



## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

## COMMITTEE ON ZONING AND HOUSING

### Voting Members:

Kymberly Marcos Pine, Chair  
Trevor Ozawa, Vice Chair  
Carol Fukunaga  
Ann H. Kobayashi  
Joey Manahan

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# MINUTES

SPECIAL MEETING  
WEDNESDAY, NOVEMBER 7, 2018

CITY COUNCIL CHAMBER  
3RD 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 special meeting of the Committee on Zoning and Housing was called to order by Committee Chair Kymberly Marcos Pine at 1:06 p.m. Voting Members Fukunaga, Kobayashi, and Ozawa were present at the meeting. Voting Member Manahan was excused from the meeting. Non-voting Member Council Chair Martin also attended 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  
Molly Stebbins, Deputy, Department of the Corporation Counsel, assigned to the Committee  
Jessica Myers, Assistant Council Committee Aide, Office of the City Clerk

### ORDER OF BUSINESS

#### FOR ACTION

1. RESOLUTION 18-248 – COMMITTEE REPORT 377

IPD-T FOR THE SKY ALA MOANA CONDO-HOTEL AND RESIDENTIAL DEVELOPMENT PROJECT. Approving a conceptual plan for an Interim Planned Development-Transit (IPD-T) permit to redevelop 70,000 square feet of land with a mixed-use, condo-hotel, residential, and commercial project in the Ala Moana

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

neighborhood on land zoned BMX-3 Community Business Mixed-Use District, located at 1388, 1400, and 1418 Kapiolani Boulevard and identified as Tax Map Key(s) 2-3-016: 003, 004, and 008. (Applicant: Avalon Group, LLC) (Current deadline for Council action: 12/30/18)

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 18-248 (Submitted by Councilmember Pine) – The CD1 (OCS2018-1068/11/7/2018 11:31 AM) makes the following amendments:

- A. In the second WHEREAS clause, clarifies the Project description to reflect that (1) the Project includes 390 (instead of 388) market rate residential units, (2) the affordable housing units satisfy affordable housing requirements and are offered as community benefits, and (3) the public driveway traverses through the Project site.
- B. Adds that the DPP's findings and recommendations on the Project, dated October 29, 2018, was received by the Council as Departmental Communication 706 (2017) on October 31, 2018.
- C. Deletes Condition A, and realphabetizes subsequent conditions.
- D. In realphabetized Condition A, clarifies that an FAR of 0.49 was transferred from the Project site to the adjacent property as part of a joint development with Pacific Guardian Tower.
- E. Deletes former Condition E relating to a street tree plan (because it is required in realphabetized Condition H.1.a), and replaces it with a new realphabetized Condition D, which provides that use of the Project site for hotel use as permitted under the BMX-4 Central Business Mixed Use District is allowed.
- F. In realphabetized Condition F, deletes the requirement that all vehicle parking spaces for the multi-family dwellings and condo-hotel units be unbundled so that those vehicle parking spaces are not sold together with a residential unit or hotel-condo unit.
- G. In realphabetized Condition G, provides that the minimum 169 short-term and 259 long-term bicycle parking spaces for the Project is subject to Condition H.1.c relating to the location of the bicycle parking spaces.

