



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

**COMMITTEE ON ZONING
AND HOUSING**

Voting Members:

Kymberly Marcos Pine, Chair
Ikaika Anderson, Vice-Chair
Brandon J.C. Elefante
Ann H. Kobayashi
Joey Manahan

MINUTES

REGULAR MEETING
THURSDAY, JUNE 29, 2017

COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR, HONOLULU HALE
HONOLULU, HAWAII 96813

Note: A copy of the video of the full proceedings of this meeting may be requested by calling the City Clerk's Office at 768-5822.

CALL TO ORDER

The regular meeting of the Committee on Zoning and Housing was called to order by Committee Chair Kymberly Marcos Pine at 9:10 a.m. Voting Members Anderson, Elefante, and Kobayashi were present at the meeting. Voting Member Manahan was excused from the meeting.

STAFF PRESENT

Matt Caires, Chief of Staff to Committee Chair Pine
Lori Hiraoka, Attorney, Office of Council Services
Gavin Kennedy, Analyst, Office of Council Services
Don Kitaoka, Deputy, Department of the Corporation Counsel, assigned to the Committee
Laurie Tam, Council Committee Aide, Office of the City Clerk

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the Committee on Zoning and Housing meeting held on May 25, 2017 were approved as circulated.

AYES: ELEFANTE, KOBAYASHI, PINE – 3.

NOES: None.

EXCUSED: ANDERSON, MANAHAN – 2.

FOR ACTION

1. BILL 53 (2017) – COMMITTEE REPORT 271

RELATING TO NONCONFORMING STRUCTURES. Amending certain provisions relating to nonconforming structures.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting (DPP)

There was no public testimony.

Acting Director Sokugawa testified that the DPP would like to review all of the Land Use Ordinance nonconforming use provisions and take a more holistic approach to reform the provisions. She added that if the Council desires to pursue the measure, the DPP would recommend certain changes and work with the Council.

The Acting Director responded to Committee Member Elefante that the Bill would not affect Special Management Area Use regulations.

Bill 53 (2017) reported out for passage on second reading and scheduling of a public hearing.

AYES: ELEFANTE*, KOBAYASHI, PINE – 3.
NOES: None.
EXCUSED: ANDERSON, MANAHAN – 2.

*Committee Member Elefante voted aye with reservation.

Related communications:

D-360 Department of Planning and Permitting, transmitting draft bill.
D-499 Flora Obayashi, Chair, Kahaluu Neighborhood Board No. 29 (comments)

2. BILL 54 (2017) – COMMITTEE REPORT 272

RELATING TO WIND MACHINES. Amending the permitting requirements for wind machines.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting

Acting Director Sokugawa testified in support of the Bill.

There was no public testimony.

Bill 54 (2017) reported out for passage on second reading and scheduling of a public hearing.

AYES: ELEFANTE, KOBAYASHI, PINE – 3.

NOES: None.

EXCUSED: ANDERSON, MANAHAN – 2.

Related communications:

D-361 Department of Planning and Permitting, transmitting draft bill.

M-3356 Tyler Dos Santos-Tam, Executive Director, Hawaii Construction Alliance (comments)

3. BILL 79 (2015), CD1 – COMMITTEE REPORT 270

LUO AMENDMENT RELATING TO THE LAND USE ORDINANCE. Making miscellaneous amendments to the Land Use Ordinance.

The following amendment was posted on the agenda:

PROPOSED CD2 TO BILL 79 (2015), CD1 (Submitted by Councilmember Pine) – The CD2 (OCS2017-0669/6/23/2017 3:23 PM) makes the following amendments:

- A. Adds a new SECTION 11 of the bill to correct a citation in Section 21-3.140-1 (in subsection (c), cites Section 21-2.80 instead of Section 21-2.70), and renumbers subsequent bill SECTIONS.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

- B. In renumbered SECTION 16 of the bill, revises Section 21-5.160(c) (by adding reference to the B-1 District) to read as follows:

