

YEARLY ACTIVITY PLAN (YAP) - FB '09 – FY11

Division/Attached Agency:

Program Name:

Program ID:

I. PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem, issue and/or opportunity your program is attempting to respond to.

Why plan? In the broadest sense, we plan so that we will know where we are going (our goals and objectives) and know how we are going to get there (actions that we need to take and resources needed). Planners through a planning process:

- Formulate goals, objectives (because if you do not know where you are going any road will get you there).
- Identify and evaluate alternative courses of action.
- Recommend courses of action.
- Identify the resources necessary for implementation.

Within state government, we plan in order to formulate/establish our goals and objectives, to determine how to achieve those goals and objectives and to allocate the resources necessary to accomplish these goals.

We undertake public planning and public policy development because as public agencies we must take into account the impact of decisions on the broader society. The private sector is primarily concerned with the interests of its shareholders or own constituencies.

The Office of Planning has a broad mandate to maintain an overall framework to guide the development of the State through a planning process, to assist in the overall analysis and formulation of state policies and strategies to provide central direction and cohesion in the allocation of resources and effectuation of state activities and programs, and effectively address current or emerging issues or opportunities.

Problem Statement: OP addresses the externalities that arise from population and economic growth. Hawaii's population has increased approximately 40% since 1970. Between 1990 and 2005, the statewide population grew by 14.5% although growth on the Neighbor Islands was significantly higher—37% for Maui and Hawaii. The same trend was seen in housing. While the statewide housing stock increased by 26% between 1990 and 2005, comparable growth rates on the Neighbor Islands were at 55.8% for Kauai, 47% for Maui and 49% for Hawaii. Island residents are not the only ones using and affecting resources. In 2005, the number of visitors to Hawaii exceeded 7 million. Land—agricultural and conservation lands, highways and other infrastructure systems, water quality, water resources, public services are all impacted.

Because of limited staff and fiscal resources, OP has focused on maintaining the Hawaii State Plan; providing leadership in State planning through functional planning activities, specifically, the Ocean Resources Management Plan and economic development planning (CEDS) and responding to current or emerging issues pertaining to land use patterns including important agricultural lands and rural lands; and

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rural economic development (Leeward Oahu and Molokai). OP is generally responding to the need to provide policy options and recommendations in these areas.

The Hawaii State Plan provides the broad umbrella goals, objectives, policies and priority guidelines for the State. State agencies prepare functional and program plans for their activities. The Counties prepare general and community development plans. With regard to the Hawaii State Plan (HSP), the Legislature has taken an active role in providing amendments to the plan to respond to emerging trends. OP has reviewed and provided executive branch input on these legislative proposals. OP is currently involved with a working group to develop a science and technology plan which may result in a new section in the HSP pertaining to science and technology. With regard to State agency functional plans, because of staff and fiscal limitations, OP has not been able to play a coordinative or technical assistance role in these activities. OP has however, prepared the Ocean Resources Management Plan and is working on the CEDS update. OP reviews and comments on county general and development/community plans.

The Special Plans Branch of the Planning Division, Office of Planning, formulates public plans and policies for areas of concern affecting the direction, rate and character of growth (primarily land use and economic growth) of the State and/or services to the people of Hawaii over a significant period of time.

The Special Plans Branch also conducts special analytical studies of policy and planning issues in order to contribute towards more effective executive and legislative decision-making.

In the preparation of public plans and policies and special analytical studies, the Branch collects and analyzes data and information, analyzes issues, trends, problems and opportunities, formulates and evaluates alternative courses of action over a significant period of time and develops strategies and recommendations to address the problem/issue/area of concern. Supportive documentation includes statements of consequences of alternative action or no action, recommendations as to the alternative time sequences of programs and relative priorities for the effectuation of public plans. The Branch also obtains community and stakeholder input on public plans and policies.

In FY09-11, the Special Plans Program will focus on updating the comprehensive economic development strategy (CEDS); implementing projects in the existing CEDS; planning for distressed rural communities particularly to increase high wage and high skilled jobs in those areas; and planning for rural communities by identifying best practices. If the Special Plans Branch is successful in its applications for Federal funds, the program will also prepare natural disaster economic recovery planning strategies.

Hawaii Comprehensive Economic Development Strategy (CEDS): The Federal Economic Development Administration provides funds to assist distressed communities. Government agencies and non-profit economic development organizations may apply for these grants. In order to be eligible for this funding, the State must prepare a comprehensive economic development strategy. The “theory” behind this is that by identifying goals, objectives and agreed upon strategies, federal, state and private resource can be more focused/targeted and will be better utilized and thus better able to achieve economic objectives. The last CEDS was completed in 2004. The Special Plans Branch is conducting a required five year update of the CEDS and will formulate goals, objectives, strategies and projects to target resources and increase economic competitiveness and provide high wage jobs in the State.