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

- H. In realphabetized Condition H.1.a, deletes the requirement that the parking podium better meet the 20-foot setback from the build-to-line above the ground floor along Kapiolani Boulevard, and deletes the requirement that any parking podium encroachments along Makaloa Street be adequately screened with a green wall, trees, site-specific screening, or wrapped with habitable spaces.
- I. In realphabetized Condition H.1.b, clarifies that the revised plans must show a setback of 23 feet, eight inches from the Ewa property line for the angled Ewa tower.
- J. In realphabetized Condition H.1.c, provides that short-term and long-term bicycle parking must be located near a stairway, elevator, or vehicle ramp (adds stairway), and deletes the requirement that long-term bicycle parking spaces in the podium must be located on the second level only.
- K. In relalphabetized Condition H.1.f, provides that the street tree plan must include large canopy trees along Makaloa Street.
- L. Revises realphabetized Condition H.2 to conform to standard provisions used in IPD-T resolutions relating to the discovery of subsurface historic resources during demolition or construction activities.
- M. Revises realphabetized Conditions H.4, H.5, H.6, and H.7 to conform to standard provisions used in IPD-T resolutions relating to traffic impacts of the Project.
- N. In Condition H.7, requires that TDM strategies include free or discounted (instead of only free) employee bus and rail passes.
- O. Deletes realphabetized Condition I.1, and instead adds a new Condition K.1, which requires the Applicant to design and construct a bus stop and shelter fronting the Project site if it is determined that one is needed (instead of within the Ala Moana Neighborhood TOD plan area) prior to the issuance of a temporary COO for the second of the two Project towers that are developed (instead of prior to the issuance of any building permit for the Project). Renumbers subsequent items in Condition I.
- P. Deletes realphabetized Condition I.3, and instead adds a new Condition K.2, which requires the Applicant to contribute \$103,000 to the City, to be used to construct a bicycle lane on Kapiolani Blvd., or to fund other complete streets improvements in the Ala Moana Neighborhood TOD area prior to the

issuance of a temporary COO for the second of the two Project towers that are developed (instead of prior to the issuance of any building permit for the Project).

- Q. In realphabetized Condition L.1.b, clarifies that the Applicant shall record with the State of Hawaii Bureau of Conveyances, or the State of Hawaii Land Court, or both as appropriate, an easement in favor of the City providing that the public driveway traversing the Project site and connecting Kapiolani Boulevard and Makaloa Street remain accessible to the public (including but not limited to all motorists, pedestrians, and bicyclists) at all hours for the life of the structure.
- R. In realphabetized Condition L.1.c, requires that the Applicant only provide on-site space for a bicycle sharing station (deletes the requirements to fund, construct, and maintain the bicycle sharing station).
- S. In realphabetized Condition L.2, clarifies that prior to the issuance of a (temporary) COO for the Project relating to the condo-hotel units, the Applicant shall obtain a COO for the affordable residential units used to satisfy: (i) the affordable housing requirements under Ordinance 18-10, and (ii) the affordable community benefit units offered as a community benefit.
- T. In realphabetized Condition M, clarifies that the Applicant shall comply with the affordable housing requirements pursuant to Ordinance 18-10 using the longest period of affordability available (10 percent of total applicable units to remain affordable for a minimum of 30 years), and must generally maintain the unit mix (studios, one- and two-bedrooms) shown on Exhibits F-1 through F-17.
- U. In realphabetized Condition N, clarifies that the Applicant shall provide as a community benefit at least an additional 42 (instead of 21) dwelling units affordable to households earning 120 percent or less of the AMI, to remain affordable a minimum of 30 years. The affordable community benefit units must generally maintain the unit mix (studios, one- and two-bedrooms) shown on Exhibits F-1 through F-17. Also clarifies that if, after the end of the first 45-day marketing period, any affordable community benefit units remain unsold, the period of affordability for those units may be reduced to 20 years, and if, after the end of the second 45-day marketing period, any affordable community benefit units remain unsold, the period of affordability for those units may be reduced to 10 years. Adds that the first 45-day marketing period commences when the Applicant offers the affordable community

benefit units for sale to the public after the Applicant's public report is issued by the State Real Estate Commission pursuant to HRS Chapter 514B.

- V. Revises realphabetized Condition P to conform to the standard provisions used in IPD-T resolutions relating to compliance with LUO and other governmental requirements.
- W. Revises realphabetized Condition R to conform to the standard provisions used in IPD-T resolutions relating to Project conformity with the conceptual plans approved in the resolution.
- X. In realphabetized Condition Q, changes the period the Applicant is required to obtain a building permit for the Project from two to five years after the date of issuance of the major special district permit for the Project, and conforms the condition to the standard provisions used in IPD-T resolutions relating to extensions of this deadline.
- Y. Adds a BE IT FURTHER RESOLVED clause to include standard Council findings for IPD-T resolutions.
- Z. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Timothy Hiu, Deputy Director, Department of Planning and Permitting (DPP)  
Alex Beatty, Staff Planner, Land Use Permits Branch, DPP  
Keith Kurahashi, Agent, R.M. Towill  
Christine Camp, Applicant, Avalon Group  
Ann Bouslog, PBR Hawaii & Associates, Inc.  
Ryan Kamo, Architect, Design Partners, Inc.