"(c) Floor area [~~shall~~] will be limited to 2,500 square feet[.] in the B-1, I-1, I-2 and apartment mixed use districts."
- C. Deletes renumbered SECTION 14 of the bill, which proposed to amend Section 21-4.110-1 ("Nonconforming use certificates for transient vacation units"), and renumbers subsequent bill SECTIONS.
- D. Deletes renumbered SECTION 15 of the bill, which proposed to amend Section 21-4.110-2 ("Nonconforming use certificates for bed and breakfast homes"), and renumbers subsequent bill SECTIONS.
- E. Deletes renumbered SECTION 20 of the bill, which proposed to amend Section 21-7.40 ("Specific district sign standards"), and renumbers subsequent bill SECTIONS.
- F. In renumbered SECTION 23 of the bill, reflects the current language of Section 21-9.100-5(d) pursuant to Ordinance 16-26.
- G. Makes various technical and nonsubstantive amendments.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting (DPP)

There was no public testimony.

Acting Director Sokugawa testified that the DPP has no objections to the proposals in the CD2 version of the Bill.

Committee Chair Pine recommended amending and reporting the Bill out for Council adoption.

Bill 79 (2015), CD1 amended to CD2 (OCS2017-0669/6/23/2017 3:23 PM) and reported out for passage on third reading.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.
NOES: None.
EXCUSED: MANAHAN – 1.

Related communication:

M-3357 Siddartha Savara (support)

4. BILL 62 (2017) – COMMITTEE REPORT 275

RELATING TO JOINT DEVELOPMENT. Amending certain provisions relating to the joint development of two or more subdivision lots.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 62 (2017) (Submitted by Councilmember Ozawa) – The CD1 (OCS2017-0624/6/6/2017 11:16 A.M) makes the following amendments:

- A. Deletes substantive amendments to Sec. 21-5.380 (a), (b), (c), and (d)
- B. Creates a new Section 21-5.380A, titled "Joint development of two or adjacent subdivision lots – Waikiki special district or transit-oriented development special districts," which:
 - 1) Allows lots previously jointly developed to enter into a second joint development with other subdivision lots, with certain conditions.
 - 2) Treats the two joint developments as separate zoning lots with certain exceptions.
 - 3) Requires notification of the owners of the subdivision lots affected by the original joint development prior to submission of the application and upon its acceptance.
 - 4) Requires the development rights applicable to subdivision lots in both joint developments to be clearly listed in the second agreement.
 - 5) Creates a procedure and conditions for application to the DPP director to revoke a conditional use permit for a joint development.
- C. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting (DPP)

Acting Director Sokugawa testified that the DPP has no objections to the proposed CD1 version of the Bill.

The following individual testified:

Art Challacombe (support)

Bill 62 (2017) amended to CD1 (OCS2017-0624/6/6/2017 11:16 A.M) and reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.
NOES: None.
EXCUSED: MANAHAN – 1.

Related communication:

D-272 Department of Planning and Permitting, transmitting draft bill.

5. RESOLUTION 17-176 - COMMITTEE REPORT 278

OHANA OLA O KAHUMANA PROJECT AT LUALUALEI, OAHU. Authorizing exemptions from certain requirements relating to the addition of accessory uses and structures to the Ohana Ola O Kahumana Project at Lualualei, Oahu, Hawaii, Tax Map Key: 8-6-006:001. (Current deadline for Council action: 8/7/17)

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 17-176 (Submitted by Councilmember Pine) – The CD1 (OCS2017-0686/6/28/2017 2:40 PM) makes the following amendments:

- A. In the first, second, third, and fourth WHEREAS clauses, clarifies the description of the Project, and identifies the Applicant as Alternative Structures International.
- B. Adds a WHEREAS clause to provide that all of the Ohana Ola O Kahumana apartments are rented to households earning 80 percent or less of the AMI.
- C. In the sixth to the last WHEREAS clause, clarifies that the Project is eligible to receive consideration under the City's rules regulating implementation of HRS Section 201H-38, because the Project improvements are considered accessory uses and structures to support Ohana Ola O Kahumana, which

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

offers at least 50 percent of its total units to households earning 80 percent or less of the AMI.

