

Hawaii Interagency Council for Transit-Oriented Development

Minutes of Meeting

Tuesday, September 6, 2016

9:30 a.m. – 11:30 a.m.

State Capitol, Conference Room 309

415 S. Beretania Street, Honolulu, Hawaii 96813

Members Present: Leo Asuncion, Director, Office of Planning, Co-chair
Craig Hirai, Executive Director, Hawaii Housing Finance & Development Corporation (HHFDC), Co-chair
Denise Iseri-Matsubara, Office of the Governor (Designee)
Chris Kinimaka, Acting Public Works Administrator, Department of Accounting and General Services (Designee)
Russell Tsuji, Department of Land and Natural Resources (Designee)
Mark Forman, Policy Director, Department of Human Services (Designee)
Cathy Ross, Deputy Director of Administration, Department of Public Safety (Designee)
Darrell Ing, Department of Hawaiian Home Lands (Designee)
Charles Vitale, Engineer, Stadium Authority (Designee)
Carleton Ching, Director of Land Development, University of Hawaii System (Designee)
Kenneth Masden, Department of Education (Designee)
Deepak Neupane, Hawaii Community Development Authority (Designee)
Hakim Ouansafi, Executive Director, Hawaii Public Housing Authority
Representative Henry Aquino, House of Representatives
Senator Donovan Dela Cruz, State Senate
Ray Soon, Chief of Staff, City and County of Honolulu (Designee)
Alan Arakawa, Mayor, County of Maui
Lyle Tabata, Director of Public Works, County of Kauai (Designee)
Betty Lou Larson, Catholic Charities, Housing Advocate Representative
Bill Brizee, Architects Hawaii Ltd., Developer Representative
Ryan Okahara, Field Office Director, U.S. Housing and Urban Development (HUD)

Members Excused: Ford Fuchigami, Director, Department of Transportation
Virginia Pressler, M.D., Director, Department of Health
Gabe Lee, American Savings Bank, Business Community Representative

Other Designees/ Alternates Present: Senator Breene Harimoto, State Senate
William Spence, Planning Director, County of Maui, Department of Planning
Ian Hirokawa, Department of Land and Natural Resources
David DePonte, Department of Accounting and General Services
Heidi Meeker, Department of Education
Harrison Rue, City and County of Honolulu
David Goode, Director, County of Maui, Department of Public Works

TOD Council Staff: Ruby Edwards, Office of Planning
Rodney Funakoshi, Office of Planning
Debra Mendes, Office of Planning
Katie Mineo, Office of Planning
Kristi Maynard, HHFDC

Janice Takahashi, HHFDC
Jayna Oshiro, HHFDC
Dawn Apuna, Deputy Attorney General

Guests: Ben Park, Senate Committee on Ways and Means
Torsha Bhattacharya, School of Travel Industry Management, UH Manoa
Daniel Friedman, Dean, School of Architecture, UH Manoa
Raytan Vares, Senator Galuteria's office
Dane Wicker, Senator Dela Cruz's office
Colin Kippen, Affordable Housing
Cathi Ho Schar, Director of Community Design Studio, UH School of Architecture
Denise Konan, Dean, College of Social Science, UH Manoa
Suwan Shen, Department of Urban Regional Planning, UH Manoa
Danielle Spirandelli, Department of Urban Regional Planning, UH Manoa
Scott Morishige, State Homeless Coordinator, Office of the Governor
Julia Ford, Hawaii Interagency Council on Homelessness (HICH)
Andrea Long, Oahu MPO (Metropolitan Planning Organization)

I. Call to Order

Leo Asuncion, Director of the Office of Planning (OP), and Co-chair of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) called the meeting to order at 9:40 a.m. at which time quorum was established.

