



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

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**Voting Members:**

Ann H. Kobayashi, Chair  
Stanley Chang, Vice Chair  
Carol Fukunaga  
Joey Manahan  
Kymberly Marcos Pine

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## MINUTES

REGULAR MEETING  
WEDNESDAY, APRIL 23, 2014

COUNCIL COMMITTEE MEETING ROOM  
2<sup>ND</sup> FLOOR, HONOLULU HALE  
HONOLULU, HAWAII 96813

*Note: The video of the full proceedings of this meeting can be viewed at <http://honolulucountyhi.iqm2.com> or a copy of the video may be requested by calling the City Clerk's Office at 768-5822.*

### CALL TO ORDER

The regular meeting of the Committee on Budget was called to order by Committee Chair Ann H. Kobayashi at 9:02 a.m. Voting Members Chang, Fukunaga, Manahan and Pine were present at the meeting. Nonvoting members, Council Chair Martin and Councilmembers Harimoto and Menor also attended the meeting.

### STAFF PRESENT

Michele Sansone, Senior Advisor to Committee Chair Kobayashi  
Catherine Pligavko, Analyst, Office of Council Services  
Lloyd Yoshioka, Attorney, Office of Council Services  
Amy Kondo, Deputy, Department of the Corporation Counsel, assigned to the Committee  
Cynthia Nakazaki, Council Committee Aide, Office of the City Clerk

**ORDER OF BUSINESS**

APPROVAL OF MINUTES

The minutes of the Committee on Budget meetings held on February 26, 2014 and March 19, 2014 were approved as circulated.

AYES: MANAHAN, PINE, KOBAYASHI – 3.  
NOES: None.  
EXCUSED: CHANG, FUKUNAGA - 2.

FOR ACTION

1. RESOLUTION 14-64 – COMMITTEE REPORT 111

RELATING TO TRANSFER OF FUNDS. Authorizing the Department of the Corporation Counsel to transfer \$300,000 to meet current operating program needs for Fiscal Year 2014.

Administration/Others

Donna Y.L. Leong, Corporation Counsel, Department of Corporation Counsel

There was no public testimony.

Corporation Counsel Leong provided background information on the transfer of funds and requested support for the Resolution.

Resolution 14-64 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communication:

D-213 Donna Y.L. Leong, Corporation Counsel, Department of Corporation Counsel, submitting draft Resolution.

2. RESOLUTION 14-76 – COMMITTEE REPORT 113

ACCEPTANCE OF GIFT. Accepting a gift to the City and County of Honolulu from the Association of Local Government Auditors (ALGA) valued at \$100.00 to offset registration costs for the 2014 ALGA Annual Conference.

Administration/Others

Edwin S.W. Young, City Auditor, Office of the City Auditor

There was no public testimony.

Auditor Young explained that the Auditor's Office was invited to participate in one of the ALGA Annual Conference presentation workshops. The gift would offset registration costs for an employee of the Auditor's Office to attend.

Resolution 14-76 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.

NOES: None.

3. RESOLUTION 14-72 – COMMITTEE REPORT 112

ALTERNATIVE USES FOR CITY-OWNED PARCEL LOCATED ON ALEWA DRIVE. Requesting the Department of Community Services to work collaboratively with the surrounding community to identify alternative uses for the City-owned parcel located at 1816-A Alewa Drive, Honolulu, 96817 (TMK: 1-8-029:047).

Administration/Others

Pamela A. Witty-Oakland, Director, Department of Community Services

Director Witty-Oakland expressed the Department's willingness to continue to work with the community on the subject property and its use.

Committee Member Fukunaga expressed the community's concern that they were unaware of a Request for Proposal being issued for new uses to the property. The community wanted assurance that protection afforded by previous City Councils remain in place and that the residents be informed of any changes in the future use of the property.

