



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON ZONING AND HOUSING

Voting Members:

Kymberly Marcos Pine, Chair
Carol Fukunaga, Vice Chair
Ikaika Anderson
Michael Formby
Ron Menor
Heidi Tsuneyoshi

MINUTES

REGULAR MEETING
THURSDAY, MARCH 28, 2019

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 9:13 a.m. Voting Members Anderson, Fukunaga, Menor, and Tsuneyoshi were present at the meeting. Voting Member Formby was excused from the meeting.

STAFF PRESENT

Eliza Manchester, Chief of Staff to Committee Chair Pine
Lori Hiraoka, Attorney, Office of Council Services
Andrew Sekine, Analyst, Office of Council Services
Molly Stebbins, Deputy, Department of the Corporation Counsel, assigned to the Committee
Pearlene Otto, 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 February 28, 2019 were approved as circulated.

AYES: ANDERSON, FUKUNAGA, TSUNEYOSHI, PINE – 4.
NOES: None.
EXCUSED: FORMBY, MENOR – 2.

FOR ACTION

1. BILL 79 (2018), CD1 – COMMITTEE REPORT 94

RELATING TO DETACHED DWELLINGS. Addressing the problem of the illegal use of large residential structures in residential districts.

The following amendment was posted on the agenda:

PROPOSED CD2 TO BILL 79 (2018), CD1 (Submitted by Councilmember Pine) – The CD2 (OCS2019-0274/3/19/2019 3:46 PM) makes the following amendments:

- A. Deletes SECTION 2 of the Bill, which amended Table 21-3.2 (“Residential Districts Development Standards”) to increase the minimum lot area required for two-family detached dwellings and duplexes in the R-5 District. Renumbers subsequent SECTIONS.
- B. In Section 21-3.70-1(c)(3)(A), increases the proposed maximum density (FAR) from 0.6 to 0.7.
- C. In Section 21-3.70-1(c)(3)(D), relating to the number of bathrooms allowed:
 - 1. Removes the lot size category of “up to 4,999” square feet; and
 - 2. Clarifies the number of bathrooms to make clear that two 0.5 bathrooms cannot be substituted for one bathroom.
- D. Adds a new Section 21-3.70-1(c)(3)(E), which provides that the conversion or alteration of a wet bar, laundry room, or bathroom is prohibited unless it is specifically allowed under a valid building permit.
- E. Adds a new Section 21-3.70-1(c)(3)(F), which provides that the conversion of a portion of a structure that is excluded from the floor area calculation to a portion of a structure that is included in the floor area calculation is prohibited unless it is specifically allowed under a valid building permit and complies with the applicable standards of Section 21-3.70(c)(3).
- F. Adds a new Section 21-3.70-1(c)(3)(H), which provides that when the FAR exceeds 0.6, the following additional standards apply:
 - 1. Eight-foot side and rear yards;

2. Each dwelling unit must be owner-occupied;
 3. Issuance of a temporary certificate of occupancy, effective for a period of one year after issuance, during which period additional inspections may be conducted by the department.
- G. In Table 21-6.1 relating to off-street parking, requires 2 off-street parking stalls per unit plus 1 per 750 (instead of 500) square feet over 2,500 square feet (excluding carport or garage). Revises the way the requirements are presented to list the number of parking spaces required based on floor area.
- H. Deletes amendments to Section 21-6.40(b), relating to the design and arrangement of off-street parking where four or more parking spaces are required, which would have removed an exception for one-family or two-family detached dwellings.
- I. Amends the definition of “bathroom” to mean a room that is equipped for taking a bath or shower, and that includes either a sink or toilet, or both (instead of a sink and toilet).
- J. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

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

Acting Director Sokugawa testified that the Administration does not support the proposed regulations in the CD2 version of the Bill because they are unnecessary and would increase the time for processing individual permits. The Acting Director stated that the Administration prefers to move their version of the Bill forward; however, the Council could still deliberate on a final bill since the moratorium is still in effect.

Committee Chair Pine expressed her appreciation to the Administration for all their efforts on the Bill, noting that perhaps the impervious surfaces issue could be clarified further in another bill.