- D. Clarifies that the preliminary plans dated August 1, 2016, and the outline specifications dated October 16, 2016, were submitted to the Council on June 23, 2017 by Departmental Communication 453 (2017).
- E. Reorganizes the exemptions granted under the resolution into the following categories:
 - Land Use Ordinance
 - Application Fees and Infrastructure and/or Public Works Fees and Charges
 - Board of Water Supply Rules and Regulations
- F. Clarifies the language for the exemptions.
- G. Adds an initial BE IT FURTHER RESOLVED clause to condition the approval on the Applicant promptly recording an executed development Agreement for Phase II in substantially the form attached to Resolution 00-198, CD1.
- H. In the second BE IT FURTHER RESOLVED clause, provides that the resolution is void unless construction of the Project commences no later than 24 months after the effective date of the resolution, and deletes provisions allowing the DPP Director to extend this period for up to one year from the initial deadline set by the Council.
- I. In the second to the last BE IT FURTHER RESOLVED clause, authorizes the DPP Director to execute the Development Agreement attached to the resolution as Attachment 1, deletes reference to the Applicant, and deletes language indicating that the Development Agreement covers Phase II.
- J. Replaces the Attachment 1 Development Agreement with a revised Development Agreement that, among other things, deletes provisions relating to Phase II; provides that "Project" means the development of a commercial community training kitchen and other accessory structures, including solar panels, a footbridge, a dedicated driveway and on-site loading area for the training kitchen, and 12 parking stalls; adds a provision relating to an individual wastewater treatment and disposal system; provides that construction of the Project must commence within 24 months after the effective date of the resolution; revises the indemnification provision; and makes other technical and nonsubstantive amendments.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

- K. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting
(DPP)

Tom McDonald, Executive Director, Kahumana (applicant)

Father Phil Harmon (Kahumana)

There was no public testimony.

Committee Chair Pine provided an overview of the proposed amendments.

Mr. McDonald provided an overview of the Ohana Ola O Kaumana Project, an existing Affordable Housing Project, pursuant to Section 201H-38 HRS, as detailed in Departmental Communication No. 453. He stated that the Project involves the construction of a one-story commercial kitchen to support job training for the residents and other participants in the housing programs on the City-owned site.

Resolution 17-176 amended to CD1 (OCS2017-0686/6/28/29017 2:40 PM) and reported out for adoption.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.

NOES: None.

EXCUSED: MANAHAN – 1.

6. RESOLUTION 17-177 – COMMITTEE REPORT 279

KEAHUMOA PLACE AFFORDABLE HOUSING PROJECT AT KAPOLEI, OAHU.
Authorizing exemptions from certain requirements relating to the Keahumoa Place Affordable Housing Project at Kapolei, Oahu, Tax Map Key: 9-1-017:109. (Current deadline for Council action: 8/7/17)

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 17-177 (Submitted by Councilmember Pine) –
The CD1 (OCS2017-0685/6/28/29017 11:24 PM) makes the following amendments:

- A. In the first, second, and third WHEREAS clauses, clarifies the description of the Project.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

- B. Adds a new fourth WHEREAS clause to describe the City's eligibility requirements for 201H projects.
- C. Adds that the Council received the Project's preliminary plans and outline specifications on June 23, 2017, by Departmental Communication 454 (2017).
- D. Reorganizes the exemptions granted under the resolution into the following categories:
 - Land Use Ordinance
 - Application Fees and Infrastructure and/or Public Works Fees and Charges
 - Board of Water Supply Rules and Regulations
- E. Clarifies the language for the exemptions.
- F. For the deferral of payment of wastewater system facility charges, revises the estimated amount from \$306,000 to \$512,000.
- G. Under the category "Board of Water Supply Rules and Regulations", deletes the exemption amount sought by the Applicant and provides for a deferral of payment of water system facility fees, estimated at \$807,000, until a certificate of occupancy is issued for the Project.
- H. In the first BE IT FURTHER RESOLVED clause, provides that the resolution is void unless construction of the Project commences no later than 24 months after the effective date of the resolution, and deletes provisions allowing the DPP Director to extend this period for up to one year from the initial deadline set by the Council.
- I. In the fourth BE IT FURTHER RESOLVED clause, conforms to standard language for 201H resolutions.
- J. In the sixth BE IT FURTHER RESOLVED clause, authorizes the DPP director to execute the Development Agreement, and deletes references to Kapolei Development, LLC, and the HHFDC.
- K. Replaces the Attachment 1 Development Agreement with a revised Development Agreement that, among other things, adds provisions noted in the DPP's report relating to an on-site water distribution system, on-site drainage system, and photovoltaic panels; provides that construction of the Project must commence within 24 months after the effective date of the

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

resolution; revises the indemnification provision; provides for a 30-day cure period, and makes other technical and nonsubstantive amendments.