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In response to Committee Chair Kobayashi, the Director provided the following information:

- The use of the property has not changed, and an RFP was issued for the same use, an Alzheimer's respite facility.
- If no proposals are received for that specific use, alternate uses within the parameters of Special Needs Housing would need to be explored.
- The Department would inform and collaborate with the community on any alternate uses.
- Council approval is required before any lease is executed.

The following individual testified;

Burt Lau (support) (M-951)

Resolution 14-72 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communications:

M-945 Kent Takazawa (support)  
M-946 Michael Roth (support)  
M-947 Wah-Cheong Sze (support)  
M-948 Mei Mei Sze (support)  
M-949 Allison Lum (support)  
M-950 Kwock Ming Ng (support)  
M-951 Burt Lau (support)

4. RESOLUTION 14-52 – COMMITTEE REPORT 110

HONOLULU'S TWENTIETH (20<sup>TH</sup>) YEAR ACTION PLAN. Approving the City and County of Honolulu's Twentieth (20th) Year Action Plan for Community Development Block Grant, Home Investment Partnerships, Emergency Solutions Grants and Housing Opportunities for Persons with Aids Program Funds, and authorizing its resubmittal to the U.S. Department of Housing and Urban Development.

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The following was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 14-52 – The proposed CD1 (OCS/041714/01:38/CT) makes the following amendments:

- A. Attaches the Draft Twentieth Year Action Plan as Exhibit A;
- B. Changes the word "Resubmittal" to "Submittal" in the title of the Resolution, as indicated in the proposed draft resolution attached to D-285; and
- C. Makes various technical and non-substantive amendments.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Koyanagi explained that the Resolution approves the Action Plan for Community Development Block Grant (CDBG) funding for Fiscal Year 2015 and that the Plan needs to be submitted to the Department of Housing and Urban Development (HUD) by May 15, 2014.

In response to Committee members, the Director provided the following information:

- Organizations are allowed two years to expend their funds and the projects are constantly monitored to ensure timeliness of the expenditures.
- HUD allowed \$1.56 million for administrative costs and the funds are used by the Department of Community Services and the Department of Budget and Fiscal Services to administer the program.

Committee Chair Kobayashi recommended that the Resolution be amended to the posted CD1 and be reported out for adoption.

Resolution 14-52 amended to CD1 (OCS/041714/01:38/CT) and be reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communications:

- D-235 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting list and scores for project proposals and scoring criteria.
- D-285 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting updated draft Twentieth (20<sup>th</sup>) Year Action Plan.
- D-952 Shely Chang (support NRSA Weed and Seed Project)
- D-953 Barbara Tom, RN (support NRSA Weed and Seed Project)
- D-954 Gayleen Balais (support NRSA Weed and Seed Project)
- D-955 Gale Mejia (support NRSA Weed and Seed Project)
- D-956 Lisa Enanoria, Project Manager, Haseko Development, Inc. (support NRSA Weed & Seed Project)
- D-957 Anna M. Kobashigawa, Branch Manager, First Hawaiian Bank, Ewa Beach Branch (support NRSA Weed and Seed Project)
- D-958 Debra M. A. Luning, Director of Governmental Affairs and Community Relations, The Gentry Companies (support NRSA Weed and Seed Project)
- D-959 Ed Oshiro, Principal, Ewa Makai Middle School, State of Hawaii, Department of Education (support NRSA Weed and Seed Project)
- D-960 Richard Quiamzon, General Manager, McDonald's of Ewa Beach (support NRSA Weed and Seed Project)
- D-961 Gary Chun, Principal, Waipahu Elementary School, State of Hawaii Department of Education (support NRSA Weed and Seed Project)

5. BILL 24 (2014) – COMMITTEE REPORT 108

FEES AND CHARGES FOR USE OF PARKS AND RECREATION FACILITIES.  
Amending the fees for camping.

Administration/Others

Michele Nekota, Director Designate, Department of Parks and Recreation

There was no public testimony.

Director Designate Nekota provided a brief explanation on the amendments to the camping fees and noted that the amendments would be advantageous for campers with groups up to 150 people.