In response to queries by Committee Member Menor, the Acting Director stated that the Administration is specifically concerned about verification of the impervious surface requirement, which could take inspectors several days to complete, holding up the permitting process. Furthermore, if plans are submitted without noting every

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

single concrete pad, sidewalk area, etc., they will be rejected outright and must be resubmitted with all that additional information.

The following individuals testified:

1. Jeremy Lam, The Outdoor Circle, Manoa Branch (supports CD2 amendment)

Committee Chair Pine thanked The Outdoor Circle for their strong advocacy on the impervious surfaces issue.

Mr. Lam stated that he believed the communities were happy with the amended Bill because it would slow down the permitting process and keep the neighborhoods clean, green, and beautiful.

2. Tyler Dos Santos-Tam, HI Good Neighbor (comments)
3. Thayla DeMott, Malama Manoa (supports CD2 amendment)
4. Dale Moana Gilmartin (support)
5. Marshall Hickox, Building Industry Association (BIA-Hawaii) (supports CD2 amendment)
6. Vanessa Ditajo, The Outdoor Circle (supports CD2 amendment)
7. Linda Legrand, Malama Manoa (comments)
8. Trevor Ozawa (comments)

Committee Chair Pine expressed her appreciation to Mr. Ozawa and the residents for all their efforts and for not giving up, indicating that the Committee would continue working on the issue.

Discussion ensued among the Committee members, Mr. Hickox of BIA-Hawaii and Mr. Dos Santos-Tam of HI Good Neighbor regarding the bathroom recommendations in the Bill.

The Acting Director provided the following information in response to queries by the Committee members:

- When a single-family dwelling project appears to look like something other than a single-family dwelling, the applicant is required to follow the restrictive covenants, acknowledging that the “use” of the dwelling is for only “one family” and understanding that the definition of “one family” is not “25 unrelated people.”

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- Currently, the only potential reason a citation can be issued is for a violation of the “use”, which can prove to be difficult in creating the evidence to withstand civil fine appeals, because there is no clear written law.
- The proposed amendment regulates the number of wet bars and bathrooms “per zoning lot”, assuming that there is only one dwelling unit on the lot. However, most often than not, a zoning lot contains more than one dwelling unit.
- The Department welcomes information and evidence gathered from the communities on possible violations of the “use” of a single-family dwelling. However, in a recent court case where the same type of evidence was provided, the court found it to be “defective” and threw the case out. It requires an unsubstantial amount of evidence to mount a successful appeal to a violation.
- Further amendments to the Bill should include a definition of what is “owner-occupant” and changing the term “per zoning lot” to “per dwelling unit.”

Committee Member Anderson proposed that the following language be included in the Bill to verify owner-occupancy: “the litmus test for owner-occupancy would be a homeowner’s exemption.” The Acting Director did not oppose the language.

Committee Chair Pine stated that her intention is to remove Section 4 relating to parking attendants from the Bill because it was not relative to a residential lot. However, she would work with the DPP and the Council’s attorneys on the matter before final reading of the Bill. The Committee Chair also summarized some of the proposed amendments in the CD2 and noted that she would add the language as proposed by Committee Member Anderson.

Bill 79 (2018), CD1 amended to CD2 and reported out for passage on third reading.

AYES: ANDERSON, FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 5.
NOES: None.
EXCUSED: FORMBY – 1.

CD2 to Bill 79 (2018), CD1 (Submitted by Councilmember Pine) – The CD2 (OCS2019-0314/3/29/2019 8:24 AM) makes the following amendments:

- A. Deletes SECTION 2 of the Bill, which amended Table 21-3.2 (“Residential Districts Development Standards”) to increase the minimum lot area required

for two-family detached dwellings and duplexes in the R-5 District.
Renumbers subsequent SECTIONS.

