

Hawaii Interagency Council for Transit-Oriented Development

Minutes of Meeting

Tuesday, March 7, 2017

9:30 am

Hawaii Community Development Authority

Board Room, 2nd Floor

547 Queen Street, Honolulu, Hawaii

Members/
Designees
Present: Leo Asuncion, Office of Planning (OP), Co-chair
Janice Takahashi, Hawaii Housing Finance & Development Corporation (HHFDC),
Co-chair
Denise Iseri-Matsubara, Office of the Governor
Chris Kinimaka, Department of Accounting and General Services (DAGS)
Heidi Meeker, Department of Education (DOE)
Darrell Ing, Department of Hawaiian Home Lands (DHHL)
Heidi Hansen Smith, Department of Health (DOH)
Katie Mineo, Department of Human Services (DHS)
Russell Tsuji, Department of Land and Natural Resources (DLNR)
Robert Miyasaki, Department of Transportation (DOT)
Charles Vitale, Stadium Authority
Carleton Ching, University of Hawaii (UH)
Deepak Neupane, Hawaii Community Development Authority (HCDA)
Harrison Rue, City and County of Honolulu (City) Planning and Permitting
Lyle Tabata, County of Kauai Public Works
Bennett Mark, County of Hawaii Planning
Betty Lou Larson, Catholic Charities, Housing Advocate Representative
Bill Brizee, Architects Hawaii Ltd., Developer Representative
Ryan Okahara, U.S. Housing and Urban Development, Honolulu Office (HUD)
Tyler Tsubota, Department of the Navy (Ex-officio)

Members/
Designees
Excused: Craig Hirai, HHFDC, Co-chair
Senator Donovan Dela Cruz, State Senate
Representative Henry Aquino, House of Representatives
Cathy Ross, Department of Public Safety (PSD)
Hakim Ouansafi, Hawaii Public Housing Authority (HPHA)
William Spence, County of Maui Planning
Business Community Representative (vacant)

Other
Designees/
Alternates
Present: David DePonte, DAGS
Michael Yee, County of Hawaii Planning

TOD Council
Staff: Rodney Funakoshi, OP
Ruby Edwards, OP
Nicola Szibbo, OP
Jayna Oshiro, HHFDC

Dawn Apuna, Deputy Attorney General

Guests: Debra Mendes, OP
Jane Tam, OP
Sarah Beamer, HPHA
Kiana Otsuka, Oahu Metropolitan Planning Organization (OMPO)
Kika Bukoski, Office of Hawaiian Affairs
Blue Kaanehe, Land Division, DLNR
Dave Arakawa, Land Use Research Foundation (LURF)
Raymond Young, City Department of Planning and Permitting (DPP)
Jeff Merz, AECOM

I. Call to Order

Leo Asuncion, Co-chair, called the meeting to order at 9:36 a.m.

II. Introduction of Members

Members and guests introduced themselves.

III. Review and Approval of Minutes – February 7, 2017 Meeting

Charles Vitale, Stadium Authority, requested that the minutes be amended to include the following:

Page 5, after the 6th full paragraph to read:

- Charles Vitale, Stadium Authority, questioned if the affordable housing percentages were based on residential units or all development, and if on all development, how would the units be calculated against office, hotel, or retail units? The responses clarified that the affordable housing percentages are based on total residential development.

It was moved by Bill Brizee and seconded by Christine Kinimaka, and unanimously approved to adopt the February 7, 2017 meeting minutes as amended above.

IV. Presentation

- a. Bart Station Area Joint Development – Rick Williams, Van Meter Williams Pollack LLP
Rick Williams is a founding partner of Van Meter Williams Pollack LLP (VMWP) in San Francisco, California. With a background in both planning and architecture, Williams focuses on projects involving mixed-use, transit-oriented community plans. Williams and VMWP worked on some of the first transit and Smart Growth Planning efforts in Honolulu. The firm developed the master plan for D.R. Horton's Hoopili, as well as the City's Neighborhood TOD Plans for Aiea-Pearl City and Waipahu. Williams also continues to lead efforts on a variety of affordable housing developments in communities in the Bay Area.

The Bay Area Rapid Transit (BART) started in the late 1960s and was a commuter system for San Francisco. Since then there have been 3-4 expansions. In the first 25 years of the BART system, there was almost no TOD work done. The stations were commuter stations with lots of parking. Currently, the BART supports the San Francisco/Oakland urban area and maintains those as employment centers within the Bay Area.

