

Hawaii Interagency Council for Transit-Oriented Development
Minutes of Meeting No. 38
Tuesday, October 13, 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)
Darrell Ing, Department of Hawaiian Home Lands (DHHL)
Heidi Hansen-Smith, Department of Health (DOH)
Ian Hirokawa, Department of Land and Natural Resources (DLNR)
Pradip Pant, Department of Transportation (DOT)
Hakim Ouansafi, Hawaii Public Housing Authority (HPHA)
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 (COH)
Jodi Higuchi Sayegusa, County of Kauai Planning (COK)
Pam Eaton, County of Maui Planning (COM)
Cyd Miyashiro, American Savings Bank, Business Community Representative
Betty Lou Larson, Catholic Charities, Housing Advocate
Bill Brizee, AHL, Developer Representative

Other
Designees/
Alternates
Present: Dean Minakami, HHFDC
Chris Kinimaka, DAGS
David DePonte, DAGS
Benjamin Park, HPHA
Kathy Sokugawa, DPP
Celia Mahikoa, COK

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

Guests: Kathleen Rooney, Ulupono Initiative
Deepak Neupane, HHFDC
Blue Kaanehe, DLNR
Lauren Yasaka, DLNR
Kevin Auger, HPHA
Stacey Aldrich, Hawaii State Public Library System (HSPLS)
Stacie Kaneshige, HSPLS
Mallory Fujitani, HSPLS
Phillip Garboden, UH-Manoa Department of Urban and Regional Planning (DURP)
Bonnie Arakawa, UH-West Oahu
Derek Inafuku, UH-Community Colleges
Franz Krintz, DPP
Natasha Soriano, COH
Duane Hosaka, COH

Alisa Hanselman, COH
Lee Steinmetz, COK
Wade Lord, COK
Kiana Otsuka, Oahu Metropolitan Planning Organization (OMPO)
Kalani Fronda, OHA
Lisa Watkins-Victorino, OHA
Veronica Rocha, Essential Leap
Nathalie Razo, PBR Hawaii
David Arakawa, Land Use Research Foundation
Brian Lee, Hawaii Laborers and Employers Cooperation and Education Trust Fund
Ryan Kobayashi, Hawaii Laborers International Union of North America
Pane Meatoga III, Hawaii Operating Engineers Industry Stabilization Fund
Michael Iosua, Imanaka-Asato
Crystal Rodgers, BCH Design
Matthew Kodama, BCH Design
Tracy Tonaki, DR Horton
Umeyo Momotaro

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 August 11, 2020 Meeting

The August 11, 2020 meeting minutes were approved as circulated.

4. Hidden Cost of Parking in Hawaii

Presentation by Kathleen Rooney, Director of Transportation, Policy and Programs, Ulupono Initiative

Ulupono Initiative is an impact investment firm in Hawaii making investments in the State's long-term self-sufficiency, focusing on increasing local food production, managing water and waste more effectively, expanding renewable energy, and supporting clean transportation. Within the transportation area, Ulupono Initiative is striving to reduce vehicle miles traveled across the State and making the remaining miles as clean as possible.

One of the most important transportation issues is right-sizing parking. Right-sizing means allowing the market rather than regulation to control the amount in these areas:

- Impact – Reduce VMT (Vehicle Miles Traveled) by up to 29 percent if right-sized (data from Transcending Oil 2018) which will reduce the cost of living, reduce congestion, and increase residential density. In places where parking minimums have been removed, density has increased.
- Opportunity – Parking is entirely within local land-use control and is an under-utilized strategy. Parking is highly subsidized with people not paying the direct costs.
- Timeliness – Many are now trying to deal with the parking issue throughout the State.

Currently, Hawaii has about 500,000 cars with a conservative estimate of 2 million parking spaces. This equals to 4 spaces per car which totals about 23.67 square miles of land dedicated to just

parking. This equals to approximately seven times the area of Waikiki. Ala Moana shopping center has about 17,000 spaces.

About 25-30 percent of parking is unused in Honolulu. In other areas of the country, approximately 20-40 percent of the spaces go unused.

The parking issue is really a management problem by not matching supply with demand. Parking is an emotional community issue. The fastest way to get people to show up to a public meeting is to say a proposal does not have “enough” parking.

Ulupono did several focus groups last year to find out how to make people realize the potential impacts of parking on reducing VMT, meeting climate change goals, and achieving transportation targets. They tested 10 messages, but nothing really resonated. In Hawaii, parking management technology is generally considered an underutilized strategy. Rooney is focusing her discussions on the accurate, realistic, and local costs of parking. Most people understand that parking is really not free, but are shocked to find out their costs.