- B. In Section 21-3.70-1(c)(3)(A), increases the proposed maximum density (FAR) from 0.6 to 0.7.
- C. In Section 21-3.70-1(c)(3)(D), relating to the number of bathrooms allowed:
 - 1. Removes the lot size category of “up to 4,999” square feet; and
 - 2. Clarifies the number of bathrooms to make clear that two 0.5 bathrooms cannot be substituted for one bathroom.
- D. Adds a new Section 21-3.70-1(c)(3)(E), which provides that the conversion or alteration of a wet bar, laundry room, or bathroom is prohibited unless it is specifically allowed under a valid building permit.
- E. Adds a new Section 21-3.70-1(c)(3)(F), which provides that the conversion of a portion of a structure that is excluded from the floor area calculation to a portion of a structure that is included in the floor area calculation is prohibited unless it is specifically allowed under a valid building permit and complies with the applicable standards of Section 21-3.70(c)(3).
- F. Adds a new Section 21-3.70-1(c)(3)(H), which provides that when the FAR exceeds 0.6, the following additional standards apply:
 - 1. Eight-foot side and rear yards;
 - 2. Each dwelling unit must be owner-occupied;
 - 3. Issuance of a temporary certificate of occupancy, effective for a period of one year after issuance, during which period additional inspections may be conducted by the department.
- G. In new Section 21-3.70-1(c)(3)(H)(ii), requires that each dwelling unit in the detached dwelling or duplex to be owner-occupied, and requires the occupant to deliver to the DPP evidence of a real property tax home exemption for the subject property (instead of the execution of an affidavit).
- H. In Table 21-6.1 relating to off-street parking, requires 2 off-street parking stalls per unit plus 1 per 750 (instead of 500) square feet over 2,500 square feet (excluding carport or garage). Revises the way the requirements are presented to list the number of parking spaces required based on floor area.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- I. Deletes SECTION 4 of the Bill, relating to the design and arrangement of off-street parking.
- J. Amends the definition of “bathroom” to mean a room that is equipped for taking a bath or shower, and that includes either a sink or toilet, or both (instead of a sink and toilet).
- K. Makes miscellaneous technical and nonsubstantive amendments.

Related communications:

- M-137 Early Testimony for Bill 79 (2018), CD1.
- M-143 Additional Testimony for Bill 79 (2018), CD1.

2. RESOLUTION 19-43 – COMMITTEE REPORT 98

SMP FOR THE RENOVATION OF TWO EXISTING SINGLE-FAMILY DWELLING UNITS, CONSTRUCTION OF A NEW SINGLE-FAMILY DWELLING UNIT AND VARIOUS IMPROVEMENTS IN MAUNALUA (2018/SMA-58). Granting a Special Management Area (“SMA”) Use Permit to renovate two existing single-family dwellings, construct a new single-family dwelling with an attached three-car garage and ancillary structures, including two swimming pools, wine storage, a detached multiple-car garage and two cabanas, and repair existing structures within the shoreline setback area within the R-10 Residential District, identified as Tax Map Keys 3-9-026: 044 through 048. (Applicant: Evershine II L.P.) (Current deadline for Council action 4/22/19)

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 19-43 (Submitted by Councilmember Pine) – The CD1 (OCS2019-0278/3/20/2019 10:22 AM) makes the following amendments:

- A. Revises the Resolution title and first WHEREAS clause to clarify the description of the Project.
- B. Adds February 14, 2019 as the date the DPP completed its report and transmitted its findings and recommendation of approval to the Council.
- C. Adds February 21, 2019 as the date the Council received the DPP's findings and recommendation by Departmental Communication 112 (2019).

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- D. Conforms Condition A (relating to general conformity of the Project) and Condition E (relating to the Hawaiian hoary bat habitat) to the standard language used in SMA Use Permit resolutions.
- E. In Condition B.2, clarifies that the ILS is intended to expedite future reviews by the SHPD Architecture Branch, and assist in determining whether buildings on the Project site may qualify for dedication as a historic residential property for purposes of a real property tax exemption pursuant to ROH Section 8-10.22.
- F. In Condition C.1, clarifies that the lowest livable floor at the Harbor Villa residence must be above the base flood elevation, as determined on the submission date of the building permit application.
- G. In Condition C.2, clarifies that all walls, fences and gates within the required yards, particularly with respect to the Harbor Villa residence and Portlock residence, must not exceed six feet in height.
- H. In Condition G, 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.
- I. Makes miscellaneous technical and nonsubstantive amendments.

There was no testimony from the Administration.

Committee Chair Pine announced that she planned to postpone action on the Resolution to allow time for the Applicant to meet with the current Councilmember of the district and the Committee Chair to discuss their Project.

