

**Hawaii Interagency Council for Transit-Oriented Development**

**Minutes of Meeting**

**Tuesday, March 13, 2018**

**9:30 am**

**Hawaii Community Development Authority**

**Community Room, 1<sup>st</sup> Floor**

**547 Queen Street, Honolulu, Hawaii**

Members/  
Designees  
Present: Craig Hirai, Hawaii Housing Finance & Development Corporation (HHFDC), Co-chair  
Leo Asuncion, Office of Planning (OP), Co-chair  
Rodney Funakoshi, Office of Planning (OP), Co-chair designee  
Denise Iseri-Matsubara, Office of the Governor  
Chris Kinimaka, Department of Accounting and General Services (DAGS)  
Darrell Ing, Department of Hawaiian Home Lands (DHHL)  
Ian Hirokawa, Department of Land and Natural Resources (DLNR)  
Heidi Hansen Smith, Department of Health (DOH)  
Katie Mineo, Department of Human Services (DHS)  
Robert Miyasaki, Department of Transportation (DOT)  
Cathy Ross, Department of Public Safety (PSD)  
Ben Park, Hawaii Public Housing Authority (HPHA)  
Charles Vitale, Stadium Authority  
Harrison Rue, City and County of Honolulu (City), Department of Planning and Permitting (DPP)  
Lyle Tabata, County of Kauai, Department of Public Works  
Pam Eaton, County of Maui, Planning Department  
Bennett Mark, County of Hawaii, Planning Department  
Cyd Miyashiro, Business Community Representative  
Betty Lou Larson, Catholic Charities, Housing Advocate Representative  
Bill Brizee, Architects Hawaii Ltd., Developer Representative  
Ryan Okahara, U.S. Housing & Urban Development, Honolulu Office (HUD) (Ex-officio)  
Tyler Tsubota, Department of the Navy (Ex-officio)

Members/  
Designees  
Excused: Kenneth Masden, Department of Education (DOE)  
Deepak Neupane, Hawaii Community Development Authority (HCDA)  
Carleton Ching, University of Hawaii (UH)  
Representative Henry Aquino, House of Representatives  
Senator Lorraine Inouye, State Senate

Other  
Designees/  
Alternates  
Present: David DePonte, DAGS  
Nancy Pisicchio, County of Hawaii, Mayor's Office  
Marc Takamori, County of Maui, Department of Transportation  
Kanani Fu, County of Kauai, Kauai Housing Agency

TOD Council  
Staff: Ruby Edwards, OP  
Tomas Oberding, OP  
Jayna Oshiro, HHFDC

Guests: Debra Mendes, OP  
Carson Schultz, HCDA

Blue Kaanehe, DLNR  
Franz Kraintz, City DPP  
Joy Agner, UH Public Policy Center  
Colin Moore, UH Manoa  
John Kirkpatrick, Belt Collins Hawaii  
Michael Garris, Belt Collins Hawaii  
Lester Ng, AHL  
Kenna Stormogipson, UC Berkley  
Gary Tasato, NAVFAC Hawaii

**I. Call to Order**

Craig Hirai, Co-chair, called the meeting to order at 9:35 a.m.

**II. Introduction of Members**

Members and guests introduced themselves.

**III. Review and Adoption of Minutes of February 6, 2018 Meeting**

It was moved by Pam Eaton, and seconded by Bill Brizee, and unanimously carried to adopt the February 6, 2018 meeting minutes.

**IV. TOD Legislation**

a. Update and discussion on TOD Legislation

The Measure Tracking Report was summarized as follows:

HB 1900, HD1 – Relating to the State Budget

Co-chair Hirai stated that HHFDC requested \$25 million in Dwelling Unit Revolving Fund (DURF) for various TOD projects. However, the House cut the request by \$10 million.

Hirai also stated SB 2255, Relating to the Central Maui Transit Hub, is dead. However, the House added the \$2.5 million requested for the Central Maui Transit Hub in HHFDC's CIP budget.

Kanani Fu, County of Kauai, reported that Kauai's Pua Loke project is included in the County's CIP bill that is still moving forward.

SB 2525, SD2 – Relating to the Hawaii Community Development Authority

Establishes the East Kapolei community development district under the Hawaii Community Development Authority (HCDA) and amends the HCDA membership accordingly. Requires HCDA to establish a plan by 1/1/2020 to return jurisdiction over the Kakaako district to the City and County of Honolulu.

The bill crossed over to the House.