To make people aware of the trade-offs, the actual costs need to be made available:

- Using real costs/projects but reporting representative direct costs in order to prevent singling anyone out.
- Ensuring statewide but contextual representation, making sure all counties are represented with some nuances on Oahu with urban and non-urban spaces.
- Using conservative estimates and validating across multiple sources of information. They looked at construction costs, contractor bids, and interviews using a consultant.
- Developing realistic housing and commercial scenarios. With these representative costs, what this means for the individual paying for parking.

On the low-end, the cost of on-grade parking is \$4,200 per stall on the island of Hawaii. At the high-end, it costs about \$60,000 per stall for commercial garage parking on Kauai. Many of the costs are comparable to the Mainland. Land is included to understand the real value and opportunity costs.

Rooney presented several scenarios and explained what the parking cost burden would be for each:

- A single person renting a high-rise 400-square foot studio in urban Honolulu would pay about \$410 per month for one space. At 50 percent AMI, this could be up to 37 percent of the maximum allowable rent.
- A senior couple renting a high-rise 600-square foot, 1-bedroom unit in urban Honolulu would be paying \$410 per month for one space. At median income, that would be 17 percent of the allowable rent for this income.
- A family of three renting a two-bedroom, 750-square foot townhome, outside of urban Honolulu should expect to pay between \$180 for one space and \$360 for two spaces per month with an average of \$270 in parking costs. At 50 percent AMI, this would represent around 19 percent of the maximum rent.
- A family of three buying a two-bedroom, 1,000-square foot unit in a high-rise development in urban Honolulu with podium parking would add \$84,000 for the two required parking spaces. If the unit cost \$425,000 (median sales price for a condominium on Oahu in 2019), that is 20 percent of the purchase price.

- A family buying a three-bedroom, 1,200-square foot home on Oahu outside the urban core would be paying \$45,000 for the two required parking spaces, representing about 6% of the purchase price. However, as people live farther out, the amount of money saved in housing could mean spending more on transportation.
- A 160,000-square foot “big box” store outside of the urban core adds \$10.9 million to develop 534 spaces. With nearly 190,000 square feet of parking, there is more parking space than retail space.

Right-sizing means choices. Fifty-one percent of millennials do not believe owning a car is worth the investment. If people do not think car ownership is worth it, then what is built should let them make their own choices to use different forms of transportation, as can be seen in:

- 30 percent take non-single occupancy modes statewide.
- 80,000 daily bus riders on The Bus.
- Approximately 43 percent of households have no more than one car and may be paying for more spaces than they actually need.

A report from Sightline Institute in Portland took a development proforma and removed the parking requirements to see how it would change the most profitable product. The most profitable product shifted from a 3-bedroom townhome in the range of \$700,000 with parking, to a \$280,000 mixed-income condominium without parking.

Sara Lin noted that developers in the Governor’s Housing Stakeholder Working Group would like to see more market-driven options for parking. They feel the developer should be responsible for figuring this out, so Uluono’s report is validating some of their concerns. Where is the City moving on this issue? Kathy Sokugawa explained that they are involved with Bill 2 at the Honolulu City Council. There is a lot of support from Uluono, environmental groups, and the development community because it eliminates much of the minimum required parking. It doesn’t eliminate the maximum amount of parking, but it puts more of a burden on each project to determine what is the appropriate amount. There are elements of the bill that are very good, but developers are not ready for the other provisions.

David Arakawa said they supported many of the items in the proposal especially the removal of the parking minimums. He pointed to a realtor’s study that was completed in June 2020 that found that 97 percent of buyers wanted parking to be included with their units. The issue of selling parking separately from the unit has been tried four times in Honolulu. In each instance, the buyer bought two stalls. In the future, parking will be unbundled. Bill 2 is moving in the right direction, and it is being used to build consensus on how to reduce the amount of parking stalls or have the developer determine how many to build.

Rooney said other counties have been dealing with this issue too: Kauai on the North Shore; in Hilo, they’re exploring a parking benefit district; and Maui is looking at this as they work on their land use update.

Hakim Ouansafi asked if the report addresses the need for parking between affordable and market housing. Rooney explained that the carrying cost is regardless of income level. The Uluono study is focused on people most burdened by it, and most likely to trade it out because of the financial burden. Arakawa said that the parking cost is currently included in the affordable rental fees. If unbundling is mandated for affordable housing, the units will cost the same and renter will need to

pay for parking separately. Some developers have tried unbundling by hiring a parking management company, but these companies keep increasing the fees. If a housing project has less parking, where are the residents going to park? The community around it will be strongly opposed to the project because they are going to park in their neighborhood.