The following individual testified:

Chris Cramer (comments on floodlights)

Committee Chair Pine stated that the section on floodlights would remain in the Resolution, noting that it must have been placed in the measure because of concerns from the community. The Committee Chair also thanked the Department of Planning and Permitting for listening to the community and heeding their concerns on the issue.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

The Committee Chair recommended that the Resolution be postponed to a date and time to be determined by the Committee Chair and that a 120-day extension of time be granted, subject to receipt of a written request from the Applicant, because the time needed to consider the Resolution would exceed the current Council action deadline of April 22, 2019.

Action on Resolution 19-43 postponed.

AYES: ANDERSON, MENOR, TSUNEYOSHI, PINE – 4.
NOES: None.
EXCUSED: FORMBY, FUKUNAGA – 2.

Resolution 19-43 granted a 120-day extension of time, subject to receipt of a written request from the Applicant.

AYES: ANDERSON, MENOR, TSUNEYOSHI, PINE – 4.
NOES: None.
EXCUSED: FORMBY, FUKUNAGA – 2.

Related communications:

D-112 (2019) Department of Planning and Permitting, submitting draft resolution.
M-141 Dennis Silva, Jr., Hawai'i Planning, LLC, submitting request for extension.

3. RESOLUTION 19-61 – COMMITTEE REPORT 99

ILILANI AFFORDABLE AND MARKET RATE CONDOMINIUM PROJECT. Authorizing exemptions from certain requirements relating to Ililani Affordable and Market Rate Condominium Project located at 615 Keawe Street and 690 Halekauwila Street, Honolulu, Hawaii, Tax Map Keys: (1)2-1-051:011 and 012. (Developer: Ililani, LLC) (Current deadline for Council action 4/18/19)

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting (DPP)
Ken Chang, Developer, Ililani Affordable and Market Rate Condominium Project (the "Project")

There was no public testimony.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Acting Director Sokugawa testified that the City did not take part in the review process for the Project because it is under the jurisdiction of the Hawaii Community Development Authority. The Administration, however, generally supports any opportunity for more affordable housing in our communities.

The Developer provided a brief presentation of the Project, noting that 165 units would be offered to households earning below 80 percent of the area median income and 163 units would be offered at market prices. The Developer also requested that exemptions and deferrals of certain City fees be granted.

Committee Member Fukunaga, Councilmember of the district, stated that she was fine with the Project as is, noting that she met with the Development Group and submitted comments to the Hawaii Housing Finance and Development Corporation (HHFDC) Board. The Committee Member stressed that the most important issue in the area of Central Kakaako where the Project would be located is the severely deteriorated streets and infrastructures. She expressed that it is the City and State's responsibility to ensure that the surrounding infrastructure, traffic congestion, and pedestrian safety supports the upcoming developments in the Kakaako area such as 801 South, 803 Waimanu, and Keauhou Place.

In response to queries by the Committee members, the Developer provided the following information:

- If the affordable units were priced down to below 100% AMI, the cost of the market units would have to be increased, which would make it difficult to sell in the marketplace.
- The Project's market units would already be priced substantially lower than any of the upcoming projects in the Kakaako area, as mentioned by Committee Member Fukunaga.
- The Project would be privately financed except for the first construction loan, which would be financed by a senior lender at a lower interest rate.
- Sufficient parking would be provided in the building; however, the overall parking stall count would be about 1.23 stalls per market unit, slightly lower than the typical offer of 2 parking stalls per market unit. To offset the parking count, the Project intends to fund a car sharing program within the building using a potential fleet of Electric Vehicles (EV) and Plug-in Hybrid Electric Vehicles (PHEV).

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- The size of the market units would be about 8 percent smaller than what is typically offered, saving on overall costs.
- HHFDC requires owner-occupancy in their program.

Committee Chair Pine expressed her amazement at how much affordable units the Developer would be offering and without government funding. She thanked the Developer and Committee Member Fukunaga for all their efforts.

Resolution 19-61 reported out for adoption.

AYES: ANDERSON, FUKUNAGA, MENOR*, TSUNEYOSHI, PINE – 5.
NOES: None.
EXCUSED: FORMBY – 1.

*Councilmember Menor voted aye with reservations.