SB 2943, SD2 – Relating to Transit-Oriented Development Zones

Authorizes the HHFDC, at the request of HCDA, to establish and operate TOD infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a TOD infrastructure improvement zone. Requires HCDA to develop a TOD infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. Requires the executive director of HHFDC in collaboration with HCDA and the TOD Council to conduct a study examining the

current infrastructure of a TOD infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future TOD.

The bill sets out the members for determining quorum and voting on matters affecting transit-oriented development zones, including the creation of transit-oriented development infrastructure improvement zones to include the Director of OP, Executive Director of HHFDC, and the Director of Planning and Permitting of the relevant county.

Funakoshi stated the TOD Council provided testimony in support of this bill. The bill crossed over to the House.

Charlie Vitale, Stadium Authority, asked whether the infrastructure study would be done for each TOD area/station or one study for the entire corridor. Funakoshi was not sure.

Harrison Rue, City DPP, stated the bill includes Aloha Stadium as the initial pilot. Rue also commented that initially the City testified in opposition. However, the City's latest testimony was in support with comments because the City's DPP director has a vote and work will be based on and coordinated with county plans.

Leo Asuncion, Co-chair, explained that it's not a community development district. It's an improvement zone district. Once created, HCDA's powers can be used to do public facilities as defined in HRS Chapter 206E.

SB3034, SD2 – Relating to Housing

Requires every development or redevelopment plan to include housing units at least 20% reserved for residents with an income level less than or equal to 80% of the AMI, unless OP determines that housing is not feasible or desirable on a particular property.

Funakoshi stated the TOD Council also provided testimony in support of this bill.

Vitale asked whether this is additional work for OP and whether this would add time to the review process. Funakoshi stated OP has incorporated the approval of development plans as part of its EIS/EA review process.

Betty Lou Larson stated that according to the 2016 Housing Planning Study, 71% of the demand on Oahu is for rentals at 60% AMI and below. She does not know how this bill serves the State's purpose of creating sufficient affordable housing, especially rentals. Her concern is that it will not produce housing that serves local people.

Funakoshi agreed that's where the greatest need is. However, it requires the greatest subsidy or government assistance, which is difficult to obtain. It's a challenge to balance what is the appropriate level that private developers are willing to develop and make projects feasible while developing affordable housing.

Rue stated that City studies done over the last four years show that it's really difficult to deliver 60% AMI and below rentals without added cash subsidies, and it's tough for the private sector to fund and build without public subsidy. This includes the free land from the public sector, whether from City or State. Typically, those units are the tax credit units. With a combination of free public land (a dollar a year), private activity bonds, and LIHTC, it is still tough if you're not using the 9% tax credits. Rue stated that at a policy level, the 20% affordable unit threshold

that is being proposed is a reasonable floor. Rue further stated that public housing is also being redeveloped such as Mayor Wright Homes.

Larson asked whether the State needs to look at its commitment and seek a higher percentage because there has to be a subsidy. Larson stated this is a serious policy issue for the State. Once rail is built out, will there be the affordable units at the AMI levels most needed? This should be addressed not at the end, when there is no more land, but as we go along. She further asked where's the commitment to produce the number of housing units at the lower end with additional State subsidies for building or rental subsidy. The TOD Council needs to look at that issue.

Denise Iseri-Matsubara provided an update on the State's efforts on affordable housing. The State has invested almost \$150 million in the past couple fiscal years for low-income rental units. The financing tools used to build low-income housing includes: Low-Income Housing Tax Credits (LIHTC) is the main financing tool; the Rental Housing Revolving Fund (RHRF) provides gap financing; and private activity bonds. This is only for 60% AMI. There is nothing the government is doing in the way of subsidy programs for the 61% to 140% AMI, except for GET tax exemption and other incentives to build. There is a finite amount of money and it all depends on what the Legislature appropriates. There's approximately 700 or more LIHTC units coming up in town. However, collectively, the State has produced approximately 5,000 units and over 40% are affordable. In addition, another 1,300-1,400 units are in the pipeline and another 4,000 units are in the planning stages. The City is looking at different ways to finance, and there is the Rental Assistance Demonstration (RAD) program for public housing. The RAD has a wait list now and is waiting for Congress to lift the cap. This is a way to leverage private moneys and investment to help with public housing.

Ryan Okahara, HUD, explained that the State was providing approximately \$100 million in CIP to do renovations and repairs on federal public housing facilities, because the federal government is behind in giving out payments. What RAD allows the State to do is to pull all the operating funds and the funding that is going into public housing, and use that as leverage to bring in other entities to make the renovations necessary, and run the facility moving forward. On the positive side, public housing units would be in better condition, but it will not increase the number of public housing units and takes money away from other public housing needs.

