

Hawaii Interagency Council for Transit-Oriented Development

Minutes of Meeting No. 37

Tuesday, August 11, 2020

9:30 am

Via Video Teleconference

Members/
Designees
Present: Mary Alice Evans, Office of Planning (OP), Co-Chair
Denise Iseri-Matsubara, Hawaii Housing Finance and Development Corporation
(HHFDC), Co-Chair
Sara Lin, Office of the Governor
Curt Otaguro, Department of Accounting and General Services (DAGS)
Robyn Loudermilk, Department of Education (DOE)
Darrell Ing, Department of Hawaiian Home Lands (DHHL)
Heidi Hansen Smith, Department of Health (DOH)
Malia Taum-Deenik, Department of Human Services (DHS)
Ian Hirokawa, Department of Land and Natural Resources (DLNR)
Wayne Takara, Department of Public Safety (PSD)
David Rodriguez, Department of Transportation (DOT)
Ben Park, Hawaii Public Housing Authority (HPHA)
John Fink, Stadium Authority (SA)
Carleton Ching, University of Hawaii (UH)
Representative Nadine Nakamura, State House of Representatives
Harrison Rue, City and County of Honolulu (City) Planning and Permitting (DPP)
April Surprenant, County of Hawaii Planning
Jodi Higuchi Sayegusa, County of Kauai Planning
Pam Eaton, County of Maui Planning
Cyd Miyashiro, American Savings Bank, Business Community Representative
Jillian Okamoto, Catholic Charities, Housing Advocate
Bill Brizee, AHL, Developer Representative
Ryan Okahara, U.S. Housing and Urban Development, Honolulu Office (HUD) (Ex-officio)

Members/
Designees
Excused: Garret Kamemoto, Hawaii Community Development Authority (HCDA)
Senator Lorraine Inouye, State Senate

Other
Designees/
Alternates
Present: Deepak Neupane, HHFDC
Chris Kinimaka, DAGS
David DePonte, DAGS
Kathy Sokugawa, DPP
Marc Takamori, County of Maui Transportation

TOD Council
Staff: Rodney Funakoshi, OP
Ruby Edwards, OP
Carl Miura, OP

Guests: Trey Reffet, Office of U.S. Senator Brian Schatz
Dale Hahn, Office of U.S. Senator Brian Schatz
Blue Kaanehe, DLNR
Lauren Yasaka, DLNR

Kevin Auger, HPHA
Nancy McPherson, DHHL
Senator Stanley Chang, State Senate
Franz Kraitz, DPP
Kiana Otsuka, Oahu Metropolitan Planning Organization (OMPO)
Susie Fong
Veronica Rocha, Essential Leap
Jennifer Wieland, Nelson/Nygaard Consulting Associates
David Tanoue, RM Towill
Matthew Kodama, Belt Collins
HOEISF-Lobbyist

1. Call to Order

Mary Alice Evans, Co-chair, called the meeting to order at 9:32 a.m.

2. Introduction of Members

Members and guests introduced themselves.

3. Review and Approval of Minutes of June 9, 2020 Meeting

The June 9, 2020 meeting minutes were approved as circulated.

4. Upcoming Congressional Support for Hawaii

Presentation by Trey Reffett, Senior Housing and Infrastructure Advisor, Office of Senator Brian Schatz, U.S. Senate

Trey Reffett explained that the federal appropriations process begins in February when the President submits his budget request to Congress. It is purely a visioning document suggesting to them how they should approach funding in the coming fiscal year. In mid-February, the appropriations request process will be finalized and key stakeholders will be asked for their priorities. By April 15, Congress will vote on a budget resolution. This will dictate to Congress the general preference for spending in the fiscal year. The budget resolution does not have the rule of law. By late spring or summer, the House and Senate should be finalizing their appropriations bills. The House has almost finished their process and has passed 13 spending bills, but the Senate has not started. The federal fiscal year ends on September 30, so spending for the next fiscal year would need to be approved by that date. If it is not, then Congress will pass short-term funding extensions based on the current year's funding policies and limits.