II. Welcome and Introduction

Co-chair Asuncion welcomed everyone. He acknowledged distinguished officials present: Alan Arakawa, Mayor, County of Maui; Senator Breene Harimoto who authored Senate Bill 3077, S.D. 1, H.D. 1, C.D. 1 that became Act 130, Session Laws of Hawaii (SLH) 2016; and Representative Henry Aquino (House member). Senator Donovan Dela Cruz is the Senate member.

a. Introductions

Members and guests introduced themselves as noted above. The County of Hawaii has not named their designee at this time.

b. Overview of TOD Council role and responsibilities (Act 130, SLH 2016)

Co-chair Asuncion explained that Senate Bill 3077, S.D. 1, H.D. 1, C.D. 1 was signed into law by the Governor on June 29, 2016 and became Act 130, SLH 2016. The purpose of the Act is to coordinate and facilitate State agency transit-oriented development (TOD) planning, and facilitate consultation and collaboration between the State and counties on TOD initiatives. It formalizes the task force convened by Senators Donovan Dela Cruz and Suzanne Chun Oakland that began in 2014. Through 2015, the task force met on a monthly basis to coordinate the State projects occurring or proposed around the Honolulu rail stations. Act 130, SLH 2016 includes the Neighbor Islands to see where help is needed regarding state lands near the transit corridors.

Co-chair Asuncion summarized the TOD Council's role and responsibilities that include reviewing all CIP requests for TOD projects and to coordinate TOD budget requests to make it easier for the Legislature to prioritize. The State owns over 2,000 acres around the rail stations on Oahu. The TOD Council will need to determine whether the land is feasible for development or redevelopment (some parcels already have existing uses on site); the TOD

Council will do the same exercise for the counties where there is available land. The TOD Council will also need to develop a strategic plan. As part of the strategic plan, the TOD Council will be responsible for prioritizing the development of TOD projects on state lands.

c. State objectives for TOD

Co-chair Asuncion provided the following State objectives for TOD contained in Section 1 of Act 130, SLH 2016:

1. Use sound smart growth and TOD principles to revitalize neighborhoods and increase affordable housing inventory;
2. Coordinate planning and development efforts among State agencies to maximize the benefits of redevelopment of State lands in areas served by public transit;
3. Promote effective and efficient TOD planning and coordinating among State agencies and counties Statewide; and
4. Ensure that the State has a unified vision and approach toward redevelopment of its properties.

III. Background of State TOD

a. Presentation on State involvement in TOD

Rodney Funakoshi of OP, gave a presentation on the past and present State's involvement in TOD.

Funakoshi explained that in 2012, OP partnered with Smart Growth America to develop a TOD implementation strategy for State agencies. They held TOD workshops and developed the following four recommendations:

1. Issue an executive policy identifying TOD as a priority for implementing smart growth;
2. Identify a lead agency within State government to advance TOD;
3. Prioritize State-owned properties and assets within areas served by transit; and
4. Target resources to support TOD and smart growth.

In 2015, the State TOD Task Force was convened by Senator Chun Oakland and other legislators. It included State agencies with lands and jurisdiction in TOD areas (e.g. DHHL, HCDA, HPHA). Monthly meetings were held from January 2015 to May 2016 to coordinate agency TOD activities. A status report on the State TOD Task Force was submitted to the Legislature on December 11, 2015. The report can be found at:

<https://planning.hawaii.gov/wp-content/uploads/2015/12/Status-Report-State-TOD-Task-Force.pdf>

Funakoshi further stated that the Task Force formed five subcommittees (Halawa Makai, Waipahu Transit Station, East Kapolei, Keehi Lagoon-Middle Street, Kalihi and Iwilei) to promote planning and coordination at the station level.

The agencies identified and prioritized State projects for TOD planning and development. Criteria were used to identify High, Medium, and Low priority projects within a half mile of rail or influenced by higher density development (e.g. schools). There were 36 projects identified and prioritized. Examples of State TOD projects identified as high priority are: UH West Oahu University Village, Aloha Stadium Redevelopment, and Mayor Wright Homes Redevelopment. The full list of projects is included in the status report.

Funakoshi stated that the OP will be developing a more detailed inventory of State lands and projects with TOD potential by developing a database and mapping of these lands.