Chris Kinimaka, DAGS, asked how OP foresees it will determine housing is feasible or desirable. Funakoshi stated that OP would need to consult with HHFDC and would add that into the bill should the bill move forward.

Kinimaka also asked how long will the process take to review the affordable housing component. Asuncion explained that OP's review of development plans is done within the EA/EIS process. The review process time for an EA is 30 days, and draft EIS is 45 days. The review will be wrapped up into one review process, so there shouldn't be additional delay.

HB 2172, HD2 – Relating to University of Hawaii Public-Private Partnerships

Authorizes the University of Hawaii (UH) to enter into public-private partnerships and establishes an Office of Strategic Partnerships and Development to specifically analyze, evaluate, recommend, coordinate, oversee, and manage public-private partnerships that benefit UH.

The bill crossed over to the Senate.

HB 2581, HD2 – Relating to Public-Private Partnerships

Establishes the Office of Public-Private Partnership in DAGS and the position of State Office of Public-Private Partnership Coordinator. Adds public-private partnership project delivery methods to the procurement code and related conditions and requirements.

The bill crossed over to the Senate.

SB 2705, SD2 – Relating to Public-Private Partnerships

Authorizes establishment of five state public-private partnership coordinator positions within the Department of Business, Economic Development, and Tourism to manage certain public-private partnerships entered into by the State and associated contracts, proposals, and negotiations, except public-private partnerships entered into by Hawaii Public Housing Authority. Establishes an Office of Public-Private Partnership within DBEDT.

Funakoshi stated the difference between HB 2581, HD2 and SB 2705, SD2 is that HB 2581, SD 2, establishes a P3 office in DAGS and amends the procurement code, while SB 2705, SD2, establishes a P3 office in DBEDT and provides for five positions. Funakoshi stated all three P3 bills above are moving forward.

HB 1900, HD1 – Relating to the State Budget

Funakoshi stated the budget bill includes \$15,000 in operating expenses to fund Neighbor Island travel for TOD Council. The bill also includes a TOD Manager position in OP. Asuncion clarified that OP did not request a TOD Manager position. Therefore, it could possibly eliminate another OP position and impact OP's overall budget.

Larson asked about the allocation of funding for the RHRF since the amount was cut from \$50 million to \$25 million. There had been a set aside for the Alder Street project. Iseri-Matsubara stated it will be used for all projects in the pipeline.

Larson asked if there is a separate allocation for HPHA projects. Asuncion explained that the House is putting in provisos on budget items.

Ben Park, HPHA, reported HPHA's budget request was cut to \$21.5 million for six projects and funding for Mayor Wright Homes was eliminated. Iseri-Matsubara stated the infrastructure money in the DURF funds, that would have helped with off-site infrastructure for Mayor Wright Homes was also eliminated. HPHA's request for \$4.5 million for on-site infrastructure was also eliminated.

HCR14/SCR20 – Relating to Requesting DBEDT to identify possible State-owned land and establishes a public-private partnership to build a race track facility on the Oahu

Funakoshi stated the type of race track is presumably a car race track at Kalaeloa.

Asuncion noted the following additional measures:

SCR 58 – Urging the City and County of Honolulu to establish a University Zoning District for Honolulu Community College

Asuncion stated Honolulu Community College is within the TOD area.

SCR 60 – Requesting the Governor to negotiate land exchanges for the purpose of acquiring private lands suitable for long-term diversified agriculture production in exchange for State lands to be acquired for affordable, workforce, and other housing for Hawaii residents

Asuncion explained that SCR 60 is asking the Governor to do land exchanges for privately owned agriculture land in exchange for land that is available for affordable housing. The resolution mentions TOD areas.

**V. TOD Sub-committee Organization**

a. Recommendations on Organization and Support for TOD Council Sub-committees

Asuncion stated that Peter Adler and Keith Mattson were retained by OP to prepare recommendations on how the TOD sub-committees be organized and run.