- L. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting
(DPP)

Tom Schnell, PBR Hawaii (Agent)

Elizabeth Char, The Michaels Development Company (Applicant)

Committee Chair Pine provided an overview of the proposed amendments.

Mr. Schnell and Ms. Char provided a brief presentation of the Project, as detailed in Communications M-3358 and D-454. Mr. Schnell highlighted the following items:

- The Project includes one-, two-, and three-bedroom rental units in 37 two-story townhouse buildings, surrounding a community center and a maintenance building.
- Photovoltaic (PV) panels will be placed on top of at least one covered parking space per dwelling.
- All units will be affordable to households earning 100% or less of the area median income (“AMI”) for Honolulu.
- Rental prices will range from \$580 to \$2,700 per month.

Responding to Committee Chair Pine’s query, Ms. Char stated the following:

- Preliminary planning on the Project started in 2015.
- Funding sources consists primarily of low income housing tax credits and rental housing revolving funds.
- Approximately 240 units should be available by the end of 2019.

The following individual testified:

Tyler Dos Santos-Tam, Executive Director, Hawaii Construction Alliance
(support) (M-3359)

Resolution 17-177 amended to CD1 (OCS2017-0685/6/28/29017 11:24 AM) and reported out for adoption.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.
NOES: None.
EXCUSED: MANAHAN – 1.

Related communication:

D-497 Board of Water Supply, requesting an amendment to the Resolution.

7. BILL 58 (2017) – COMMITTEE REPORT 273

ESTABLISHING AN AFFORDABLE HOUSING REQUIREMENT. Increasing the production of affordable housing, encouraging dispersal of affordable housing throughout the City and County of Honolulu, and maintaining the units as affordable for a long period of time.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 58 (2017) (Submitted by Councilmember Pine) – The CD1 (OCS2017-0630/6/21/2017 11:05 AM) makes the following amendments:

- A. In SECTION 1 of the bill: (1) removes reference to payment of an in-lieu fee or the provision of improved land as a way to satisfy the affordable housing requirement; and (2) removes reference to the phasing in of the affordable housing requirement based on geographical area.
- B. In Section ___-1.1 ("Purpose"), removes reference to payment of an in-lieu fee or the provision of improved land as a way to satisfy the affordable housing requirement.
- C. In Section ___-1.2 ("Definitions"): (1) deletes the definitions of "city," "council," and "HRS;" (2) adds definitions of "declarant," "HUD," "legal obligation," "off-site," and "on-site;" and (3) clarifies the definition of "Rail transit station area."
- D. In Section ___-1.3(a)(3) ("Applicability"), clarifies that the affordable housing requirement applies to the conversion of hotels, offices, or other uses into multifamily dwellings containing ten or more total dwelling units; or to conversion of rental dwelling units into for-sale dwelling units containing ten or more total dwelling units.

- E. In Section ___-1.4(a) ("Affordable housing requirement"): (1) removes reference to the phasing in of the affordable housing requirement based on geographical area; (2) clarifies that if a combination of options is used, the declarant shall designate the proportionate share of the affordable housing requirement that each option will fulfill, and the sum of the proportionate shares must equal one; and (3) provides that fulfillment of the requirement may account for varying unit sizes, lower income ranges, rounding, or other factors, subject to the director's approval, as established in rules adopted pursuant to Section ___-1.10.
- F. In Table ___-1.4: (1) deletes options relating to payment of an in-lieu fee or the provision of improved land as a way to satisfy the affordable housing requirement; and (2) deletes the four-year phase-in of the affordable housing requirement and provides that the requirement takes effect on the effective date of the ordinance.
- G. Deletes original Section ___-1.4(c), relating to the payment of an in-lieu fee as a way to satisfy the affordable housing requirement.
- H. Deletes original Section ___-1.4(d), relating to the provision of improved land as a way to satisfy the affordable housing requirement.
- I. In Section ___-1.5 ("Period of affordability"), clarifies that affordable units created must remain affordable for not less than 30 years from the date when the unit is initially sold or initially rented to a qualified buyer or renter; and that when a for-sale affordable dwelling unit is resold and the real property title changes within the initial period of affordability, the unit must remain affordable for not less than 30 years from the resale recordation date.
- J. Deletes Section ___-1.6 relating to the affordable housing development account of the housing development special fund, and renumbers subsequent sections.
- K. In Section ___-1.7(a) ("Procedures"), provides that if the permit applicants are not the fee owners of the project site and any applicable off-site zoning lot used to satisfy the affordable housing requirement, the affordable housing agreement and the declaration of restrictive covenants must also be executed by all of the fee owners of those parcels.
- L. In Section ___-1.7(b) ("Procedures"), specifies that on an annual basis, the declarant shall submit a written status report to the director documenting the declarant's compliance with the affordable housing requirement. The status