The purpose of the TOD inventory is to: 1) assess TOD potential of State lands; and 2) identify and coordinate State TOD projects. The inventory will contain parcel and project information such as Lessee(s), Lease Dates, Lease Cancellation Terms, Current Uses on Property, Existing Buildings on Site, Number of Housing Units, Unit Type, Market Rent by AMI, and Plans for Development.

b. TOD legislation enacted in 2016: Acts 130, 131, 132, and 127

Funakoshi summarized the following TOD legislation enacted in 2016:

1) Act 130, SLH 2016 (Senate Bill 3077, S.D. 1, H.D. 1, C.D. 1) Relating to Statewide Community Planning

- Establishes the statewide Hawaii Interagency Council for Transit-Oriented Development, to coordinate planning for TOD, including mixed-use and affordable and rental housing projects, on State lands in each county; and
- Designates the OP as the lead State agency to advance smart growth and TOD within the State.
- The Council's primary responsibilities are to:
 - develop a State strategic plan for TOD, including mixed-use and affordable and rental housing projects;
 - facilitate funding for TOD programs and projects;
 - monitor TOD implementation;
 - recommend needed policy and statutory changes; and
 - review Capital Improvement Project requests for TOD on State lands.
- On the Neighbor Islands, promote smart growth and TOD principles to provide State facilities and services to encourage quality growth and vibrant mixed-use neighborhoods.

2) Act 131, SLH 2016 (House Bill 2293, H.D. 1, S.D. 1) Relating to the Hawaii Housing Finance and Development Corporation

- Broadens HHFDC's ability to develop mixed-use developments with housing, jobs, retail, and government services; and
- Facilitates interagency partnerships with State and county agencies for housing and mixed use developments on State and county lands.

3) Act 132, SLH 2016 (House Bill 2305, H.D. 1, S.D. 1, C.D. 1) Relating to the Dwelling Unit Revolving Fund

- Authorizes the creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund;
- Authorizes the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional State infrastructure improvements that will support development in areas of planned growth; and
- Allows repayment from assessments or fees which capture property value increases (IDs or TIF).

- 4) Act 127, SLH 2016 (Senate Bill 2561, S.D. 2, H.D. 1, C.D. 1) Relating to Rental Housing
 - Establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units statewide ready for occupancy between January 1, 2017 and December 31, 2006; and
 - Establishes a Special Action Team on rental housing to make recommendations to the Governor and Legislature to achieve the goal. The Special Action Team held one meeting and identified TOD as a primary area.

Funakoshi stated that more information on TOD can be found on OP's State Transit-Oriented Development website at: <http://planning.hawaii.gov/lud/state-tod>. Meeting information and resources are also available on the website.

IV. Council Member Perspectives

Ruby Edwards of OP facilitated discussion on Council members' perspectives on the following:

- 1) What is the agency or organizational interest in TOD and smart growth?
- 2) What are the expectations and desires for the TOD Council?
- 3) What are the challenges and opportunities do you see that needs to be addressed in order for TOD to be effective and implemented properly?
- 4) What information is desired or needed in implementing TOD and smart growth? What questions do the TOD council need to address?

The TOD council members provided their perspectives of the above. The following are the key concerns expressed by the TOD council members:

- Definition of TOD;
- Best practices;
- Strategic plan;
- Multi-agency coordination/partnerships: infrastructure capacity and financing
- Affordable housing;
- Enhancing access for disabled and elderly; and
- Accommodations for climate change.

Neighbor Islands' concerns included setting aside rights of way for surface expressways and financing.

Both Denise Konan and Danielle Spirandelli of the University of Hawaii stated that UH can serve as a resource as it has the ability to call on national expertise and understands the importance of TOD.