In terms of the FY21 budget, the House version has a substantial increase in funding for the U.S. Department of Transportation (U.S. DOT) since it includes emergency relief funding. HUD's amount has remained about the same. Overall, the President's request is about \$60 billion lower than what Congress passed last year. Transit-oriented development is one of the eligible activities allowed in U.S. DOT's BUILD Grant Program (formerly known as TIGER). The administration has de-emphasized how they review and score TOD projects, so they have not seen a significant increase in TOD spending even though Congress has recommended it. The Federal-Aid Highways Formula funding goes right to the states or urban areas for road and transit programs. Federal Transit Administration (FTA) Formula Grant funds go to municipal transit programs such as bus and rail. FTA's Capital Investment Grant funds significant new transit programs like the Honolulu Authority for Rapid Transportation (HART) rail project. The FTA Transit Infrastructure Grant provides funding for buses and bus facilities, and the FTA Pilot Program for TOD is a planning grant for communities to do comprehensive TOD planning.

One of the funding mechanisms under the Federal Aid program is the Transportation Alternatives Program (TAP). It is a competitive grant for non-road, smaller-scale transportation projects that increase the safety of non-vehicle road users, such as for pedestrian and bicycle facilities.

The Transportation Infrastructure Financing and Innovation Act (TIFIA) program provides federal credit assistance in the form of loans to a wide array of projects such as TOD infrastructure projects. Unfortunately, U.S. DOT has prioritized other types of projects. Senator Schatz and other Congressional members have really pushed U.S. DOT to fully embrace all eligible activities and begin funding TOD projects.

Reffett also went over HUD funding in the current and next fiscal year for various programs. The Community Development Fund provides primarily Community Development Block Grant (CDBG) funding. It also contains the Choice Neighborhood Initiative, which is a planning and implementation grant that helps communities go through a comprehensive planning process to identify opportunities for public-private partnerships to increase affordable housing and to increase access to marginalized communities. TOD is a priority within this initiative.

Another affordable housing mechanism outside of HUD is the Low-Income Housing Tax Credit (LIHTC). There were reforms made to the program in 2018 to make it more effective and easier to use. Reffett anticipates further changes in the future to ensure affordable housing is retained for a very long time.

The CARES Act included three housing provisions to address mortgage payment forbearance, foreclosure relief, and eviction moratorium. Federal agencies have taken over the measures by extending foreclosure relief and eviction moratorium. Various housing funds were also part of the Act, including Tenant-Based Rental Assistance and the Public Housing Operating Fund. Most of the money for Hawaii has been received. For transportation funding, \$107 million was distributed to Hawaii transit agencies including \$90.8 million for the City and \$7.68 million for the County of Maui.

The HEROES bill has additional funding for housing and homelessness programs, Federal Highway Administration (FHA) programs, and FTA. The House approved it, but the Senate has not acted on it.

President Trump recently issued several executive orders. One was titled to protect evictions and foreclosures, but the text would do significantly less. To prevent evictions, it directed the Department of Health and Human Services (HHS) and the Centers for Disease Control and Prevention (CDC) to determine if eviction protections are necessary to prevent the spread of COVID-19. It also asks the Treasury Department and HUD to find funding to provide rental and mortgage assistance.

One executive order would provide for \$300/month in federal and \$100/month in state extended unemployment insurance. In response to a question from Denise Iseri-Matsubara, Reffett stated that 75 percent would come from the federal government—from the Federal Emergency Management Agency (FEMA) Disaster Relief Fund—and 25 percent from the state. The states were encouraged to use their Coronavirus Relief Fund moneys or other resources for the state match. Dale Hahn said there is conflicting guidance coming from the administration on the state match portion.

Nadine Nakamura asked if supplemental insurance was going to cover from August to the end of the year. Hahn said it was her understanding that it should go through December 2020. The Hawai'i State Legislature appropriated \$100/week using CARES funding, but the Governor vetoed it. The funds are still available, and he has the discretion to use it.

Reffett mentioned they are coming up on the expiration of the federal highway bill, a five-year surface reauthorization bill that authorizes U.S. DOT programs. Both the House and Senate have taken various actions towards reauthorization. Their actions have moved U.S. DOT forward in terms of federal investments in TOD. One of the items in both bills connects vulnerable and marginalized communities to transportation systems. The Senate bill has a provision to remove transportation systems that impede access for marginalized communities. This is one of first acknowledgements that historic investments in transportation has exacerbated inequalities in these communities. It was passed by a bipartisan committee in the Senate, which is a sign that this type of situation will be dealt with more aggressively in the future.

Harrison Rue asked if Congress is planning to pass something similar to WPA (Works Progress Administration) but focused on climate solutions. The Senate EPW (Environment and Public Works) Committee's highway bill proposal noticeably acknowledged the impact of climate change and would invest in addressing it. There is a significant realignment of incentives within the bill to target funds toward climate-vulnerable infrastructure. In the House version, there is a considerable amount of resources directed towards this issue. The U.S. Army Corp of Engineers' reauthorization is also going to make progress towards climate response. Both Senate and House bills have language to re-prioritize and elevate projects that address climate vulnerabilities.