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In response to Committee Chair Kobayashi, the Director Designate noted she would explore the suggestion of some type of in-kind service for the ORI campsite in Wahiawa.

Bill 24 (2014) reported out for passage on second reading and scheduling of a public hearing.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communications:

D-181 Toni P. Robinson, Director, Department of Park and Recreation,  
transmitting draft Bill.  
D-962 Betty Lou Larson (support)

6. BILL 26 (2014) – COMMITTEE REPORT 109

REFUSE COLLECTION AND DISPOSAL CHARGES. Amending the time period for payment of refuse collection and disposal charges.

Administration/Others

Tim Houghton, Deputy Director, Department of Environmental Services

There was no public testimony.

Deputy Director Houghton stated that the Department supported the proposed Bill which adjusts the time period for payment of disposal collection and charges from 60 to 30 days. It would make the payment period consistent with other payment requirements throughout the City

In response to Committee Chair Kobayashi, the Deputy Director stated that the payment period was originally changed at the request of a few vendors to accommodate their billing cycle.

Bill 26 (2014) reported out for passage on second reading and scheduling of a public hearing.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communication:

D-302           Lori M.K. Kahikina, P.E., Director, Department of Environmental Services, submitting testimony supporting Bill 26 (2014).

7. BILL 69 (2013) – COMMITTEE REPORT 106

RELATING TO PUBLIC TRANSIT. Authorizing the Department of Transportation Services (DTS) to sell advertising space on the exterior of City fixed route public transit buses and paratransit vehicles.

The following was circulated at the meeting:

PROPOSED CD1 TO BILL 69 (2013) - The proposed CD1 (OCS/042214/01:51/CT) makes the following amendments:

- A.     Specifies that exterior advertising is restricted to the sides and/or back of city transit buses, and prohibits bus wraps and advertising on any bus shelter, bus bench or bus transit center/station structure.
- B.     Defines "city transit bus" to mean a fixed route bus, and does not include a paratransit or special transit service vehicle.
- D.     Provides that the director shall adopt rules to implement the section pursuant to HRS Chapter 91.
- E.     Makes other technical and non-substantive amendments.

Administration/Others

Michael D. Formby, Director, Department of Transportation Services  
Krishna Jayaram, Deputy, Department of Corporation Counsel

Director Formby clarified that the Administration does not support billboards and it is not the intent of the Administration to change the law on billboards. He noted that the proposed Bill is about transportation equity and that it would provide an alternate source of sustainable revenue.

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The following was discussed by the Committee:

- Escalating operating costs of the bus.
- Transportation equity and service to growing communities on the Leeward area.
- Regulating the size of ads.
- Revenue from advertising.
- Interior advertising in buses being driven by market demands.
- Funding and the restoration of bus services.

The following individuals testified:

1. Barbra Armentrout (oppose)
2. Alex Bresslauer (support)
3. Marti Townsend, The Outdoor Circle (oppose)(M-993)
4. Rose Pou (oppose)
5. Kathy Whitmire (oppose)(M-973)
6. Eric Kvam (oppose)
7. Alexandra Avery, President, The Outdoor Circle(oppose) (M-991)
8. Diane Anderson (oppose)
9. Bill Metzger(oppose)
10. Pauline MacNeil (oppose)
11. Ruth Freedman, RN (oppose)

Director Formby noted that the Department would be willing to provide a report to the Council on revenues, challenges, and impacts of exterior bus advertising for a specific time period.

In response to Committee Chair Kobayashi's query, Deputy Jayaram opined that ROH, Chapter 41, Article 14, has been permanently enjoined and is no longer in effect and that advertising on vehicles is legal.

Discussion ensued regarding the following:

- The need to identify additional or alternative sustainable sources of revenue.
- The legality of advertising on vehicles.
- The need to restore bus services in Central and Leeward Oahu.
- Concerns for those dependent on the bus system and of increasing fees and taxes to raise revenue.
- The Transient Accommodations Tax as a source of revenue.
- The need for further discussion on the Bill.