In addition, the Hawaii Comprehensive Economic Development Strategy utilizes a strategy based on cluster industries in order to increase Hawaii’s economic competitive advantage. “Clusters”, a way of thinking about the building blocks of an economy, are groups of businesses or industries concentrated in a geographic area that are inter-related through alliances, competition or buyer/supplier linkages and

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draw upon common talent, technology, and support base. Economic development efforts are aimed at building and strengthening key clusters not just specific firms. Hawaii needs to identify and support its targeted cluster industries in order to increase its competitive advantage and will do so through the update of the CEDS.

The Special Plans Branch also applies for and receives funding from EDA to implement the 2004 CEDS through project master plans.

Best Practices for Rural Economic Development and Land Use.

- **Rural Economic Development Problem Stmt.** Hawaii's rural communities play an important part in the mix of elements that make Hawaii unique. However, many of Hawaii's rural communities have economic difficulties. These communities desire to improve their economic conditions while maintaining their rural character and lifestyle. How have other places managed to accomplish this? Are there models, examples or best practices that Hawaii's rural communities can follow?
- **Rural Land Use Problem Stmt.** Hawaii's rural communities and rural character are important elements in Hawaii's landscape. The beauty of Hawaii's landscape is enhanced by rural open space and the small scale of rural communities. However, the State Land Use Rural District is highly underutilized comprising less than 2% of all lands. Further, current statutory provisions do not allow clustering in the Rural District; do not allow small villages or small-scale commercial uses and encourage sprawl. There is a need to revise existing statutes and ordinances to make better use of the State Rural District and promote/support rural communities throughout the State.

Molokai Action Team. Molokai is a distressed rural area. Its major employer Molokai Ranch has ceased operations. An action team has been formed to provide immediate assistance to laid off workers and provide short-term economic development assistance.

Legislation. Legislation may be recommended as a result of the public plans and studies prepared.

Brownfields Cleanup Revolving Loan Fund and Site Assessment. Problem Stmt. Many infill areas (undeveloped areas within urban areas) are not used or are underutilized because they are contaminated with hazardous waste or pollutants. These vacant areas blight neighborhoods and communities. If these sites are cleaned up, they can be used for economic uses and revitalize these areas.

Participants engaged in these problems, issues and/or opportunities include the Governor, legislators, state and county officials, planning, land use and economic development agencies and nonprofit economic development organizations, landowners and businesses.

Natural Disaster Economic Recovery Strategy: Civil Defense agencies conduct natural disaster recovery activities. However, assistance is needed to identify and develop economic recovery strategies for natural disasters. OP will engage in this project if Federal funding is received.

Need and partners: Provide quantitative evidence to show the scope and nature of the problem or opportunity you are working on. Identify partners you will be working with to address the problem, issue and/or opportunity. Describe why government should be part of the solution.

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Government intervention/involvement is necessary because public policy development must take into account the impact of decisions on the broader society. The private sector is primarily concerned with the interests of its shareholders or own constituencies.

Distressed areas require government intervention because private capital/resources do not naturally flow to these areas.

Update of CEDS: Hawaii's visitor arrivals dropped 14.2% in June 2008 in the biggest decline since the months after 9-11. The visitor industry remains the largest sector of our economy providing an estimated one in five jobs in the State (source: Tourism Strategic Plan). We need to continue to work to diversify and stabilize our economy by supporting the growth of industry clusters.

Rural Areas/Economic Distress: The following provides data on examples of rural areas which are experiencing economic distress. There are other rural areas as well which are experiencing economic distress.

% of Individuals Below Poverty Level 2000

Leeward Oahu	21.9%
Pahoa-Kalapana	27.3%
West Molokai	21.9%
East Molokai	19.5%
State of Hawaii	10.7%

Unemployment Rate 2000

Leeward Oahu	14.9%
Pahoa-Kalapana	16.7%
East Molokai	11.4%
West Molokai	11.5%
State of Hawaii	6.3%

Per Capital Income 2000

Leeward Oahu	\$13,029
Pahoa-Kalapana	\$12,554
State of Hawaii	\$21,525

% Less than High School Education for Persons 25 Years and Older

East Molokai	20.6%
West Molokai	24.2%
State of Hawaii	15.4%

Source: U.S. Census

Leeward Oahu and Pahoa-Kalapana have higher poverty levels, higher unemployment and lower per capital income than statewide levels. The island of Molokai has higher poverty levels, higher unemployment levels and lower educational attainment levels than the state as a whole.

Partners: state agencies, county planning departments, federal agencies, county and federal economic development agencies and organizations.