Related communication:

M-84 (2019) State of Hawaii, Department of Business, Economic Development & Tourism, Hawaii Housing Finance and Development Corporation, requesting approval of exemptions for their proposed Ililani project at 615 Keawe Street and 690 Halekauwila Street

4. RESOLUTION 19-67 – COMMITTEE REPORT 100

EXTENSION OF TIME FOR OBTAINING A PERMIT FOR PD-R PROJECT LOCATED IN WAIKIKI. Approving an extension for obtaining a development permit for the proposed Planned Development-Resort Project located in the Waikiki Special District, Tax Map Key 2-6-23: 29, 37, and 76. (Applicant: Hilton Resorts Corporation)

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 19-67 (Submitted by Councilmember Pine) – The CD1 (OCS2019-0295/3/22/2019 2:56 PM) makes the following amendments:

- A. Amends the title to provide that the Resolution approves an extension of time to obtain a building permit for a proposed PD-R project conceptually approved by Resolution 16-52, CD1, FD1.

- B. In the first WHEREAS clause, adds the file number for the special district permit issued for the Project by the DPP.
- C. Replaces the second WHEREAS clause to detail the condition in Resolution 16-52, CD1, FD1 that required the Project to receive a building permit within two years after the effective date of Resolution 16-52, CD1, FD1, and the procedures to obtain an extension of this period.
- D. Adds a fifth WHEREAS clause to detail the minor modifications to the Project, and provide that the Applicant plans to obtain the DPP Director's approval of these minor modifications.
- E. Adds a final WHEREAS clause to provide that the Council finds good cause has been demonstrated for the extension.
- F. Amends the BE IT RESOLVED clause to provide that the deadline to obtain a building permit under Resolution 16-52, CD1, FD1 is extended to April 20, 2020. Deletes all extension conditions.
- G. Adds a BE IT FURTHER RESOLVED clause to provide that any further extensions of the April 20, 2020 deadline require approval of the Council pursuant to the procedures set forth in Resolution 16-52, CD1, FD1.
- H. Adds a second BE IT FURTHER RESOLVED clause to provide that all other provisions of Resolution 16-52, CD1, FD1 are ratified and confirmed, and remain in full force and effect.
- I. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

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

Keith Kurahashi, R.M Towill Corporation, Agent
Steve Teves, Design Partners, Inc., Architect

There was no public testimony.

Acting Director Sokugawa testified that the Administration supports the extension of time request, noting that the Applicant is very close to obtaining the building permit by the current deadline of April 20, 2019. However, the request is just a precautionary measure. Mr. Teves echoed the comments of the Acting Director.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Mr. Kurahashi thanked the DPP for their support and for working diligently with Mr. Teves on completing the foundation permit, noting that the process has taken longer than usual due to new DPP rules. Mr. Kurahashi stated that the Applicant supports the CD1 version.

Resolution 19-67 amended to CD1 (OCS2019-0295/3/22/2019 2:56 PM) and reported out for adoption.

AYES: ANDERSON, FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 5.
NOES: None.
EXCUSED: FORMBY – 1.

Related communication:

D-184 (2019) Department of Planning and Permitting, submitting draft resolution.

5. RESOLUTION 19-76 – COMMITTEE REPORT 101

EXTENSION OF TIME FOR OHANA HALE AFFORDABLE HOUSING PROJECT. Amending Resolution 15-89, CD1, as amended by Resolution 17-92, to extend the deadline for commencement of construction of the Ohana Hale affordable housing project at 929 Pumehana Street, McCully, Honolulu, Oahu, identified as Tax Map Key 2-3-028: 004. (Applicant: MJF Development Corporation)

Administration/Others

Kathy Sokugawa, Acting Director, Department of Planning and Permitting (DPP)
Christian O'Connor, MJF Development Corporation, Applicant

There was no public testimony.

Acting Director Sokugawa testified that the DPP did not have the opportunity to work on the proposal or discuss the project with the Applicant. The Acting Director stated that the Administration is supportive of affordable housing and is not opposed to the extension of the deadline.

Mr. O'Connor testified that the MJF Development Corporation is grateful to be in Hawaii, noting that they received the Real Estate Commission's approval and commenced sales beginning January 2019. Mr. O'Connor stated that they have already sold some of the Hawaii Housing Finance and Development Corporation's

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

units at the 80 percent, 100 percent and 120 percent of the area median income and efforts are continuing. He hopes that construction could commence by the end of 2019.