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Committee Chair Kobayashi recommended that the Bill be amended to the handcarried CD1. With concurrence from Director Formby, the Bill was further amended and reported out for passage on second reading and scheduling of a public hearing.

Bill 69 (2013) amended to a CD1 and reported out for passage on second reading and scheduling of a public hearing.

AYES: CHANG, FUKUNAGA, MANAHAN\*, PINE, KOBAYASHI – 5.  
NOES: None.

\*Committee Member Manahan voted aye with reservations.

CD1 TO BILL 69 (2013) – The CD1 (OCS/043014/10:40/YL) makes the following amendments:

- A. Specifies that exterior advertising is restricted to the sides and/or back of city transit buses, and prohibits bus wraps and advertising on any bus shelter, bus bench or bus transit center/station structure.
- B. Defines “city transit bus” to mean a fixed route bus, and does not include a paratransit or special transit service vehicle.
- C. Provides that the director shall adopt rules to implement the section pursuant to HRS Chapter 91.
- D. Adds a requirement to provide a report two years after the effective date of this Bill setting forth the revenues collected from the advertising, costs of administering the program, and feedback from the community regarding the impacts from exterior bus advertising.
- E. Makes other technical and non-substantive amendments.

Related communications:

CC-10	Ewa Neighborhood Board No. 23 (support) (submitted by Councilmember Menor)
D-303	Mililani/Waipio/Melemanu Neighborhood Board No. 25 (support) (submitted by Richard Poirier, Chair of Neighborhood Board No. 25)
M-963	Dr. Mark Brasher (comments)
M-964	Jeremy Lam (oppose)
M-965	Michele Matsuo (oppose)

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M-966	Dr. Jane Moulin (oppose)
M-967	Carolyn Sandison (oppose)
M-968	Jackie Scott (comments)
M-969	Robert Smith (oppose)
M-970	Bobbi Steer and Twylla-Dawn Steer (oppose)
M-971	Nancy Stockert (oppose)
M-972	Rianna Williams (oppose)
M-973	Kathy Whitmire (oppose)
M-974	Daisy Murai (oppose)
M-975	Joy Marshall (support)
M-976	Cindie Ogata (oppose)
M-977	Maureen Andrade (support)
M-978	Beryl Blaich (oppose)
M-979	Mike Buck, The Mike Buck Show, Radio Station AM 690 The Answer, Salem Media of Hawaii (support)
M-980	Ruth Freedman (comments)
M-981	Cinnie Frith (oppose)
M-982	Devon Geis (oppose)
M-983	Diane Harding (oppose)
M-984	Wendell Hong (comments)
M-985	Lester H. Inouye (oppose)
M-986	Linda Legrande (oppose)
M-987	Susan Bright Spangler, The Outdoor Circle (oppose)
M-988	Jean Stromberg (oppose)
M-989	Claudia L. Webster (oppose)
M-990	Ruth Freedman (comments) (received after the meeting)
M-991	Alexandra Avery, President of the Outdoor Circle (oppose)
M-992	Gary Anderson, Chair, Congress of Manoa Artists (oppose)
M-993	Martha Townsend, Executive Director, The Outdoor Circle (oppose)
M-1057	Jennie Phillips (oppose) (received after the meeting)
P-25	Petition -14 signatures (oppose)

At this juncture, Committee Chair Kobayashi stated that Bill 18 (2014) and Bill 25 (2014), relating to minimum real property tax, would be taken up together.

8. BILL 18 (2014)

RELATING TO THE MINIMUM REAL PROPERTY TAX. Amending the minimum real property tax.

9. BILL 25 (2014)

RELATING TO THE MINIMUM REAL PROPERTY TAX. Amending the minimum real property tax.

Administration/Others

Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services

Deputy Director Kurokawa recommended that the Bills be deferred to the Real Property Tax Advisory Commission for further study. He noted that there may not be sufficient time to implement the changes of Bill 25 (2014) by July 1, 2014.