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

report must be submitted to the director by December 31 of each year until such time as the term of the declaration of restrictive covenants expires.

- M. Makes miscellaneous technical and nonsubstantive amendments for purposes of drafting conventions, grammar, clarity, and style.

Administration/others

Mayor Kirk Caldwell

Harrison Rue, Transit-Oriented Development (TOD) Administrator,
Department of Planning and Permitting

Rick Jacobus, Principal, Street Level Advisors (consultant)

Mayor Caldwell provided a brief overview of the Bill, which implements the production of affordable housing set forth in the Mayor's Affordable Housing Strategy.

The Mayor responded to questions and concerns stating that the Administration:

- Supports the requirement that units should remain affordable for 30 years.
- Supports the proposed in-lieu fee of \$45 per square foot, which would be deposited in an affordable housing fund and used to efficiently and quickly build affordable units.
- Is committed to using City lands for affordable housing projects.
- Will continue to work with the Governor and the Legislature on affordable housing projects.

Mr. Rue discussed Bill 58 (2017) and Bill 59 (2017), a companion Bill regarding affordable housing incentives, as detailed in Communication D-494. He provided information on:

- Financial incentives to waive fees for sewer, park dedication, building permits, and real property taxes.
- TOD zoning and infrastructure investments.
- Accessory dwelling units and incentives.
- The minimum affordability period of 30 years.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

- The \$45 per square foot of in-lieu fees.
- Comparison of incentives available for projects under Section 201-H exemptions and affordable housing incentives.

Mr. Rue also recommended that the Council should adopt TOD special district zoning, Bill 15 (2017), CD1, to incentivize redeveloping communities around rail stations.

Mr. Jacobus provided a presentation on Affordable Housing Requirements, as detailed in Communication M-3368. He discussed the following:

- Inclusionary housing and developing areas with an increased mix of income levels.
- Economic integration and distributing affordable housing in all neighborhoods.
- Home ownership and asset building strategies.
- Limiting resale price and long-term affordability.

Mr. Rue noted that Mr. Jacobus would be returning to Hawaii in August and would be available to meet with councilmembers.

The following individuals testified:

1. Deja Ostrowski, Office of Hawaiian Affairs (comments) (M-3364)
2. Daniel Cody, National Association of Industrial and Office Properties (NAIOP) (oppose)
3. Scott Settle, President, NAIOP (oppose) (M-3386)
4. Stanford Carr, Stanford Carr Development, Inc. (comments) (M-3385)
5. Keith Kurahashi, R.M. Towill Corporation (comments) (M-3371)
6. Derek Lock, Downtown Capital (comments)

Committee Member Elefante stated that he would file Disclosure of Interest Statements for Bill 58 (2017). (Communications CC-234 and CC-235)

Committee Chair Pine noted that while she recognized the concerns regarding the proposed amendments, especially with reference to removing payment of an in-lieu fee, she would recommend amending and moving the Bill forward for further discussion.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

Committee Member Elefante expressed his support for the Committee Chair's recommendation.

Bill 58 (2017) amended to CD1 (OCS2017-0630/6/21/2017 11:05 A.M) and reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.

NOES: None.

EXCUSED: MANAHAN – 1.