Heidi Hansen-Smith asked how these costs could be made more apparent to the general public, which pushes back whenever reduction in parking is proposed. Rooney said they have highlighted the findings with the public and their coalition, but it is not getting much traction and they too are looking for how to do this.

Lee Steinmetz inquired if any State legislation should be considered and if there are ways the State or counties could review projects differently. Rooney answered that parking is generally handled at the county level. The Federal Highway Administration is working on right-sizing on-street parking to help reduce congestion on the State network.

Sokugawa said other on-street activities are important: the popularity of Biki bikes has been a pleasant surprise. People now have multi-modal choices because of Biki and the City's commitment to bike lanes. Hawaii should be looking at transportation policies with respect to TOD statewide.

5. **Projects Proposed for Inclusion in the State TOD Strategic Plan**

Action Item: Council Approval of new TOD projects for inclusion in Strategic Plan

Rodney Funakoshi explained that the TOD Council's *State TOD Strategic Plan* is continually being updated with respect to the TOD projects. Seven projects are proposed to be included in the Strategic Plan. This ensures formal recognition and enables the Council to monitor and support project development, implementation, and funding. Most of the projects were submitted as proposals for funding for the \$1.5 million in TOD CIP funds.

- Lanakila Homes Complex/Multi-Modal Improvement Project (owned and operated by HPHA). Kevin Auger said this project is an excellent example of the State and County working together to develop State land and introducing multi-modal transportation elements to an affordable housing project. The current building was originally built in 1951 with 164 low-income units located in Hilo. The property has gone through significant redevelopment over the last several decades. It is located on proposed Bus Route 104, and it is within a mile of three major existing bus and supplemental lines with access to various parts of the island. HPHA has a "grandfather right" to redevelop 62 low-income public housing units serving 30 percent AMI and below. The property has the potential to support additional density of about 60-75 additional affordable, workforce, or market rate housing. A master plan was completed in 2014, but needs to be updated to address site conditions and streets based on new County standards. As the County of Hawaii moves forward on Complete Streets and multi-modal transportation, it is important to create adjacent streetscapes that provide "first and last mile" walking and bicycling opportunities to nearby bus facilities. The location creates an opportunity to redesign and realign Kapiolani, Wailoa, and Ululani Streets to provide the community with full integration of multi-modal transportation. The housing, Complete Streets, and multi-modal transportation elements will be undertaken in a single planning and design master program that will also examine additional density to deliver more housing, appropriate demographic mix, and infrastructure required. Some areas of the property with contaminated rubble and structural fill from demolished buildings were moved to a soil management unit. If this can be effectively managed, additional units can be built. April Surprenant added that the County will be building a

senior affordable housing at the corner of Kapiolani and Kawili Streets near Waiakea High School and UH-Hilo. They are looking to connect the Lanakila multimodal facilities with the senior affordable housing on Kapiolani Street.

- Pahoa Transit Hub. Surprenant noted this will be the first transit hub since the County adopted its mass transit and multimodal master plan. They are looking at six different sites in Pahoa with the location to be determined once an environmental assessment ('eā) is completed. The transit service in the area will transition to a hub and spoke model connecting Route #40 with fewer stops to Hilo. The overall cost of the project is about \$7.6 million. Criteria for the preferred site include: area of at least 3.5 acres, easy access for large buses, proximity to businesses and other trip-producing activities, and public ownership.
- Lihue Civic Center Redevelopment and Lihue Civic Center Mobility Plan (Two inter-related proposals). Jodi Higuchi-Sayegusa, Wade Lord, and Lee Steinmetz explained both projects align with the vision and overall principles of TOD. The project area is adjacent to the County's recently completed transit-hub, Complete Streets, and Lihue Revitalization (TIGER) Projects, which significantly improved facilities for transit, walking, and biking in the town core. The Civic Center is a key job center for County government. These proposals offer an opportunity for collaboration with the State on issues like parking management, and should further catalyze investment in the area for more compact, walkable communities.
The Lihue Civic Center Redevelopment Project addresses underutilized public properties that could serve the island's housing needs. The project site is 8.6 acres with three primary buildings housing the County's administrative functions. A RFP was issued with housing, commercial, government offices (renovation), demolition (Big Save structure), and community facilities components. They are hoping to select a developer in the first quarter of 2021.
The Mobility Plan Project is being proposed to be part of the Lihue Civic Center Redevelopment. They are asking the developer to expand the transit hub to make it a mobility hub and explore how a mobility hub can improve connections and reduce parking demand. The mobility hub would seek to consolidate park-and-ride, car and ride share, and micro-mobility into one area. This project would also support redevelopment of the former Lihue Police Station site, which is in the State TOD Strategic Plan.
- Kahekili Terrace Master Plan and Environmental Assessment. Auger explained that Kahekili Terrace Site A is about 4 acres located on Maui in the Wailuku Redevelopment Area. Built in the mid-1960s, it consists of 10 two and three-story buildings with 60 housing units. Located near the Wailuku Parking Garage and Civic Complex and Wells Park Redevelopment, the site is served by the public Bus Routes #1 and #2. Redevelopment would create an exceptional opportunity to provide one-for-one replacement of the existing low-income housing units and potentially provide more workforce and market housing. It would also support the Wailuku area redevelopment and public bus system and help provide an integrated multi-modal transportation corridor. A master plan could examine how additional density would deliver more affordable housing, determine the appropriate demographic mix, required infrastructure, and create multi-modal transportation connectivity and accessibility. The property was formerly a Wailuku Sugar Company site with some contaminated soil. The site supports the County of Maui Wailuku-Kahului Transit Corridor Master Plan. It is near transit modes, commercial centers, anticipated public transportation services, public facilities and economic opportunities, basic services, and public amenities.