5. Statewide (TOD) Planning Funds, Act 6, Session Laws of Hawai'i 2020 (HB 2725 HD1 SD1) Tasks, Schedule, and Proposal Deadline

Ruby Edwards reported that the State Legislature appropriated \$1.5 million in CIP funds to OP for planning of TOD projects identified in the State TOD Strategic Plan. In 2018, OP received CIP TOD funding for TOD Planning, but it was directed to Oahu. This funding cycle, the preference is to award at least one project in each of the Neighbor Island counties. The main objective is to kickstart any master planning or infrastructure assessment work that is critical to advancing TOD communities around transit nodes. OP is looking at projects that require multi-agency corporation and collaboration. Awards will be given out to projects that meet certain criteria such as the establishment of long-term and permanent affordable housing, creation of mixed-use, walkable communities served by transit, co-location of agency services, etc. Any funds unencumbered on June 30, 2022 will lapse.

OP will be issuing a call for proposals. The OP TOD team will evaluate the proposals and report the projects selected for funding to the TOD Council in October. OP will subsequently work with the recipients on contracts or Memorandum of Agreements for the transfer or disbursement of funds. The general timeframe for consultant procurement would be January to March 2021.

Proposals should be in the range of \$100,000 - \$500,000. The project focus is on State lands, but it is not a requirement. The submission deadline is September 30, 2020. If the project is not already in the State TOD Strategic Plan, it must be accepted by the TOD Council for inclusion in the Strategic Plan prior to award of the funds. OP will be emailing the call for proposals and a request for scheduling of multi-agency informational meetings for each county.

Rodney Funakoshi reiterated that he wanted to give Neighbor Island counties the opportunity for funding since most of the focus has been on Oahu.

Pam Eaton was concerned with the timing because projects that are not in the Strategic Plan still need to be reviewed and approved by the TOD Council. Funakoshi explained that a proposal just needs to be presented to the TOD Council and action taken on it. Edwards added that the project did

not need to be approved prior to submittal of a request for funding; they should be done on a parallel track.

Eaton offered to share the Request for Proposals from Maui County's Wailuku-Kahului corridor master plan study. Harrison Rue also offered the City's TOD sub-cabinet meetings to get a broad range of input.

6. Affordable Housing Work Group Update

Nadine Nakamura reported that the Affordable Housing Work Group (Work Group) came up with a list of potential affordable housing and other housing developments at key stations where there is State-owned land. The Work Group evaluated proposed affordable housing goals for the corridor and what would be needed to achieve this goal. There are a lot of infrastructure needs. It boils down to how much financing will be available to make affordable housing opportunities happen. She commented whether the downturn of the economy could potentially alter rail in terms of its route or schedule.

Funakoshi explained that the Work Group looked at proposed public and private affordable housing projects along the rail corridor, based on plans from agencies and OP's work with the TOD Council. It developed a list of near-term, 5- and 10-year production estimates for these projects. The numbers include both affordable and total housing units. Most of the projects are in the early planning stages, so details are not yet available. For the first 10 years, the Work Group determined that about 10,000 units is possible. Nakamura clarified that this represents affordable housing opportunities, but that they will be competing for a limited amount of available funding.

The Work Group then focused on potential costs and whether these projects can be funded. They also wanted to find out what it would take to get the projects started in terms of public financing and infrastructure investment on an individual and regional basis. For the Iwilei-Kapalama area, the public infrastructure cost per affordable unit is \$27,000. For East Kapolei, it is \$178,000, and for the Hālawa-Stadium area, it is \$132,000 per affordable unit. These costs were based on OP's recently completed State TOD Planning and Implementation Study for Oahu. The work of this group is still in progress.

7. Infrastructure Investment Strategy Work Group Update

Funakoshi said the Work Group was established to formulate a coordinated strategy to guide implementation decisions on how, when, and where to invest in infrastructure. TOD Council group members include DAGS, HHFDC, HPHA, DLNR, DOT, UH, OP, DOE, and the City. He anticipates scheduling a meeting within the next month. The co-chairs are Nadine Nakamura and Denise Iseri-Matsubara. A few more spots are available for other TOD Council members who are interested.