Resolution 19-76 reported out for adoption.

AYES: ANDERSON, FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 5.
NOES: None.
EXCUSED: FORMBY – 1.

Related communication:

M-123 (2019) MJF Development Corporation, submitting request for an extension of deadline for commencement of construction.

6. BILL 94 (2018, CD1 – COMMITTEE REPORT 95

AMENDING THE STATE LAND USE DISTRICT BOUNDARY MAP (KAHUKU QUADRANGLE). Amending 14.85 acres of the State Land Use District Boundary Map (Kahuku Quadrangle) from the Agricultural District to the Urban District and 0.03 acres from the Urban District to the Agricultural District for certain lands situated at Brigham Young University – Hawaii, Laie, Oahu, Hawaii. (Applicant: Brigham Young University – Hawaii)

The following amendment was posted on the agenda:

PROPOSED CD2 TO BILL 94 (2018), CD1 (Submitted by Councilmember Pine) – The CD2 (OCS2019-0246/3/12/2019 8:53 AM) makes the following amendments:

- A. Adds a new SECTION 2 of the Bill, which adds conditions of approval required by Section 205-3.5 of the Hawaii Revised Statutes, relating to the reclassification of land contiguous to an agricultural district. Renumbers the subsequent SECTION.
- B. Makes miscellaneous technical and non-substantive amendments.

Administration/Others

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

Jim Niermann, R.M. Towill Corporation, Agent

There was no public testimony.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Acting Director Sokugawa explained that the Applicant submitted an incomplete cultural assessment that was required but has since fully satisfied the requirement, as well as other conditions noted in the measure.

Mr. Niermann reiterated the comments of the Acting Director on the cultural assessment, known as the Ka Pa‘akai analysis, and indicated that Committee Member Tsuneyoshi, Councilmember of the district, and the Applicant met to discuss the content of the application.

Committee Member Tsuneyoshi thanked Brigham Young University-Hawaii for their support and efforts to supply additional student housing on campus, as off-campus housing in the area is very tight and looks forward to the improvements that the Project would bring.

Committee Chair Pine recommended that the Bill be amended to the posted proposed CD2.

Bill 94 (2018), CD1 amended to CD2 (OCS2019-0246/3/12/2019 8:53 AM) and reported out for passage on third reading.

AYES: ANDERSON, FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 5.
NOES: None.
EXCUSED: FORMBY – 1.

Related communications:

M-82 R. M. Towill Corporation, submitting PowerPoint presentation and Ka Pa‘akai Analysis, dated February 27, 2019.
M-106 Brigham Young University-Hawaii, Ka Pa‘akai Analysis, dated March 6, 2019.
D-204 Department of Planning and Permitting, submitting recommendation and supplemental report to accept the Ka Pa‘akai Analysis, dated March 6, 2019.

At this juncture, the Committee Chair took up Agenda Items 7 and 8 together as they both relate to affordable housing.

7. BILL 6 (2019) – COMMITTEE REPORT 96

DEVELOPMENT OF LOW-RISE MULTIFAMILY DWELLINGS. Increasing development opportunities for affordable rental units in low-rise multifamily dwellings

in the apartment, apartment mixed use, and business mixed use districts, and reduce the proliferation of monster homes in the residential districts.

8. BILL 7 (2019) – COMMITTEE REPORT 97

AFFORDABLE RENTAL HOUSING. Creating a temporary program to accelerate the construction of affordable rental housing on apartment and business mixed use-zoned properties by relaxing zoning and building code standards, and offering financial incentives.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 7 (2019) (Submitted by Councilmember Pine) – The CD1 (OCS2019-0308/3/27/2019 9:24 AM) makes the following amendments:

- A. Combines SECTIONS 1 and 2 of the Bill to address the purpose, findings, and intent of the Bill.
- B. Clarifies the definitions of “affordable rental housing project” and “declaration of restrictive covenants.” Adds definitions of “bathroom,” “building code,” “building official,” “floor area ratio,” “heavy timber construction,” “multifamily dwelling,” and “multifamily dwelling unit.”
- C. Adds a new Section __-1.2, to provide that the chapter regulates affordable rental housing projects. Renumbers subsequent sections.
- D. In renumbered Section __-1.3, limits the prohibition on CPRs to affordable rental housing projects located in TOD special districts.
- E. Adds a new Section __-1.4, to require the recordation of a declaration of restrictive covenants.
- F. Adds a new Section __-1.5, to provide for an expedited permitting process (formerly SECTION 7 of the Bill). Renumbers subsequent sections.
- G. In renumbered Section __-1.6, clarifies that the penalty provisions under that section apply to violations under Articles 2 and 3, and combines the penalty provisions in subsection (d) with the violation provisions in subsection (a).
- H. In Section __-2.2, deletes the prohibition against affordable rental housing projects in TOD special districts.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- I. In development standard table in Section ___-2.3, under minimum front yard, provides for a 10-foot minimum front yard except in TOD special districts if no front yard is required and at least two-thirds of the total length of the building along the street frontage is dedicated to residential or commercial use.
- J. Adds a new Section ___-2.8 to provide for a maximum number of affordable rental housing units for each zoning lot based on a formula set forth in that section.
- K. Adds a new Section ___-2.9 to provide for the maximum size of an affordable rental housing unit, which ranges from 500 square feet for a studio with one-bathroom, to 1,350 square feet for a four-bedroom/2.5 bathroom unit. Renumbers the subsequent section.
- L. In Section ___-3.2(c)(3), provides for a 20-minute (instead of one-hour) fire-rated entry door to units with automatic closure mechanisms. In Section ___-3.2(c)(7), provides for two-hour fire-rated walls and 90-minute fire-rated doors (instead of two-hour) in the booster pump room.
- M. In Section ___-3.2(f)(2), provides for at least one fire exit stairwell a minimum of 36 inches (instead of 48 inches) wide, and if no elevator is provided, a second fire exit stairwell that is a minimum of 30 inches (instead of 36 inches) must be provided.
- N. In Section ___-3.2(f)(3), provides that buildings that are less than three stories in height with 35 or fewer units may have one fire exit stairwell that is a minimum of 36 inches (instead of 48 inches) wide. Also requires that the stairwell exit to both the ground floor and the roof; and requires with a standard-sized door at the rooftop exit, and a railed-off waiting area on the rooftop.
- O. Adds a new Section ___-3.2(i) to require the installation of smoke detectors with audio alarms that are electronically powered in all bedrooms and kitchens, and an alarm pull box that is electronically connected to set off an audio alarm on each floor.
- P. In SECTION 3 (waiver of wastewater facility charges), SECTION 4 (waiver of plan review and building permit fees), and SECTION 5 (waiver of park dedication requirements) of the Bill, clarifies that the incentives apply to affordable rental housing units that are rented to households earning 100 percent or below of the AMI at prices affordable to such households.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

- Q. In renumbered SECTIONS 6 (real property tax exemption) and 7 (real property tax holiday) of the Bill, amends existing ROH sections (instead of creating new sections to specifically regulate affordable rental housing projects).
- R. Adds a new SECTION 8 of the Bill to provide that upon repeal of the ordinance:
 - 1. Affordable rental housing projects will be deemed a nonconforming use (formerly from SECTION 11 of the Bill); and
 - 2. Any real property tax exemptions pursuant to the ordinance will remain in effect for the duration of the applicable exemption period in accordance with the provisions of the ordinance. Renumbers subsequent SECTIONS.
- S. In renumbered SECTION 9 of the Bill, instructs the Revisor of Ordinances as to replacing chapter and section numbers that are temporarily designated with letters.
- T. In renumbered SECTION 10 of the Bill, provides that the real property tax exemptions in SECTIONS 6 and 7 of the Bill apply to tax years beginning July 1, 2020. Also provides that the amendments made in SECTIONS 3, 4, 5, 6, and 7 of the Bill will not affect the repeal date of Ordinance 18-1.
- U. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

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

Timothy Hiu, Deputy Director, DPP

Socrates Bratakos, Assistant Fire Chief, Honolulu Fire Department

Harrison Rue, Community Building and Transit-Oriented Development (TOD) Administrator, DPP

Steven Takara, Administrator, Real Property Assessment Division (RPAD), Department of Budget and Fiscal Services

Acting Director Sokugawa testified that the Administration prefers Bill 7 (2019) and noted that DPP staff would be speaking to specific proposed changes to the Bill.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Deputy Director Hiu spoke to concerns with Items M and N of the proposed CD1 amendment to Bill 7 (2019), pointing out that the Administration prefers to retain the stairwell width of 48 inches in both Items M and N because there would only be one stairwell, and that 36 inches is the minimum width for two stairwells. Assistant Fire Chief Bratakos echoed the concerns of the Deputy Director, providing further explanation and advised that the railed-off waiting area on the roof is not needed.