In response to Committee Members, the Deputy Director provided the following information:

- Implementing Bill 18 (2014) would not be as problematic to as Bill 25 (2014).
- Bill 18 (2014) would generate approximately \$180,000 in revenue if the tax was raised by \$100.
- The Bills would exempt Hawaiian Homelands parcels.

The following individuals testified on Bill 18 (2014):

1. Nikki Love Kingman, Hawaii Alliance of Nonprofit Organizations (oppose Bill 18 (2014) (M-997) and Bill 25 (2015) (M-1008))
2. Robert Witt, Hawaii Association of Independent Schools (oppose Bill 18 (2014) (M-1001) and (oppose Bill 25 (2014))
3. Thomas Huber, The ARC in Hawaii (oppose Bill 18 (2014))

Committee Chair Kobayashi recommended that the Bill 18 (2014) and Bill 25 (2014) be deferred.

Action Bill 18 (2014) deferred.

AYES: FUKUNAGA, MANAHAN, KOBAYASHI – 3.

NOES: None.

EXCUSED: CHANG, PINE - 2.

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Related communications:

- D-304 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, submitting comments on the Bill.
- M-994 Sonja Punsalan, Director of Finance, The Arc in Hawaii (oppose)
- M-995 The Queen's Heath Systems (comments)
- M-996 Howard S. Garval, President and CEO, Child and Family Service (oppose)
- M-997 Nikki Love Kingman, Public Policy Director, Hawaii Alliance of Nonprofit Organization (HANO) (comments)
- M-998 Jerry Rauckhorst, President and CEO, Catholic Charities Hawaii (oppose)
- M-999 Michael Robinson, Executive Director, Government Relations for Hawaii Pacific Health (HPH) (comments)
- M-1000 Becky J. Tyksinski, Director of Development, The Arc in Hawaii (comments)
- M-1001 Robert Witt, Executive Director, Hawaii Association of Independent Schools (HAIS) (comments)
- M-1024 Lambert Wai (oppose Bills 18 and 25)
- M-1025 Brien Matson (oppose Bills 18 and 25)
- M-1026 Paul P. Richards, President, Waimanalo Hawaiian Homes Association (WHHA); Na Kuhio 'Ike (NKI) a Subsidiary of WHHA; Auamo I Na Alaka'i (AINA) (oppose Bills 18 and 25)
- M-1027 Heather L. Butz, CPA, Business Manager, Navy Hale Keiki School (comments on Bills 18 and 25)
- M-1028 Rev. Charles Buck, Conference Minister, Hawaii Conference of the United Church of Christ (oppose Bills 18 and 25)
- M-1029 The Nature Conservancy (oppose Bills 18 and 25)
- M-1058 James Hochberg, Attorney at Law (comments on Bill 18 and 25) (received after the meeting)

Action on Bill 25 (2014) deferred.

AYES: FUKUNAGA, MANAHAN, KOBAYASHI – 3.  
NOES: None.  
EXCUSED: CHANG, PINE - 2.

Related communications:

- D-305 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, submitting comments on the Bill.
- M-1002 Duane P. Bartholomew (oppose)