Ruby Edwards, OP, provided a summary of the Recommendations on Organization and Support for TOD Council Sub-committees as follows:

- Eight sub-committees were formed last year: East Kapolei, Halawa-Stadium, and Iwilei-Kapalama; one each for Kauai, Maui, East Hawaii, and West Hawaii; and a Neighbor Island sub-committee.
- The sub-committees are Permitted Interaction Groups (PIGs) under the State's Sunshine Laws and must operate within the rules established for PIGs. The number of Council member representatives on the sub-committees cannot constitute a quorum of the TOD Council nor can the sub-committees take any action independent of the Council. The sub-committees must work independently of the Council until their work is completed. The sub-committees report back to the TOD Council, which will take any actions if needed. Once a sub-committee reports back to the Council, it is dissolved. A sub-committee may be re-established to work on new issues as needed.
- The purpose of the sub-committees is to provide more in-depth and targeted discussions of regional and project implementation.
- Mission statement: To facilitate implementation of the TOD Strategic Plan by identifying and collaboratively working on:
  - a. Specific short- and long-term actions needed to implement TOD in the sub-committee region;
  - b. Actions necessary to provide essential supporting infrastructure necessary for TOD in area;
  - c. Recommendations on funding and timing of TOD CIP requests; and
  - d. Identification of other TOD opportunities and needs as implementation progresses.
- Operational objectives:
  - a. Establish clear ground rules and procedures to support the sub-committees' deliberations;
  - b. Focus on regional mission and purpose;
  - c. Strengthen and enhance communication within and between their multi-agency planning processes;
  - d. Keep planning efforts on-track and on-schedule through a workplan that results in project implementation; and

e. Anticipate and address the basic challenges and changes the sub-committees may encounter.

- Membership

A minimum of one representative from each of the organizational entities is designated as members to the sub-committee. Each sub-committee's designated agency representative should be identified before the first meeting of the respective sub-committee. Other staff may be invited to participate, but an organization is entitled to only one vote if any vote is taken. Representatives from other public agencies or stakeholder organizations may be invited to participate in meetings. Non-PIG TOD Council members may not participate in any meeting, unless they are added to the sub-committee and don't exceed the TOD Council quorum.

- Leadership

Each sub-committee shall have two co-chairs: an OP and/or HHFDC co-chair and a regional host co-chair to be determined by the host agency/agencies or the sub-committees. One official agency representative and one or more alternates are to serve as co-chair on each sub-committee to ensure maximum continuity for planning and decision-making within each sub-committee. Agency alternates may attend meetings of their sub-committee to maximize continuity and consistency. If no other regional agency is willing to accept the sub-committee co-chair role, then OP and HHFDC will serve as co-chairs.

- Organizational Support

OP and/or HHFDC will staff sub-committees unless another participating agency offers and is prepared to assume this function. The staff's job is to ensure communication, scheduling, minute taking, and record keeping for the sub-committee. The role of the sub-committee co-chairs include scheduling and agenda setting, calling meetings to order and adjourning, calling for either straw votes or actual votes on specific issues, overseeing/reviewing the official minutes, and presenting the sub-committee's report to the TOD Council. The regional host agency co-chair shall be responsible for locating and reserving meeting rooms, assisting in providing equipment as needed, and setting up for and breaking down meeting rooms.

Sub-committee members shall be responsible for their own travel arrangements and costs related to meetings or other activities, unless communicated beforehand that funding is available to cover travel-related expenses.

- Conduct of meetings

The sub-committees function mainly as "working groups" that tackle levels of detail not generally addressed by the TOD Council. Sub-committee activities will be guided by a work plan with key objectives and activities and a general timeline for TOD project implementation in the sub-committee area. Sub-committees maintain administrative records to report back to the TOD Council. Sub-committee members are requested to identify data and information they will provide prior to meetings. Meeting notes and attendance lists shall be circulated following each sub-committee meeting for sub-committee review and reference.

- Communications  
OP and HHFDC co-chairs will provide the TOD Council with general updates on sub-committee progress but will not provide details of the discussions or the positions of different agencies. To maintain continuity and consistency in communication with external actors all significant interaction between members outside sub-committee meetings should be communicated or copied to the designated OP or HHFDC staff. Information from outside interactions should be briefly summarized and distributed to all members by or at following sub-committee meeting.
- Sub-committee Report/Recommendations to the TOD Council  
Each sub-committee must identify when task/work objectives have been met. To the degree recommendations may be generated by the sub-committees, each sub-committee should attempt to reach the highest levels of consensus possible. OP and/or HHFDC staff shall be responsible for preparing the sub-committee reports to the TOD Council for action.

Edwards also stated that OP is in the procurement process for consulting services for the preparation of a State Transit-Oriented Development Master Plan for TOD Implementation and Investments on State lands along the Honolulu Rail Transit Project's rail line on Oahu. As part of that project, the plan is to utilize the sub-committees as working groups for the particular regions. Funakoshi reported that the procurement process will be completed at the end of April 2018.

#### Discussion

Bill Brizee stated there are no business, housing, or developer representatives on any of the sub-committees. Asuncion stated when the TOD Council created these sub-committees, it was left up to those representatives to take a look at which sub-committee if any, they wanted to participate on without going over quorum requirements. The quorum is 13 members. The Iwilei-Kapalama and Halawa-Stadium sub-committees are the largest with nine members, so there is room for additional TOD Council representatives. The members could also consider the topics of discussion for a particular sub-committee.