Williams provided an overview of BART station joint development as follows:

Richmond BART

The Richmond BART station was the first development with a mix of market rate and affordable housing. However, issues involved moving parking lots into a parking structure and dividing up property for long-term leases (50-90 year leases) that could sustain residential and commercial development. Affordable housing brought in a lot of financing to build some of the infrastructure. At that time, California redevelopment agencies assisted in both the housing and infrastructure around the stations. However, the redevelopment agencies were abolished. Since the parking cost was high and the land value was low, it didn't justify high density development. Two and three story apartments and townhomes were about the highest density they could put on a property in those initial projects and retail struggled.

Fruitvale BART Development

The Fruitvale BART development was the second big development. This project is in a Hispanic neighborhood in Oakland. The local non-profit assisted with leveraging federal financing to build a parking structure, a public plaza with retail, community services, offices, and high density affordable housing, and relocated a road. It involved extensive government financing and would be difficult to replicate today, but it set the tone for quality development.

Hayward and San Leandro Development

Hayward and San Leandro are inner-ring suburb downtowns. They were built off of existing downtowns and communities.

The City and BART worked to relocate Hayward's Civic Center on BART property so they could create a catalyst for redeveloping the whole area. Industrial land was rezoned. Non-BART property was rezoned to medium housing density, mostly townhouses and three-story apartments.

San Leandro also defined their Civic Center around the BART station. Currently, VMWP is working with the City on redeveloping an old mall, and working with property owners of adjacent properties to come up with a framework that over time will replace the mall with a mixed use community. Adjacent to the station is a private development consisting of a 750,000 square foot technology-focused office development.

Dublin/Pleasanton BART Station

The Dublin/Pleasanton BART station is located next to Hacienda Business Park (1970s office park). BART is located down the middle of the freeway with new residential units on one side and the office park on the other side. Currently, they are including higher density residential development within the office park rather than building additional employment at that station.

Walnut Creek, Pleasant Hill, South San Francisco and Union City BART Stations

BART owns most of the properties around these stations. BART does not want to sell the properties and is doing long-term leases. Almost every rental apartment project has between 15%-25% affordable housing. The ridership from these communities is high.

MacArthur Station, Oakland

This station is a hub where all the different lines connect. Williams stated he has been working on this project for the past 15 years. BRIDGE Housing, a non-profit, took over the project. Through an extensive community process, they've developed a plan for 600-800 units of housing. The parking structure was first built to free up the land, using government financing.

Affordable housing development was the initial phase with three other phases of private development market-rate with some integrated affordable housing. The overall plan has been approved and the infrastructure has been going on for a number of years. The second phase market-rate development is occurring. The project includes community services and residential housing, but it is building off an existing neighborhood with other retail development.

Williams stated the original plan was to try and replace as much 650 parking spaces, which almost bankrupted the entire project. Through evaluation and research, the parking was reduced to about 320 spaces instead of 650. This provided more housing on the site which balanced the loss on the ridership from the parking. Also, BART took a 35-year old policy of one-to-one replacement parking and overturned it to 0.5 replacement parking that unlocked the key for joint development at the stations.

In response to a question, Williams stated that the parking requirement of 650 parking spaces was a Federal Transit Administration (FTA) requirement. It took a lot of time to convince the FTA to reduce the number of parking spaces.

South Fremont and Warm Springs BART Stations

The South Fremont BART Station is the most suburban single family community in the South Bay. The station is being extended to the Warm Springs, which will open soon after 10 years of construction. There are hundreds of acres around the BART stations including Tesla's auto plant. The plan is to create a new innovation district focused around Tesla, providing a high technology employment and residential mixed community with approximately 4,000 to 5,000 units. Eventually BART will continue a connection to San Jose.

Three major property owners will provide the land and build a school for the residents. Approximately 120 acres of land are set aside for high tech development. Previously, this area had a 25-year no-housing policy. However, the Urban Land Institute (ULI) recommended that housing be a part of the overall community to attract workers. These are medium-density, four to six story complexes. Developers can't pull the final permit until the affordable housing is built. They are also holding property for a major employment center.

North Concord Station

The North Concord station is an old Concord Naval Weapon Station the military is giving to the City. It has a 20-year plan for 5,700 units on 860 acres. It will include an employment center, retail, and offices. The master developer will do the development and the entire infrastructure for the 860 acres. It will also have the ability to sell off portions of the development to others. They are working through an additional community process. The City set a policy for 35% affordable housing which has greater range than the traditional thought of 60% AMI (Area Median Income) and below but that is up to a 100% AMI. This will have the whole blend of everything from small lot single family homes and townhomes to apartments to higher density mixed use development for an entirely new community to be built out over the next 20-25 years.