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Desired results (outputs, outcomes and impacts): What will success look like? Describe what you expect to achieve in the short-term (0-2 years) and long-term (2-6 years).

Short-Term

-The State of Hawaii will have an updated Comprehensive Economic Development Strategy which identifies goals, objectives and strategies for economic development; identifies targeted cluster industries and identifies projects to be undertaken to implement the strategy and in particular to aid distressed communities.

-Best practices, tools and techniques and recommendations will have been identified to inform rural communities and decision-makers as to ways in which rural communities can promote/support economic development while maintaining their rural character and lifestyle.

-Proposed legislation will have been developed to amend state law to change existing provisions in order to better utilize the State Rural District.

-Immediate and short-term responses to Molokai Ranch layoffs will have been initiated and coordinated with appropriate state agencies.

-Brownfield Cleanup Loan will have been executed to cleanup a contaminated site in Kakaako. Brownfield site assessments for selected sites around the State will have been completed.

Long Term

-The State of Hawaii's economic competitiveness will have been enhanced/improved. More high wage jobs shall have been created.

-The State of Hawaii continues to be eligible for Federal Economic Development Administration (EDA) funding (i.e. a federally approved plan is required.)

-Economic development projects in the Hawaii Statewide Comprehensive Economic Development Strategy are implemented and targeted cluster industries are supported, in particular to aid distressed communities.

-Rural communities have increased businesses and jobs and a better standard of living for their residents while maintaining their rural character and lifestyle.

-Formerly contaminated brownfield sites are redeveloped and these previously unused or underutilized sites are developed for economic uses. Communities lose their blighted appearance.

Influential Factors: List the factors you believe will support or hinder your ability to impact the problem or opportunity.

Factors which will influence our ability to impact the problems include the ability of stakeholders to see the greater good to be achieved; support for legislative proposals and/or administrative changes; the availability of information and data and the resources to obtain information and data; and funding.

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Strategies: List the “best practices” that have helped other programs achieve the kind of results your program promises.

1. Public plans help states and communities to identify goals and mobilize resources to achieve those goals.
2. Policy analysis is a commonly used tool for researching and formulating recommendations for decision-makers.
3. Targeting cluster industries is endorsed by many economic development practitioners as a useful economic development strategy.
4. Providing seed money for project master plans will provide the boost or extra stimulus that will get economic development projects off the ground.
5. Many states and other jurisdictions have used brown fields programs to clean up contaminated sites and revitalize underutilized areas.
6. Planning for natural disasters helps mitigate their adverse impacts.

Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work. Use “If - then” statements, i.e. “if _____ then _____ happens.”

There is an assumption that once communities and decision-makers have identified and agreed upon their goals, objectives and strategies, they will mobilize fiscal and human resources to achieve these goals, objectives and strategies.

-There is an assumption that data and analysis will inform and lead to better decisions.

-There is an assumption that targeting cluster industries which is a strategy used in other areas e.g. Silicon Valley/technology; Hartford, Conn./insurance; will work/can be transferred successfully to Hawaii.

-There is an assumption that seed money for example for master plans or site assessments will help nonprofit economic development organizations obtain additional funding for their projects (projects may be business incubators, film and digital media center, etc.)

II. PROGRAM IMPLEMENTATION

Resources: Describe the resources available to support your program.

Staff

General Funds for BED144PL

EDA Federal funds for Continuation of Economic Development Planning and Project Master Plans:

Support from other DBEDT programs

EDA technical assistance

Brownfield Cleanup Revolving Loan Funds: \$2.0 million

Other Resources:

Public support.

Legislative support.

Other State agencies.

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County planning departments.
County Economic Development Boards and Agencies.
Nonprofit economic development organizations.

Activities: Describe each of the activities you plan to conduct within your program.

1. Update Hawaii Comprehensive Economic Development Strategy including identifying targeted cluster industries, formulating goals, objectives and strategies to support targeted cluster industries and identifying projects. The Special Plans Branch will work closely with DBEDT to identify targeted cluster industries. Assistance from the County Economic Development Boards and agencies will be sought to obtain local stakeholder/industry/business input on the identification of projects.
2. Administer EDA Project Master Plan grants to implement the 2004 Hawaii Comprehensive Economic Development Strategy
3. Conduct Planning for Rural Economic Development Study to identify ways in which Hawaii's rural communities can improve their economic conditions while maintaining rural character and lifestyle. The study will do this by researching and identifying other areas which have been able to do this and identifying "best practices", tools and techniques that successful rural communities have used.
4. Prepare Rural Best Practices Guidebook (in coordination with LUD) to present land use tools and techniques to assist rural communities.
5. Conduct Rural Community Wastewater Study (in coordination with CZM). Clustering of residences in the Rural District will help to preserve open space i.e. buildings will take up less of a footprint on a lot. However, one of the existing major barriers to clustering is the unfamiliarity with community wastewater systems in this state. This study will facilitate use of community wastewater systems in Hawaii.
6. The Director of Office of Planning heads the Molokai Action Team. OP provides staff support which includes identifying and researching proposed actions to be undertaken and coordinating agency input and activities.
7. Administer Brownfields Cleanup Revolving Loan Fund and participate in State Brownfield activities.
8. Participate in Leeward Coast Initiative (in coordination with LUD).
9. Conduct natural disaster economic recovery strategy planning (dependent on receipt of Federal funds.)