- West Maui Transit-Oriented Development (TOD) Corridor Plan. Pam Eaton explained that this project would follow the West Maui Community Plan, which was just approved by the Community Plan Advisory Committee and is being considered by the Maui Planning Commission. During community engagement, the top three issues brought up were the need to develop more affordable housing, address transportation issues, and create additional new industries. They updated the community plan land use designations to be aligned with mixed-use and not rely on vehicles. This plan is modeled after the Wailuku-Kahului Transit Corridor Master Plan. The main planning grant objective is social equity. Maui Bus is looking into reducing carbon emission and introducing electric buses as part of its goals in the Hele Mai long-range transportation plan. The TOD Corridor Plan would start to implement the policies, programs, and projects in the West Maui Community Plan, Maui Island Plan, and Long-Range Transportation Plan.
- South Maui Transit-Oriented Development (TOD) Corridor Plan. Eaton explained that they are working on the South Maui Community Plan right now. A lot of the policies and programs of the TOD objectives were identified in South Maui-Kihei Sub-Regional Transportation Plan and Long-Range Transportation Plan.

ACTION: Betty Lou Larson moved to include the seven projects in the State TOD Strategic Plan; Chris Kinimaka seconded. The motion was approved by unanimous consent.

6. TOD CIP Funding Opportunity: Projects Selected for FY21 Funding

Ruby Edwards reviewed the background, objectives, and evaluation criteria for the award of the \$1.5 million of TOD CIP funding. OP received nine solid proposals requesting a total of \$3.43 million. Seven were from the Neighbor Islands and two from Oahu. A summary table of all the proposals submitted and those selected for funding was presented. Four Neighbor Island proposals were selected for funding, as follows:

- 1) HPHA Lanakila Homes/County of Hawaii Multimodal Transportation Project - \$550,000
- 2) Maui County West Maui Transit-Oriented Development (TOD) Corridor Plan - \$500,000
- 3) Kauai County Lihue Civic Center Mobility Plan - \$250,000
- 4) Hawaii State Public Library System (HSPLS) Integrated Kahului Library/Kahului Mixed-Use Civic Center Complex - \$200,000

Mallory Fujitani, HSPLS, described the library project. HSPLS is seeking to integrate the Kahului Library into the Kahului Mixed-Use Civic Center Complex on the DAGS Civic Center portion of the State's Kāne Street site. The current library, built in 1963, serves as Maui's regional library and is located diagonally across from the proposed development site. The redeveloped regional library would provide the community and island with a state-of-the-art facility and a broader community experience by providing early learning spaces, high-speed internet, and meeting rooms. The library's integration would be ideal with the affordable housing and DAGS Civic Center public services are to be developed onsite.

Edwards thanked all the agencies that submitted proposals, noting they were all worthy projects, which made the selection process very difficult.

7. Future Meetings and Agenda Items

- a. Tuesday, November 10, 2020 – State and County agencies were asked to provide TOD Project updates at the November meeting for TOD Council informational purposes and for the TOD Council’s annual report. Carl Miura will be contacting all the TOD project agencies requesting updates on the status of their projects.

8. Announcements

- The Hawaii Congress of Planning Officials Virtual Conference will be held during the week of October 19-23/24 as a lunch time series. It is being co-sponsored by OP and the American Planning Association – Hawaii Chapter (APA Hawai‘i). To register, go to the APA Hawai‘i website at hawaii.planning.org.

9. Adjournment

There being no further business, the meeting was adjourned at 11:40 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/>.