Related communications:

D-376 Department of Planning and Permitting, transmitting draft bill.
M-3360 Kathleen Algire, Advocacy Coordinator, YWCA Oahu (comments)
M-3361 Land Use Research Foundation of Hawaii (comments)
M-3362 Elizabeth Bowman (support)
M-3363 Jacob Campbell (comments)
M-3365 Dylan Fujitani (support)
M-3366 Ashley Gandiza (support)
M-3367 Michael Goshi (comments)
M-3369 Joy (support)
M-3370 Piikea Kalakau (support)
M-3372 lala (support)
M-3373 Nanea Lo (support)
M-3374 Yvonne Mahelona (support)
M-3375 Kalena McElroy (support)
M-3376 Mychal E. Menor Ozoa, J.D. (support)
M-3377 Ana M. Namoa (support)
M-3378 Nadine Ortega (support)
M-3379 Nadine Ortega (support)
M-3380 Catherine Ritti (support)
M-3381 Harry A. Saunders, President, Castle & Cooke Hawaii (oppose)
M-3382 Siddartha Savara (oppose)
M-3383 Maya Uemoto (support)
M-3384 Nicole Woo (support)

8. BILL 59 (2017) – COMMITTEE REPORT 274

REVISED ORDINANCES OF HONOLULU, 1990, RELATING TO AFFORDABLE HOUSING INCENTIVES. Providing financial support for the creation and maintenance of affordable dwelling units that are provided through compliance with the Bill establishing an Affordable Housing Requirement (AHR) (Bill____(2017)), the Planned Development-Transit (PD-T) bill (Bill 74 (2015)), and Interim Planned Development-Transit (IPD-T) (Chapter 21, Section 9) permits, and for qualifying rental housing projects pursuant to HRS Section 201H-36(a)(5).

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 59 (2017) (Submitted by Councilmember Elefante) – The CD1 (OCS2017-0643/6/20/2017 11:41 AM) makes the following amendments:

- A. In SECTION 1 of the bill: (1) clarifies the incentive providing that for projects that contain affordable units, real property taxes would be kept at the current assessment (tax holiday) during the project's construction period for up to three years or until construction is completed; and (2) provides that the waiver of park dedication requirements applies exclusively to affordable rental dwelling units (instead of to all affordable dwelling units).
- B. In SECTION 1 of the bill, clarifies that the incentives expire on June 30, 2026, instead of after 10 years.
- C. Deletes reference notations to pending bills within the text of the codified portions of the bill, and refers to planned development–transit permit pursuant to Section 21-9.100-10, and an interim planned development–transit permit pursuant to Section 21-9.100-5
- D. In Section 8-10.___(a), as set forth in SECTION 3 of the bill, clarifies that "qualifying construction work" means work to construct new buildings or portions thereof, or to construct additions or substantial rehabilitations, as defined in Section __-1.2, to existing buildings; provided that the new or existing building is located on land that is classified in accordance with Section 8-7.1 as residential, residential A, hotel and resort, or commercial.
- E. In Section 8-10.___(d), as set forth in SECTION 3 of the bill, clarifies that the real property tax will be based on the assessed value of the property for the tax year immediately preceding the tax year during which the building permit for demolition, if applicable, or a building permit for new buildings or portions

thereof, additions, or substantial rehabilitations for the qualifying construction work was issued.

- F. In Section 22-7.3, replaces references to the "effective date of this ordinance" with October 16, 1976, which is the actual effective date of the ordinance enacting the relevant language.
- G. In Section 22-7.3(h), replaces "appropriate state agency" with the "registrar of the bureau of conveyances or the assistant registrar of the land court, or both, as applicable."
- H. In Section 22-7.3(j): (1) deletes reference to "provided as a community benefit" when describing affordable dwelling units provided pursuant to a planned development–transit permit pursuant to Section 21-9.100-10, or an interim planned development–transit permit pursuant to Section 21-9.100-5; and (2) provides that the waiver of park dedication requirements applies exclusively to affordable rental dwelling units (instead of to all affordable dwelling units).
- I. In SECTION 7 of the bill, provides that the Revisor of Ordinances shall, pursuant to the Revisor's authority under ROH Section 1-16.3(b)(1), replace the phrase "effective date of this ordinance" or similar phrase used in the codified language of the ordinance with the actual date on which the ordinance takes effect. The Revisor of Ordinances shall also, pursuant to the Revisor's authority under ROH Section 1-16.3(b)(6), replace reference numbers to agree with newly numbered chapters or sections.
- J. Makes miscellaneous technical and nonsubstantive amendments for purposes of drafting conventions, grammar, clarity, and style.