Outputs: For each program activity, identify what outputs you aim to produce.

Updated Hawaii Comprehensive Economic Development Strategy.
-Project Master Plans to Implement Projects in the 2004 CEDS.
-Planning for Rural Economic Development Study.
-Rural Best Practices Guidebook.
-Rural Community Wastewater Study.
-Molokai Action Team services provided.
-Brownfield site in Kakaako cleanup.
-Brownfield site assessments completed.
-See LUD write-up for Leeward Coast Initiative.
-Natural Disaster Economic Recovery Strategy (dependent upon receipt of Federal funds).

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Outcomes: Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

Short-Term

- The State of Hawaii will have an updated Comprehensive Economic Development Strategy which identifies goals, objectives and strategies for economic development; identifies targeted cluster industries and identifies projects to be undertaken to implement the strategy.
- Best practices, tools and techniques and recommendations will have been identified to inform rural communities and decision-makers as to ways in which rural communities can promote/support economic development while maintaining their rural character and lifestyle.
- Proposed legislation will have been developed to amend state law to change existing provisions in order to better utilize the State Rural District.
- Immediate and short-term responses to Molokai Ranch layoffs will have been initiated and coordinated with appropriate state agencies.
- Brownfield Cleanup Loan will have been executed to cleanup a contaminated site in Kakaako. Brownfield site assessments for selected sites around the State will have been completed.
- Steps/recommendations toward greater economic resiliency to natural disasters will have been identified.

Long Term

- The State of Hawaii's economic competitiveness will have been enhanced/improved. More high wage jobs shall have been created.
- The State of Hawaii continues to be eligible for Federal Economic Development Administration (EDA) funding (i.e. a federally approved plan is required.)
- Economic development projects in the Hawaii Statewide Comprehensive Economic Development Strategy are implemented and targeted cluster industries are supported.
- Rural communities have increased businesses and jobs and a better standard of living for their residents while maintaining their rural character and lifestyle.
- Formerly contaminated brownfield sites are redeveloped and these previously unused or underutilized sites are developed for economic uses. Communities lose their blighted appearance.
- Greater economic resiliency to natural disasters.

Impact: Describe the lasting impact you anticipate.

- Increased economic competitiveness for the State of Hawaii. Greater diversification and stability in Hawaii's economy due to implementation of CEDS projects; support of cluster industries and continuation of economic development planning. Provision of more high wage

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jobs.

- Hawaii’s rural communities improve their economic conditions while maintaining their rural character and lifestyle.
- The State Rural District is better utilized. Uses in the Rural District are expanded to allow clustering and small villages and towns. The Rural District maintains its small scale character with economic uses and open spaces.
- Better utilization of land resources through use of former brownfields sites. Formerly contaminated sites are used for economic purposes. The number of blighted areas within communities are reduced and the appearance of communities throughout the state is enhanced.
- Better economic resiliency to natural disasters.

III. PROGRAM EVALUATION

Indicators: Describe what SMART (“specific; measurable; action-oriented; realistic; and timed”) indicators can be collected that would convey the status of your program.

Data on general economic conditions in the State i.e. growth in jobs, number of jobs, average wages and salaries, revenues, employment and unemployment rates, labor force participation.

Where available, conditions in specific targeted industries; i.e. job growth in targeted cluster industries, revenue growth, wages and salaries in targeted cluster industries.

Data on rural areas i.e. population growth, job growth (number and types), wage and salary info, employment and unemployment, labor force participation, number of businesses.

Number of brownfield sites cleaned up.

IV. ALIGNMENT

Is your program linked to DBEDT’s nine strategic objectives?		
1.	x	Hawaii Five Point Economic Plan
2.		Hawai’i Clean Energy Initiative
3.		Hawai’i Innovation Initiative
4.		Global Links
5.		Economic research and data analysis
6.		Hawai’i Open for Business
7.	x	Workforce Housing
8.	X	Planning and Land Use
9.		World Class Infrastructure

Note: This form was created using the W. K. Kellogg Foundation Logic Model Development Guide, January 2004.