Mr. Kurahashi provided a brief PowerPoint presentation on the project, as detailed in Communication M-582.

Ms. Camp requested the Council's support of the project and noted that the project would be responsible for \$500 million worth of new investment to the community by providing jobs and housing.

Ms. Bouslog reported on the economic and fiscal impact assessment of the project, as detailed in Communication M-578. She reported that the project would be key in transitioning the area into a Transit Oriented-Development community.

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

Deputy Director Hiu testified that the DPP stands by their recommendation and expressed concerns with the issues regarding the unbundled vehicle parking and the building's setback. He noted that the DPP fully supports the amendment to increase the number of affordable units offered.

Committee Member Kobayashi inquired on the setback requirement and expressed concern that over-regulation by government in determining the extra setback for the building would in turn increase the purchase price of the affordable units.

The following individuals testified:

1. Nathaniel Kinney, Hawaii Construction Alliance (support)
2. Marcel Chan (support)
3. Ryan Kobayashi, Laborers Local 368 (support)
4. Karis Whi (support)
5. James K. Manaku (oppose)
6. Arvid Youngquist (comments)
7. Ben Sadoski (support)
8. Peter Ganabag, Hawaii Laborers Union (support)

In response to Committee Members, Mr. Kurahashi provided the following information:

- The Applicant is requesting an increase in the height of the parking podium by two feet (from 70 feet to 72 feet) and a four- to five-foot safety railing.
- The additional twenty-foot setback for the trees was not part of the original plan, and as a result of the setback, there was a loss of 100 parking spaces which is problematic.

Discussion ensued regarding the Special District Permit requirements and the forty-five day timeline.

At this juncture, the Committee recessed at 1:59 p.m. and reconvened at 2:00 p.m.

Committee Chair Pine recommended that the Resolution be amended to the hand-carried CD1 and be reported out for adoption.

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

Resolution 18-248 amended to CD1 (OCS2018-1068/11/7/2018 11:31 AM) and reported out for adoption.

AYES: FUKUNAGA, KOBAYASHI, OZAWA, PINE – 4.  
NOES: None.  
EXCUSED: MANAHAN - 1.

Related communications:

D-706 Department of Planning and Permitting, transmitting draft resolution.  
M-573 Early testimony for Resolution 18-248.  
M-578 Additional testimony for Resolution 18-248.  
M-582 R.M. Towill, Inc., providing copy of PowerPoint presentation on the project.

At this juncture, the Committee recessed at 2:02 and reconvened at 2:03.

2. RESOLUTION 18-245 – COMMITTEE REPORT 376

SMP FOR THE DEVELOPMENT OF THE PUPUKEA RURAL COMMUNITY COMMERCIAL CENTER. (2018/SMA-41) Granting a Special Management Area (SMA) Use Permit for the development of a commercial center consisting of two two-story structures and one single-story structure, up to six food trucks, outdoor gathering and eating areas, two parking lots, photovoltaic panels, and low impact development controls on the site located at 59-706, 59-712, and 59-720 Kamehameha Highway, Pupukea , Oahu, and identified as Tax Map Keys 5-9-011: 016, 5-9-011: 068, 5-9-011:069, and 5-9-011:070. (Applicant: Hanapohaku, LLC, The Sullivan Family Limited Partnership, and the Maurice and Joanna Sullivan Family Foundation) (Current deadline for Council action: 12/24/18)

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 18-245 (Submitted by Councilmember Pine) – The CD1 (OCS2018-1057/11/2/2018 3:15 PM) makes the following amendments:

- A. Revises the resolution title and first WHEREAS clause, and adds second, third, and fourth WHEREAS clauses to clarify the description of the Project.
- B. Provides that 31 members of the public testified at the September 25, 2018 public hearing held by the DPP.