Property Value Benefits of BART

- The land values associated with the BART station areas have gone up and are approximately 13% of the Bay Area's property taxes. However, BART owns only 2% of the land so it shows that communities are benefitting from the property taxes.

- Condominiums have seen more price premium than single family homes close by the stations. Single family homes are a little more outside the urban area and are a little higher value than those in the urban cores. Being close to BART provides a 10% to 15% bump in price premium. Office rents are also higher close to BART stations and declines as you move away from the stations.

Williams stated that BART has reached capacity of people taking BART to downtown San Francisco and they're trying to expand their capacity in their system by turning their commute backwards so they get more people taking the trains out of San Francisco to other employment destinations and not all going to downtown San Francisco and Oakland.

Williams provided the following lessons learned:

- Patience is important. Invest the extra effort and funds to make the first TOD developments high quality projects.
- Density does not always matter in every location. A mix of housing types creates a healthy community. Vancouver is a good model. It consists of townhouses and two-to-five story buildings next to towers.
- Focus on downtowns and existing local centers that have a station location.
- You don't need a lot of retail. Housing is going to drive the TOD equation at almost all the stations except for a few major employment areas. Retail is difficult unless it's part of a bigger neighborhood fabric, since transit ridership alone wouldn't support it.
- Focus on infrastructure priorities around the transit system and around those transit-oriented districts whether it's through special infrastructure district financing or other mechanisms.
- Have a good affordable housing policy. BART finally adopted one six months ago. It includes a 50-year affordability requirement and 20% of housing must be affordable on BART properties.
- Parking does matter but you can't let it drive the site planning and design. It can be secondary and people will find their way. One-for-one replacement parking is not a good approach.

Williams stated he has reviewed various infrastructure plans and affordable housing goals, and feels that Hawaii has set a strong framework in which to move forward. He reiterated that patience is important, make sure the first projects are good.

Katie Mineo, DHS, asked about the North Concord station, where it requires 30% affordability at a range of AMI: why was this decided and does it work? Have you seen it work well in other developments as opposed to just 15% or 20%? Williams stated they wanted to get middle income housing, so that it was not a community with all affordable housing or very expensive housing. There are not many financing mechanisms for 60-100% AMI.

Betty Lou Larson asked how do you address those 40% AMI and below? Williams stated the Bay Area has an extensive group of non-profit housing developers who use tax credits and other financing to assist 20-60% AMI housing. This is the traditional range for affordable housing. What is hard to finance is the 60-100% AMI range.

Heidi Hansen Smith, DOH, asked besides taking away some parking, are the developments also looking at walkability, bikeability, and connectivity of the communities. Williams said BART

has a transit access plan for all stations that include bikes, pedestrians, shuttles, handicap accessibility access. The individual plans have gone through community processes. All the designated routes for bikes, transit, pedestrians, and vehicles are worked into those plans.

Russell Tsuji, DLNR, asked whether the 60% of the AMI is federal tax credits. Williams stated it's both State and Federal tax credits. Tsuji asked whether there has been an organization that has pushed for allowing tax credits for the higher AMI. Williams did not know and will find out.

Williams pointed out that it's really important to set out community benefits, like affordable housing requirements, before rezoning, otherwise you're fighting for community benefits later when a developer has its entitlements.

Rodney Funakoshi, OP, asked how in general is off-site infrastructure (road, sewer, water) capacity upgraded? Williams stated most of their off-site capacity was built off existing infrastructure that was large enough to support these developments. However, in some instances, they are doing a financing district, such as Warm Springs, because they need to redo all the infrastructure in the area. North Concord is having a master developer handle all the offsite infrastructure. Previously, this was handled through redevelopment agency money. Cities are now using infrastructure financing districts to finance and develop infrastructure.

In response to a question from Co-chair Asuncion, Williams confirmed the redevelopment agencies were using their statutory bonding authority to generate finance for infrastructure.

Williams' presentation can be found at: <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

V. TOD Strategic Plan Update

a. Report on Kauai Workshop held on February 21, 2017

Funakoshi reported that the Strategic Plan Work Group attended a workshop on Kauai on February 21, 2017 and thanked Lyle Tabata for hosting the workshop. The workshop was attended by various representatives from Kauai County agencies, and State agency representatives on Kauai, including Kauai Community College. In general, everyone was impressed with the planning work that Kauai has already done.

Nicola Szibbo, OP, provided a summary on the Kauai Transit-Ready Development (TRD) Workshop.