TOD Administrator Rue testified that the Administration strongly supports passing Bill 7 (2019) and spoke to concerns with Items D and H of the proposed CD1 amendment, essentially recommending to delete both items from the amendment.

Discussion continued on the issues of fire safety, stairwell requirements, and affordable housing in TOD areas.

RPAD Administrator Takara spoke to concerns of the real property tax exemptions, noting that discussions were not yet held on the financial impact of the Bills and that meetings were not held with potential claimants to discuss their issues.

The Committee Chair requested that a written statement of the concerns and other pertinent information be forwarded to the Committee before its next meeting.

Committee Chair Pine stated that it is still early in the process and would continue further discussion on the stairwell issues and TOD-zoned areas.

The following individuals testified:

1. Mel Kaneshige (comments)

In response to queries by the Committee members, Mr. Kaneshige stated that a study was performed on the stairwell issues and he would forward a copy of the findings to the Committee. He is also willing to work with the DPP to clarify the language on the Condominium Property Regime issues.

2. Momi Cazimero (comments)

3. Duane Buote, Disability and Community Access Board (DCAB) (comments)

In response to queries by the Committee members, Mr. Buote stated that the American with Disabilities Act (ADA) typically applies to state and county housing projects and not to projects that are completely privately funded. Currently, the DCAB has an agreement with the Hawaii Housing Finance and Development Corporation to review projects for compliance of both the Fair

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Housing Act (FHA) and ADA provisions. Elevators should be operational and accessible to all units in a building to comply with the FHA provisions.

Committee Chair Pine stated that the Council understood the DCAB's point of view and took their concerns very seriously. However, the City is in a housing crisis and must do things differently and boldly, noting that it was never the intent to exclude the disabled community.

4. Derek Lock (comments)
5. Newton Chung (comments)
6. Lorraine Minatoishi (comments)
7. Nathaniel Kinney, Hawaii Construction Alliance (comments)

Committee Chair Pine recommended that Bill 6 (2019) and the proposed CD1 to Bill 7 (2019) be reported out, with the intention that eventually only one Bill would be considered, and noted that the Bills are still works in progress.

Committee Member Menor voiced his support for the Committee Chair's recommendation, noting that there are still more details to be addressed and that he wanted to look more closely at the numerous concerns of testifiers. The Committee Member, however, supports the measures in general.

Committee Member Fukunaga voiced her support for reporting out both Bills and for allowing the various community stakeholders more time to review the changes and address the issues.

Bill 6 (2019) reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 4.
NOES: None.
EXCUSED: ANDERSON, FORMBY – 2.

Bill 7 (2019) amended to CD1 (OCS2019-0308/3/27/2019 9:24 AM) and reported out for passage on second reading and scheduling of a public hearing.

AYES: FUKUNAGA, MENOR, TSUNEYOSHI, PINE – 4.
NOES: None.
EXCUSED: ANDERSON, FORMBY – 2.

Committee on Zoning and Housing Minutes
Thursday, March 28, 2019

Related communications:

D-120 (2019)	Planning Commission, transmitting the reports from the Acting Director of the Department of Planning and Permitting (DPP), copy of Resolution 18-78, CD1, and DPP's draft Omnibus Bill.
M-136	Early Testimony for Bill 7 (2019).
M-144	Additional Testimony for Bill 7 (2019).

ADJOURNMENT

Committee Chair Pine welcomed her former Chief of Staff, Matt Caires, to the meeting, congratulating both Matt and her current Chief of Staff, Eliza Manchester for working well together on the monster home bill.

There being no further business, the meeting was adjourned at 11:28 a.m.

Respectfully submitted,

GLEN I. TAKAHASHI
City Clerk

pno

DATE APPROVED

April 25, 2019