V. Act 130, SLH 2016 Agency Plan Approval

a. OP proposed procedures for approval of agency development plans

Co-Chair Asuncion explained OP's approval process of agency development plans and addressed any concerns the members may have regarding the following provision:

Hawaii Revised Statutes (HRS) Section 225M-2(b)(10)(H) reads as follows: "Smart growth and transit-oriented development. Acting as the lead agency to coordinate and advance smart growth and transit-oriented development planning within the State as follows... (H)

Approve all state agencies' development plans for parcels along the rail transit corridor. For the purposes of this subparagraph, "development plans" means conceptual land use plans that identify the location and planned uses within a defined area."

Co-chair Asuncion explained that OP intends to implement the above statutory requirement through:

- Interagency TOD Council: OP will endorse projects brought before and which have been reviewed by the TOD Council.
- Environmental assessments (EA) and environmental impact statements (EIS): OP will review and comment on agency development plans in TOD areas through EAs and EISs prepared pursuant to Chapter 343, HRS.

OP's review and endorsement of agencies' conceptual development plans will focus on their consistency with county-adopted TOD or development plans that set forth TOD strategies, as well as the Smart Growth and TOD principles of compact, mixed-use, transit-linked, well-connected, and walkable communities, including the extent to which mixed-use developments incorporate affordable and rental housing.

Co-chair Asuncion stated that the budget preparation instructions for the next biennium includes guidance to address the HRS § 225M-2(b)(10)(H) requirement for TOD projects.

VI. Deliverables

- a. Review of FY2018 CIP Projects in TOD Areas (Target: December 2016)
Funakoshi stated that OP has been appropriated \$500,000 for TOD planning on Oahu for FY2017. OP requested that State agencies submit proposals for the use of these funds for initiating pre-planning, master planning, and infrastructure assessments on State lands in TOD areas on Oahu. A report will be presented at the October meeting.
- b. Report of Legislature (Due: December 15, 2016)
Funakoshi stated that the report to the Legislature will include the status of the TOD Council's work.
- c. Inventory of Developable State lands (Target: May 2017)
Work on the inventory has started with cooperation of State land holding property managers to provide information to develop the database. OP will be looking into ways to provide the data using GIS tools.
- d. TOD Strategic Plan (Target: December 2017)
The TOD Council is charged with developing a strategic plan. This will be an ongoing effort over the next year.
- e. Action Item: Council authorization of a State agency work group(s) to:
 - i. Develop criteria for review and prioritizing CIP proposals
 - ii. Compile/coordinate CIP projects

Co-chair Asuncion asked for volunteers interested on serving on the work group to develop criteria for review and prioritizing CIP proposals. Members Ouansafi and Larson and designees Soon, Ching, and Kinimaka volunteered.

VII. Next Steps

- a. OP's Status Report on FY17 TOD CIP Planning Funds
A report will be provided at the October meeting.
- b. "Homework" for next meeting:
 - i. What would TOD look like for Neighbor Islands, and how can Neighbor Island counties benefit from TOD Council work?
 - ii. Input on statewide strategic plan content and process.
- c. Meeting Schedule: Meetings will be held on the first Tuesday of the month at 9:30 a.m.
- d. Future Agenda topics are outlined as follows:
Co-chair Asuncion stated that future topics are outlined as follows:

Tuesday, October 4, 2016

1. Maui, Hawaii, Kauai Counties TOD and smart growth issues opportunities
2. Criteria for CIP review (work group report)
3. Strategic plan development (discussion and expectations)

Tuesday, November 1, 2016

1. City and County of Honolulu – HART and DPP TOD status/plans
2. State Agencies – Status of TOD plans and projects
3. FY2018 CIP projects review/prioritization (Work Group report/Council action)

Tuesday, December 6, 2016

1. Draft Annual Report to the Legislature
2. Inventory of State Lands – process, status
3. TOD Strategic Plan – county needs, plan formulation process

VIII. Next Meeting

The next meeting is scheduled for Tuesday, October 4, 2016 at 9:30 a.m. at the State Capitol. The conference room will be confirmed.

IX. Adjournment

With no further business to discuss, the meeting was adjourned at 11:25 a.m.