Long-Range Planning on Kauai: Lihue Town Core Urban Design Plan & Community Plans

Kauai County is moving away from vehicle-based standards and focusing on walkable, pedestrian-oriented design. Lihue is one of four Special Planning Areas (SPAs) that serve as designated growth areas to support infill and mixed-use in the County. The height limit in the SPAs was raised from 20 feet to 50 feet.

The South Kauai Community Plan identifies a need for 'missing middle' housing types, and how these can be incorporated through form-based codes. 'Missing middle' housing types are those where the density is actually perceived to be lower than it actually is, and they 'fit'

alongside single-family homes. They are also more affordable options for younger families, and good starter homes.

General Plan Update

The County reported that the follow-through on implementation and monitoring was important to the community. The communities reacted positively to the place-typing exercises they held, focusing on how residents relate to “Neighborhood Centers,” “Neighborhood General,” and “Neighborhood Edge.” The County found that discussions focusing on the neighborhood “change,” as opposed to growth was productive. The County is also trying to move away from using buzzwords like “Smart Growth” and discuss change instead.

Transit planning

The County’s multimodal transportation plan considers all modes of transportation. Pedestrian and bicycle plans are next on their to-do list. Their Street Design Manual also looks at all modes, classifying by function, and focuses on context-sensitive solutions.

Ridership is highest between Kauai Community College and Kapaa. However, there is an equity challenge. There is the opportunity to maximize ridership in these core areas, but island-wide residents are dispersed, so this is the equity conundrum: should the County maximize highly-utilized areas or expand services island-wide? Their main transit line is on the State highway—collaboration is key with State DOT in terms of adding bus shelters. There is a need to accommodate rural bus users/conditions, especially pedestrians crossing the highway and buses having to pull off the highway and make left turns. This could be done through technical assistance.

Kauai County’s performance measures with regard to transportation include: mode shift, transit ridership, service time, miles of sidewalk built, miles of bicycle facilities, bicycle and pedestrian volumes, crash data, and speed and traffic volumes.

Recent affordable housing projects

The County has three affordable housing projects that are TRD related: 1) Koheo Loa in Hanamaulu; 2) Koae in Koloa; and 3) Lima Ola in Elelee.

Context-Sensitive Design

The work group did a walking tour of Lihue Town and we were able to see what context sensitive street design looks like. Context-sensitive design is exemplified in the Hardy Street round-about: sugar cane is planted in the center, including pieces of and Old Mill, and the edge includes room for interpretive signage. The roundabout is surrounded by native and drought tolerant plants. Also, Eiwa Street is one of their newest transit hubs that they are in the process of redesigning as part of the \$13.8 million TIGER grant they received, and it includes pull-outs for buses, bike lanes, and street trees.

The work group also took a bus tour of Kauai Community College.

Key opportunity sites for potential projects on State lands

The following are five key opportunity sites based on input from the County:

- 1) Old Police Station/Department of Health
The site is located close to the civic center in Lihue, .96 acres, vacated, and is in the State Urban District. There is a building on site with no major historical significance. It was built in the 1950s and renovated in the 1970s.
- 2) Haleko Road
Haleko Road in Lihue Town is a long narrow parcel off of Pua Loke Street, currently used as a parking lot. There is a plan to develop 40 multi-family units on this county-owned site. It is 300 feet from a bus stop, and is currently used as a parking area. Challenges include relocation of power lines and the traffic conditions/Traffic Impact Analysis Report (TIAR) (parking may be an issue). Across the street is a State park owned by DLNR, which is currently designated as an arboretum, but could be a TRD opportunity site.
- 3) Kauai Community College (KCC)
Kauai Community College currently does not have the appropriate State land use district designation, but zoning amendments are possible to accommodate TRD. The County is proposing a university zone/district for KCC in its draft General Plan. There was a good discussion about bicycle oriented design for housing, and how KCC might be a good candidate for this.
- 4) Hanapepe Road
There are remnant lots that are in the State Transportation Improvement Program (STIP) for planning and design. Potential uses include pathways that could connect to Salt Pond, and act as a means for community revitalization.
- 5) Mahelona State Hospital
Mahelona State Hospital is on ceded lands and may also be a good TRD opportunity site. The hospital site is in the same area as Kapaa High School and Elementary School.

Lessons Learned

Lessons learned by Kauai County include: breaking down silos; realizing that vision, teamwork and leadership are important; having a “how can” versus a “no can” attitude; integrated planning documents are critical; local style messaging and language that is attuned to the community; the application of best practices; and recognizing that a multimodal method that replaces the TIAR is needed.