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- M-1003 Harold Johnston (oppose)
- M-1004 Richard Soo (oppose)
- M-1005 Graham Ellis (oppose)
- M-1006 Michael D. Miyahira (comments)
- M-1007 Howard S. Garval, President and CEO, Child & Family Service (oppose)
- M-1008 Nikki Love Kingman, Public Policy Director, Hawaii Alliance of Nonprofit Organizations (HANO) (oppose)
- M-1009 International Longshore & Warehouse Union (oppose)
- M-1010 Jerry Rauckhorst, President and CEO, Catholic Charities Hawaii (comments)
- M-1011 Michael Robinson, Executive Director, Government Relations, Hawaii Pacific Health (comments)
- M-1012 Laura Smith, President/CEO, Goodwill Industries of Hawaii, Inc. (oppose)
- M-1013 Becky Tyksinski, Director of Development, The Arc in Hawaii
- M-1014 Robert Witt, Executive Director, Hawaii Association of Independent Schools (HAIS) (comments)
- M-1015 Sonja Punsalan, Director of Finance, The Arc in Hawaii (oppose)
- M-1016 Lei Fountain, Executive Director, The Arc in Hawaii (oppose)
- M-1017 Lei Fountain, Executive Director and Thomas P. Huber, President, The Arc in Hawaii (oppose)
- M-1018 Gladys Marrone, Government Relations Director, Building Industry Association of Hawaii (BIA-Hawaii) (comments)
- M-1019 Randy Perreira, Executive Director, Hawaii Government Employees Association (HGEA) (oppose)
- M-1020 Glen Hayashida, CEO, National Kidney Foundation of Hawaii (oppose)
- M-1021 Gloria Omandam, CEO, OTS Employees Federal Credit Union (oppose)
- M-1022 The Queen's Heath Systems (comments)
- M-1023 Glenn H. Tsugawa, President & CEO Special Education Center of Hawaii dba SECOH (oppose)
- M-1024 Lambert Wai (oppose Bills 18 and 25)
- M-1025 Brien Matson (oppose Bills 18 and 25)
- M-1026 Paul P. Richards, President, Waimanalo Hawaiian Homes Association (WHHA); Na Kuhio 'Ike (NKI) a Subsidiary of WHHA; Auamo I Na Alaka'i (AINA) (oppose Bills 18 and 25)
- M-1027 Heather L. Butz, CPA, Business Manager, Navy Hale Keiki School (comments on Bills 18 and 25)
- M-1028 Rev. Charles Buck, Conference Minister, Hawaii Conference of the United Church of Christ (oppose Bills 18 and 25)

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M-1029 The Nature Conservancy (oppose Bills 18 and 25)  
M-1058 James Hochberg, Attorney at Law (comments on Bills 18 and 25)  
(received after the meeting)

At this juncture, Committee Chair Kobayashi announced that Items 10, 11 and 12, relating to abandonment and sale of remnant parcels, would be taken up together.

10. RESOLUTION 14-81 – COMMITTEE REPORT 114

ABANDONMENT AND SALE OF REMNANT PARCEL ALONG HUNALEWA STREET, KAPAHULU. Approving the abandonment and sale of remnant Parcel 7-A, area 36 square feet, located along Hunalewa Street, Kapahulu, TMK: 300-2-064-007 (Portion).

11. RESOLUTION 14-82 - COMMITTEE REPORT 115

ABANDONMENT AND SALE OF PORTION OF LUAKAHA STREET, KAPAHULU. Approving the abandonment and sale of Parcel 1, portion of Luakaha Street, area 86 square feet, abutting TMK: 3-2-058-075, Kapahulu.

12. RESOLUTION 14-83 – COMMITTEE REPORT 116

ABANDONMENT AND SALE OF REMNANT PARCEL, PORTION OF HOUGHTAILING STREET AT PETER BUCK STREET, KAPALAMA. Approving the abandonment and sale of remnant Parcel 1, area 197 square feet, portion of Houghtailing Street at Peter Buck Street, Kapalama, abutting TMK: 1-6-023-052.

Administration/Others

Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services  
(BFS)  
Diane Murata, Property Management and Disposal Section (BFS)

There was no public testimony.

In response to Committee members, representatives of the BFS provided the following information:

- Appraisals of remnant properties are performed by the Land Division of the Department of Design and Construction.

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- The sale of the remnant properties were requested by the abutting property owners.
- The BFS is proactive in identifying remnant parcels to sell.

Resolution 14-81 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communication:

D-282 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting draft Resolution.

Resolution 14-82 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communication:

D-283 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting draft Resolution.

Resolution 14-83 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

Related communication:

D-284 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting draft Resolution.