8. Status of TOD-related CIP and Legislative Bills

Funakoshi reported that a final report was received on the State TOD Planning and Implementation Project for the Island of O'ahu. The study has been ongoing for almost two years focusing on land use plans and infrastructure requirements for the three priority areas. Edwards said Council members can review it on the TOD Council website. It is a steppingstone for additional work that needs be done in the future. None of the TOD-related bills passed from the list except for the CIP appropriation bill, HB 2725.

9. TOD Council Calendar for FY 2020-2021

Edwards reviewed the TOD Council's statutory responsibilities under Act 130, Session Laws of 2016 since it provides a basis for the Council activities for FY21. The Council's main responsibilities are:

- Reporting to the Governor (November).
- Acceptance of the annual report (November).
- Providing CIP request recommendations to the legislature (January).

In the October-November period, the Council considers updates to the TOD Strategic Plan, which includes status reports on projects in the Strategic Plan and proposals for new projects to be incorporated in the Strategic Plan. As a result, Project Fact Sheets need to be developed or updated in September and October. OP will be contacting individual agencies to review and update any of their project in the Strategic Plan. Members will need to be prepared to provide updates at October or November Council meetings. In November, the Delegation of Testimony to the Co-Chairs needs to be approved, annual report has to be accepted, and possible TOD-related legislative proposals discussed.

This review was done to determine if the number of meetings could be reduced to make better use of everyone's time and to allow the staff to do more implementation between meetings. For now, meetings are to be scheduled monthly and any cancellations will be done on an ad-hoc basis. Unless there is a real need, the September meeting might be cancelled because most of the OP team's efforts will be directed to the TOD CIP call for proposals and project selection prior to the October meeting.

Edwards also requested that members inform OP staff on requests for speakers, presentation topics, and issues to be considered for future Council meetings.

Rue shared that the City TOD-sub cabinet met every week for the first three years. Then, they met twice a month. It is good to have it on the calendar, but people are fine if it is cancelled.

For topics, Malia Taum-Deenik suggested something along the line of space modification and air circulation when considering housing and workspace design in this COVID environment—or how COVID is impacting planning and design.

Rue added that they were able to kick-off the development of Wayfinding Transit Route Choice App several weeks ago. He wants to bring it to the TOD Council sometime this fall.

Heidi Hanson-Smith said there are so many opportunities to study how we might do things differently moving forward from what we're experiencing with COVID. If anyone has any ideas or if the counties have things that are changing in terms of plans, etc., this group might be interested in learning about it.

Funakoshi reported that OP has submitted a proposal for funding called "Work Where You Live" to the Oahu Metropolitan Planning Organization (OMPO). With both State and County employees working from home, it is a good time to assess how telework policies can be updated. Current policies are at least 5-10 years old. The potential benefits are far-reaching in terms of reduction in vehicles miles traveled, commute time, traffic congestion, the need for office space, and environmental benefits like cleaner air. Rue stated that the City supports the proposal. There has

been a significant sea change at the City in looking at this starting from the Mayor on down. People are happy with telework. Since only half the office is in, they are talking about converting offices to hoteling and providing more space between people. OP is the co-lead with the City's Transportation Services and the State Department of Human Resources Development is partnering on the study.

Kiana Otsuka shared that she reviewed a draft of the Climate Action Plan put together by the City and University of Hawaii. They conducted a survey on how people have shifted to working from home during COVID-19 and attitudes and desire to continue it. This might be a good place to start, and she will email it to Funakoshi.

Edwards expressed concern about equity in telework capability, e.g., white collar workers are able to telework far easier than others. Taum-Deenik added that there is federal funding available for rural access to broadband, but she is not aware of anyone addressing the issue. She added that a lot of people who can work from home do not have the technology available to them.

10. Future Meetings and Agenda Items

- a. Tuesday, September 8, 2020 TOD Council meeting may be cancelled. Council members will be notified by email if the meeting is cancelled.
- b. Tuesday, October 13, 2020 - TBD

11. Announcements

- Pradip Prat will be the new designee from DOT – Statewide Transportation Planning Office.
- OP with American Planning Association – Hawaii Chapter will be convening a virtual Hawaii Congress of Planning Officials Conference during the week of October 19.
- City has published the Kapalama Canal DEIS. There is a 6-minute video that summarizes the DEIS.
- DPP will be hosting a public hearing on the City's East Kapolei Neighborhood TOD Plan. It is an update to the draft plan that started in 2010. It is scheduled for a virtual hearing of the City Planning Commission on August 19.

12. Adjournment

There being no further business, the meeting was adjourned at 11:30 a.m.

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