Administration/Others

Harrison Rue, Transit-Oriented Development (TOD) Administrator,
Department of Planning and Permitting

Committee Member Elefante provided a brief explanation of his proposed CD1.

Mr. Rue provided an overview of the Bill considered as a companion to Bill 58 (2017), as detailed in Communication D-494. He stated that the Bill provides incentives to help stimulate affordable housing production, especially rental housing, offset impacts of the proposed Affordable Housing

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

Requirement and qualifies rental housing projects per Hawaii Revised Statutes 201H-36(a)(5).

The following individuals testified:

1. Christine Nakashima-Heise, Project Coordinator, Hawaii Housing Coalition (support) (M-3391)
2. Keith Kurahashi, Principal Planner, R.M. Towill Corporation (support)
3. Tyler Dos Santos-Tam, Hawaii Construction Alliance (support) (M-3387)

Committee Member Elefante stated that he would file Disclosure of Interest Statements for Bill 59. (Communications CC-236 and CC-237)

Bill 59 (2017) amended to CD1 (OCS2017-0643/6/20/2017 11:41 A.M) and reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.

NOES: None.

EXCUSED: MANAHAN – 1.

Related communications:

- CC-218 Councilmember Elefante, submitting proposed CD1 amendments for consideration.
- D-377 Department of Planning and Permitting, transmitting draft bill.
- M-3385 Stanford S. Carr, Stanford Carr Development (support)
- M-3386 Scott Settle, President, National Association of Industrial and Office Properties (NAIOP) (support)
- M-3388 Pacific Resource Partnership (support)
- M-3389 Hawaii Regional Council of Carpenters (support)
- M-3390 Stephen H. Kelley, Vice President-Development, James Campbell Company LLC (support)
- M-3392 Harry Saunders, President, Castle & Cooke Hawaii (support)
- M-3393 Siddartha Savara (oppose)

Committee Chair Pine announced that she would take up items 9 and 10 together:

9. BILL 63 (2017) – COMMITTEE REPORT 276

SPECIAL IMPROVEMENT DISTRICTS. Allowing transportation management to be provided and financed by a special improvement district, to provide a higher level of maintenance and security services over the areas open to the public than would otherwise be available.

10. BILL 64 (2017) – COMMITTEE REPORT 277

WAIKIKI TRANSPORTATION MANAGEMENT ASSOCIATION SPECIAL IMPROVEMENT DISTRICT NO. 4. Establishing a Waikiki Transportation Management Association special improvement district to provide for and finance supplemental services and improvements in and to Waikiki as authorized by Chapter 36, Revised Ordinances of Honolulu 1990 (“ROH”).

Administration/others

Jon Nouchi, Deputy Director, Department of Transportation Services (DTS)

Deputy Director Nouchi testified that the DTS supports Bill 63 (2017) and Bill 64 (2017).

The following individuals testified:

1. Rick Egged, Waikiki Improvement Association (support Bills 63 [2017] and 64 [2017]) (M-3394)
2. Garrett Sakakida (support Bills 63 [2017] and 64 [2017])

Bill 63 (2017) reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.
NOES: None.
EXCUSED: MANAHAN – 1.

Bill 64 (2017) reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, KOBAYASHI, PINE – 4.
NOES: None.
EXCUSED: MANAHAN – 1.

Committee on Zoning and Housing Minutes
Thursday, June 29, 2017

Related communications:

- D-498 Robert Finley, Chair, Waikiki Neighborhood Board No. 9 (support Bills 63 [2017] and 64 [2017])
- M-3395 Eric Masutomi, Chair, Waikiki Transportation Stakeholders Oversight Committee (support Bills 63 [2017] and 64 [2017])
- M-3396 Lawson S. Teshima, Polynesian Hospitality (support Bills 63 [2017] and 64 [2017])

INFORMATIONAL BRIEFING

11. UPDATE BY THE DIRECTOR OF THE DEPARTMENT OF PLANNING AND PERMITTING REGARDING THE STATUS OF ALL PENDING LAND USE ORDINANCE (LUO) AMENDMENTS.

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting

There was no public testimony.

Acting Director Sokugawa provided the Committee with the Department's update, as detailed in Communication D-495.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:15 a.m.

Respectfully submitted,

GLEN I. TAKAHASHI
City Clerk

It

DATE APPROVED

August 24, 2017