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

- C. Adds October 25, 2018 as the date the Council received the DPP's findings and recommendation by Departmental Communication 695 (2018).
- D. Conforms Condition A (relating to general conformity of the Project) and Condition H (relating to the Hawaiian hoary bat habitat) to the standard language used in SMA Use Permit resolutions.
- E. In Condition C, adds that all outdoor light fixtures must be fully shielded with the light directed downward so that the light bulb is only visible from below the light fixture.
- F. Revises Condition F to provide that prior to the issuance of any development plan for the Project, the Applicants shall submit to the DPP for review and approval a trash and spill management plan that addresses disposal of solid and liquid waste from the Project site, including disposal from the food truck staging areas.
- G. Revises Condition G to provide that prior to the issuance of any development plan for the Project, the Applicants shall submit a detailed landscape plan to the DPP for review and approval.
- H. In Condition I, clarifies that prior to the use of the Project site for visitor destination services, such as drop-off or pick-up areas for tour buses, tour vans, or tour groups, the potential impacts of such use must be disclosed in a supplemental EIS and evaluated through a modification of the SMA Use Permit, or a new SMA Use Permit, depending on the scale of the proposal.
- I. Adds a new Condition J, which provides that prior to the issuance of any development permit for the Project, the Applicants shall obtain a conditional use permit as required for the Project to allow the joint development of the four parcels that comprise the Project site. Realphabetizes subsequent conditions.
- J. Adds a new Condition L, which provides that the resolution supersedes SMA Use Permit No. 2017/SMA-21, which approved the joint development of Tax Map Key Nos. 5-9-011: 068, 069, and 070.
- K. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

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

Jeff Overton, Agent, G70

Mr. Overton provided a PowerPoint presentation on the Pupukea Rural Community Commercial Center, as detailed in Communication M-581.

Acting Director Sokugawa testified that the DPP supports the project but is subject to the recommended conditions as stated in the DPP's report. She also noted that the DPP has no objections to the proposed CD1 amendments.

The following individuals testified:

1. Craig Neher (support)
2. Amy Hodel (support)
3. Love Hodel (support)
4. Daniel Delgado (support)
5. Denise Antolini, Malama Pupukea-Waimea (oppose)
6. Marvin Heskett (oppose)
7. Arvid Youngquist (comments)
8. Melissa Ginella (support)
9. Matthew Pugliese (support)
10. Liam McNamara (support)

In response to Council Chair Martin's query of assertions by those opposed to the project, Acting Director Sokugawa stated that she disagrees with their assertions and that the DPP's report is based on the criteria of the SMA ordinance and the State's Coastal Zone Management Program. The Environmental Impact Statement requirements, application requirements, and impacts were adequately disclosed.

Committee Chair Pine recommended amending the hand-carried CD1 to include technical and clarifying amendments as requested by the DPP and reporting the Resolution out for adoption.

Council Chair Martin commended the DPP for working diligently with the Developer to ensure that all necessary requirements for the permit were complied with. He remarked that the project would be an asset to the North Shore Community and requested the Committee's support on the Resolution.

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

Committee Chair Pine stated that she would file a Disclosure of Interest Statement. (Communication CC-319)

Resolution 18-245 amended to CD1 and reported out for adoption.

AYES: FUKUNAGA, KOBAYASHI, OZAWA, PINE – 4.

NOES: None.

EXCUSED: MANAHAN - 1.