Larson asked other TOD Council members would be added to sub-committee? Asuncion stated if a Council member wished to be on a sub-committee and there's room, they should inform OP in writing. Asuncion stated the Council does not need to take action on adding sub-committee members provided there is not quorum issue.

Edwards clarified in response to a question, that Council members not on a sub-committee, cannot participate in a sub-committee meeting. Brizee asked if he knew of a sub-committee meeting, and knows of a developer who would be interested in participating, can that developer attend. Edwards stated that may be possible: the sub-committees will be identifying who the key stakeholders that should participate on the sub-committees on an ongoing basis.

Robert Miyasaki, DOT, asked if the designated DOT TOD member is unable to attend a sub-committee meeting, could the district engineers (technical staff) attend. Edwards confirmed that they could, but they aren't eligible to vote on behalf of their agency.

Vitale stated regarding the Stadium Authority, the consultant who is selected for their Master Plan EIS would be logically selected to be part of the Halawa-Stadium sub-committee. Edwards stated they could participate as well.



Edwards stated a formal letter is not needed to designate TOD Council sub-committee members. The original letters from the respective agencies designating designees for the TOD Council can be used for the sub-committee representatives. However, members should send an email to OP identifying who their point-of-contact will be for the various sub-committees and other agency staff who will be attending sub-committees on agencies' behalf.

After discussion, Co-chair Asuncion asked whether the TOD Council is in agreement with the report prepared by Adler and Mattson on how sub-committees will be organized and run. There were no objections.

b. Sub-committee meeting schedule

A meeting schedule for the sub-committees will be formulated shortly.

**VI. Status of Revised Final State TOD Strategic Plan**

Funakoshi reported that OP is still in the process of making revisions to the strategic plan timelines. OP is hoping to finalize the revised final State strategic plan at the end of this month.

**VII. Next Steps**

a. Future Agenda Topics

Asuncion outlined the future meeting topics as follows:

Office of Planning - Economic Development Administration (EDA) Grant

Asuncion stated that John Kirkpatrick of Belt Collins Hawaii will be working with OP on a project funded by a grant from the Economic Development Administration (EDA), focusing on the potential to facilitate the integration of emerging industries within TOD areas.

Debra Mendes of OP, who is managing the project, stated that OP has received a grant from EDA to assist in the support of targeting emerging growth cluster industries (emerging growth industries). These targeted industries were identified in the 2016-2020 Hawaii Comprehensive Economic Strategy and other DBEDT reports. The emerging growth industries include technology, creative industries, energy, health/medicine/wellness, research and education, defense-related services and others. This project works at identifying facilities/projects that support these industries that can feasibly be developed on State lands near the rail stations, and make recommendations for suitable facilities/projects and sites on these lands to support emerging growth industries. Facilities/projects could include incubators, tech parks, and research centers. The project is scheduled to be completed by September 30, 2018.

As part of the EDA project, a consultant, Kelly Kline, Economic Development Director/Chief Innovation Officer, City of Fremont, California, will make a presentation on the Integration of Innovation Industries into TOD Plans at the TOD Council meeting scheduled on April 10, 2018.

Tuesday, April 10, 2018

1. TOD Legislation
2. Presentation on Integration of Innovation Industries into TOD Plans – Kelly Kline, Chief Innovation Officer, City of Fremont

Tuesday, May 8, 2018

1. TOD Legislation

b. Announcements

- The next meeting is Tuesday, April 10, 2018, at 9:30 am at Hawaii Community Development Authority, Community Room, 1<sup>st</sup> Floor, 547 Queen Street, Honolulu, Hawaii.
- 2018 TOD Council meeting schedule was distributed.
- List of TOD Council members and designees as of March 2018 was also distributed.
- Rue handed out the City's updated TOD brochure, "*live.work.connect*" which provides information on the City's TOD planning and implementation program, as well as three new brochures that highlight City TOD opportunities at three of the stations. These brochures will be available online.
- "*Transit Oriented Development (without rail) Maui, Kauai, and Hawaii Counties*" brochure was prepared by the Neighbor Island Sub-committee members and were distributed to the legislators to inform them on Neighbor Island TOD opportunities. Asuncion stated that the Neighbor Island sub-committee should follow-up with the committee chairs to request a legislative briefing on Neighbor Island TOD.

**IX. Adjournment**

There being no further business, the meeting was adjourned at 10:51 a.m.