tools**.

- O‘ahu Real Property Tax Exemption
- Impact fees
- Progressive Real Property Taxes

County actions to **help improve market conditions** for TOD infra. funding tools.

- Community Facilities Districts
- Business Improvement Districts



Questions ????



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Mahalo!

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Additional Resources

PACE Legal Authority in Hawaii

- Hawaii signed Act 183 (SLH 2022) into law authorizing C-PACER in Hawaii
 - Act 183 authorizes Hawaii Green Infrastructure Authority (“HGIA”) to establish program guidelines and administer C-PACER for the financing program
- In 2024, Hawaii signed Act 41 which amended Act 183 SLH 2022 to transition C-PACER in Hawaii to a State-level statewide program
 - Under Act 41, HGIA is now managing all administrative aspects of the C-PACER program