PROPOSED CD1 TO RESOLUTION 18-245 (Submitted by Councilmember Pine) – The CD1 (OCS2018-1070/11/8/2018 9:24 AM) makes the following amendments:

- A. Revises the resolution title and first WHEREAS clause, and adds second, third, and fourth WHEREAS clauses to clarify the description of the Project.
- B. Provides that 31 members of the public testified at the September 25, 2018 public hearing held by the DPP.
- C. Adds October 25, 2018 as the date the Council received the DPP's findings and recommendation by Departmental Communication 695 (2018).
- D. Conforms Condition A (relating to general conformity of the Project) and Condition H (relating to the Hawaiian hoary bat habitat) to the standard language used in SMA Use Permit resolutions.
- E. In Condition C, adds that all outdoor light fixtures must be fully shielded with the light directed downward so that the light bulb is only visible from below the light fixture.
- F. Revises Condition F to provide that prior to the issuance of any development plan for the Project, the Applicants shall submit to the DPP for review and approval a trash and spill management plan that addresses disposal of solid and liquid waste from the Project site, including disposal from the food truck staging areas.
- G. Revises Condition G to provide that prior to the issuance of any development plan for the Project, the Applicants shall submit a detailed landscape plan to the DPP for review and approval.
- H. In Condition I, clarifies that prior to the use of the Project site for visitor destination services, such as drop-off or pick-up areas for tour buses, tour vans, or tour groups, the potential impacts of such use must be disclosed in a

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

supplemental EIS and evaluated through a modification of the SMA Use Permit, or a new SMA Use Permit, depending on the scale of the proposal.

- I. Adds a new Condition J, which provides that prior to the issuance of any development permit for the Project, the Applicants shall obtain a conditional use permit as required for the Project to allow the joint development of the four parcels that comprise the Project site. Realphabetizes subsequent conditions.
- J. Adds a new Condition L, which provides that the resolution supersedes SMA Use Permit No. 2017/SMA-21.
- K. Makes miscellaneous technical and nonsubstantive amendments.

Related communications:

- CC-319 Councilmember Pine, filing a Disclosure of Interest Statement.
- D-695 Department of Planning and Permitting, transmitting draft resolution.
- M-574 Early testimony for Resolution 18-245.
- M-579 Additional testimony for Resolution 18-245.
- M-581 G70, submitting copy of PowerPoint presentation on project.

3. BILL 64 (2018) – COMMITTEE REPORT 375

RELATING TO BUILDING PERMITS. Allowing for an expedited process for building permits for one- and two-family dwellings.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 64 (2018) (Submitted by Councilmember Pine) – The CD1 (OCS2018-1045/10/31/2018 11:51 AM) makes the following amendments:

- A. Clarifies the purpose to state that the ordinance is not intended to contradict the City's current policies limiting the proliferation of large detached dwellings in the residential districts.
- B. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

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

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

Acting Director Sokugawa testified that the DPP has concerns with the Bill and requested that action on the Bill be deferred. The Acting Director stated that other high value permits may be delayed because of the limited staff working on the 60-day deadline. She noted that the Department is embarking on streamlining the permitting process.

In response to Committee Chair Pine, Acting Director Sokugawa responded that the Department has hired staff, but the compensation level and the level of responsibility imposed on the staff makes it difficult to recruit good candidates.

The Acting Director and the Deputy Directors are focusing their priorities on three issues. They have assigned themselves to critical core responsibilities such as coordinating permit streamlining actions and issues that are faced internally, and building on the integrity of the Department due to the accusations made about the staff. The Acting Director will be heading the overall improvement of the enforcement for building and zoning codes.

The following individuals testified:

1. Arvid Youngquist (comments)
2. Bruce Kim (support)
3. Reyna Kim (support)
4. Nathan Park (support)
5. Rodney Kim (support)
6. Joshua Vasconcellos (support)

Bill 64 (2018) amended to CD1 (OCS2018-1045/10/31/2018 11:51 AM) and reported out for passage on third reading.

AYES: FUKUNAGA, KOBAYASHI, OZAWA, PINE – 4.

NOES: None.

EXCUSED: MANAHAN - 1.

Related communications:

M-575 Early testimony for Bill 64 (2018)

M-580 Additional testimony for Bill 64 (2018)

Committee on Zoning and Housing Minutes  
Wednesday, November 7, 2018

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

GLEN I. TAKAHASHI  
City Clerk

cn

DATE APPROVED

November 29, 2018