Lessons learned for the TOD State Council include: creating a playbook of precedents of what works; understanding that the challenge of water availability and wastewater infrastructure is limiting for many areas and sites; ensuring that the Department of Education is included in TRD processes; understanding the value of special planning areas in a regional planning schema; the use of the ‘missing middle’ housing typology; efforts in context-sensitive planning and design. Framing and messaging to the community is also important—thinking about individual identity and placemaking. It was also mentioned that the three counties have applied for a Smart Growth technical assistance grant, which could provide further TRD assistance.

The presentation can be found at: <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

VI. TOD Legislation

a. Update and discussion on TOD Legislation

Co-chair Asuncion stated that today is the last voting day for Third Reading of bills by the House and Senate.

Funakoshi summarized the 2017 TOD Measures of Interest as follows:

- SB1146, SD1 - Relating to School Impact Fees

Establishes a five-year moratorium on county permit approvals for a project in or within one mile of a transit-oriented development area, if the developer proposes to meet any affordable housing requirement in-lieu of a payment of a fee.

Funakoshi reported this bill exempts affordable housing requirements from the school impact fee requirement.

- SB1147, SD1 - Relating to Housing

Requires the strategic plan developed by the Hawaii interagency council for transient-oriented development to require that affordable housing be included as part of the development or redevelopment plan for any state property located within one-half mile of the Honolulu rail transit system, unless the council determines that housing is not feasible or desirable on a particular property. Requires every development or redevelopment plan to include housing with thirty per cent reserved for graduated area medium incomes. Allows a developer to build less housing units than required at a rail station if the developer builds additional housing at another rail station to offset the reduction. Takes effect 1/1/2020.

Funakoshi stated the bill includes much more stringent requirements for housing with 30 percent reserved for graduated area median incomes (AMI), with 15 percent at 30% AMI or less, 10 percent at 30-60% AMI, and 15 percent at 60-80% AMI. Both OP and HHFDC submitted testimony that it would be difficult to do housing development with the requirements imposed. Harrison Rue, City DPP, stated that he's not taking a position for the City, however their technical analysis showed it would be hard to provide units as formulated without additional subsidy.

- SB1148, SD2 – Relating to Community Development

Appropriates moneys for the executive director of the Hawaii Community Development Authority to conduct a feasibility study regarding: (1) the Hawaii Community Development Authority assuming the role of planning, developing, and redeveloping all state-owned lands, except lands administered by the Hawaii Public Housing Authority, within one mile of the Honolulu rail transit system; and (2) creating a new community development district along the Honolulu rail corridor. Requires report to legislature. Effective 3/15/2092.

Funakoshi stated it may also exclude DHHL due to federal funding restrictions.

- SB1200, SD1 - Relating to Development
Appropriates funds to the Department of Accounting and General Services to create a master plan and environmental impact statement for the construction of a new Aloha Stadium.

Funakoshi stated there's no appropriation amount in the bill.

- SB1306 - Relating to the Department of Business, Economic Development, and Tourism
Establishes an office of public-private partnership within DBEDT. Requires that the office create a strategic plan; create collaboration amongst State agencies to identify and implement public-private projects; and oversee and implement the public-private projects. Makes an appropriation.

Funakoshi stated DBEDT recommended that \$500,000 be appropriated to establish and operate the Office.

The 2017 TOD Measures of Interest can be found at:

<http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

VII. Next Steps

a. Future Agenda Topics

Future topics are outlined as follows:

Tuesday, April 4, 2017

1. TOD Legislation
2. TOD Strategic Plan Update
3. Public-Private Partnership (speaker TBD)

Funakoshi stated arrangements are being made for a presentation by Ken Hira, Kosmont Companies, and Western Division P3 leader for the International Council of Shopping Centers (ICSC). Bill Brizee is assisting with the arrangements.

A P3 workshop is being planned for early June. Rue suggested that both State and City purchasing offices be invited to attend.

Tuesday, May 2, 2017

1. TOD Legislation
2. TOD Strategic Plan Update

b. Announcements

- 1) The next meeting is scheduled for Tuesday, April 4, 2017 at 9:30 a.m., Hawaii Community Development Authority (HCDA) Community Room.
- 2) Vitale announced that there will be a P3Direct Webinar Series starting on March 10th, April 14th, and May 12th. A link to register will be provided to the members.

X. Adjournment

There being no further business, the meeting was adjourned at 10:56 a.m.