13. BILL 6 (2014), CD1 – COMMITTEE REPORT 107

RELATING TO LEASING OF CITY AFFORDABLE HOUSING PROJECTS. Providing new authority for the issuance of a Request for Proposals (RFP) under the City's Honolulu Affordable Housing Preservation Initiative in the event a transaction is not consummated thereunder before the repeal of Ordinance 2-12 on April 1, 2014.

Administration/Others

Pamela Witty-Oakland, Director, Department of Community Services (DCS)  
Keith Ishida, Division Chief, Community Based Development Division, DCS  
Nelson Gordon, Deputy, Department of Corporation Counsel

There was no public testimony.

Director Witty-Oakland reported that the Corporation Counsel advised against incorporating the RFP into the Ordinance. There were concerns that it would provide an unfair competitive advantage to some bidders through the premature release of the RFP.

The Director provided a summary on key points of the RFP, as detailed in Communication D-306, which included the rental housing developments, terms of sale, and evaluation criteria.

Committee Member Fukunaga expressed the community's concern that the number of rental units for households earning less than 60% of median income would increase and alter the income mix of the existing rental units in Chinatown impacting the surrounding community and economy in Chinatown.

Committee members expressed concerns that households whose incomes exceed 60% of the median income could face displacement.

In response to questions, Director Witty-Oakland provided the following information:

- The Department would look for experts with underwriting expertise for the RFP evaluation team.
- In the terms of the sale, the deposit of \$4 million would be refundable until a financing plan is in place.

Director Witty-Oakland reported that the Bill would also authorize a second separate RFP to be issued for three other properties and that RFP would be ready after May 7, 2014.

Committee Chair Kobayashi expressed her concern that there is no assurance that the Council would have an opportunity to review and act on the second RFP.

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Discussion ensued regarding the authorization of a second RFP and Director Witty-Oakland reassured the Committee that the RFP would be shared with each individual councilmember prior to the RFP being issued.

Committee Chair Kobayashi recommended that Bill 6 (2014), CD1 be amended to a CD2 to remove reference to Exhibit A in the Bill. The Committee Chair also recommended that Bill 6 (2014), CD2 be reported out for passage on third reading, provided that the RFP be made available by the Department of Community Services for inspection by any interested Councilmember and staff, and should there be any concerns, Bill 6 (2014), CD2 would not be added to the agenda of the May 7, 2014 Council meeting.

Bill 6 (2014), CD1 amended to CD2 and reported out for passage on third reading.

AYES: CHANG, FUKUNAGA\*, MANAHAN, PINE, KOBAYASHI – 5.  
NOES: None.

\*Councilmember Fukunaga voted aye with reservations.

CD2 TO BILL 6 (2014), CD1 – The CD2 (OCS/043014/10:40/CT) version removes the reference to Exhibit A in the Bill.

Related communication:

D-306 Pamela A. Witty-Oakland, Director, Department of Community Services, expressing concerns with incorporating the Request for Proposal for the Affordable Housing Preservation Initiative into the ordinance.

FOR DISCUSSION

14. UPDATE ON THE DEVELOPMENT OF LAND OWNED BY THE BOARD OF WATER SUPPLY ON SOUTH BERETANIA STREET AND THE USE OF THE PUMP STATION ON WAIKAMILO ROAD.

Administration/Others

Ernest Y.W. Lau, Manager and Chief Engineer, Board of Water Supply

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Manager Lau provided an update on the RFP that was issued for the Beretania Street property and on the use of the pump station on Waiakamilo Road, as detailed in Communication D-307.

Related communication:

D-307 Ernest Y.W. Lau, P.E., Manager and Chief Engineer, Board of Water Supply, providing update on the development of land owned by the Board of Water Supply on South Beretania Street and the use of the pump station on Waiakamilo Road.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

  
For BERNICE K.N. MAU  
City Clerk

cn

DATE APPROVED

June 25, 2014