

**Hawai'i Interagency Council for Transit-Oriented Development**  
**Minutes of Meeting No. 44**  
**Friday, July 16, 2021**  
**9:30 am**  
**Via Videoconference**

Members/ Designees Present:	Mary Alice Evans, Office of Planning and Sustainable Development (OPSD), Co-Chair Denise Iseri-Matsubara, Hawai'i Housing Finance and Development Corporation (HHFDC), Co-Chair Sara Lin, Office of the Governor David DePonte, Department of Accounting and General Services (DAGS) Darrell Ing, Department of Hawaiian Home Lands (DHHL) Heidi Hansen Smith, Department of Health (DOH) Joseph Campos, Department of Human Services (DHS) Russell Tsuji, Department of Land and Natural Resources (DLNR) Wayne Takara, Department of Public Safety (PSD) David Rodriguez, Department of Transportation (DOT) Deepak Neupane, Hawai'i Community Development Authority (HCDA) Hakim Ouansafi, Hawai'i Public Housing Authority (HPHA) John Fink, Stadium Authority (SA) Nadine Nakamura, House of Representatives Chris Lee, State Senate Harrison Rue, City and County of Honolulu (City) Natasha Soriano, County of Hawai'i (COH) Jodi Higuchi Sayegusa, County of Kaua'i (COK) Pam Eaton, County of Maui (COM) Scott Kami, Bank of Hawai'i, Business Community Representative Kevin Carney, EAH Housing, Housing Advocate Ryan Okahara, U.S. Housing & Urban Development, Honolulu Office (HUD) (Ex- officio)
Members/ Designees Excused:	Christina Kishimoto, Department of Education (DOE) David Lassner, University of Hawai'i (UH) Laura Kodama, Castle and Cooke, Developer Representative
Other Designees/ Alternates Present:	Dean Minakami, HHFDC Ian Hirokawa, DLNR Carson Schultz, HCDA Ben Park, HPHA David Tarnas, House of Representatives Dean Uchida, City Celia Mahikoa, COK
TOD Council Staff:	Rodney Funakoshi, OPSD Ruby Edwards, OPSD Carl Miura, OPSD
Guests:	Stanley Chang, State Senate Alisa Hanselman, COH Housing Agency Alison Kato, Department of Attorney General

Andrew Tang, HPHA  
Ann Bouslog, PBR Hawai'i  
Audrey Hidano, DAGS  
Bethany Morrison, COH Department of Planning  
Blue Kaanehe, DLNR  
Brad Knowlton, Senator Lorraine Inouye's Office  
Brian Lee, Hawai'i Laborers and Employers Cooperation and Education Trust Fund  
(LECET), Honolulu Planning Commission member  
Dan Yashima, OPSD  
Derek Wong, DLNR  
Franz Krainz, City Department of Planning and Permitting (DPP)  
George Atta  
Hilarie Alomar, Kamehameha Schools  
Jimmy Nguyen, Senator Stanley Chang's Office  
Kainoa Hottendorf, DLNR  
Kalani Fronda, OHA  
Katie Rooney, Ulupono Initiative  
Kiana Otsuka, O'ahu Metropolitan Planning Office (OMPO)  
Lauren Yasaka, DLNR  
Nancy McPherson, DHHL  
Pane Meatoga, Hawai'i Operating Engineers Industry Stabilization Fund (HOEISF),  
Honolulu Planning Commission member  
Parker Kushima, Climate Ready Hawai'i Vista Cohort  
Randy Chu, HHFDC  
Susie Fong, Joint Base Pearl Harbor-Hickam  
Zendo Kern, COH Department of Planning

**1. Call to Order**

Mary Alice Evans, Co-chair, called the meeting to order at 9:30 a.m.

**2. Introduction of Members**

Members and guests introduced themselves.

**3. Review and Approval of Minutes of June 18, 2021 Meeting**

Darrell Ing requested that DHHL's East Kapolei TOD and Telcom Infrastructure project for \$5,132,000 be added in the minutes under Agenda Item #5, Status of TOD-Related Bills and CIP Projects from the 2021 Legislative Session.

The June 18, 2021 meeting minutes were approved as corrected.

**4. Permitted Interaction Groups for State & County TOD Implementation**

Denise Iseri-Matsubara explained that a number of Permitted Interaction Groups (PIGs) were established by the TOD Council over the past several years. The work of these PIGs has largely been completed, but they did not report out and were never officially dissolved. Before new PIGs are established, the Co-Chairs would like to formally dissolve previously established groups. Under Sunshine Law provisions, the TOD Council must formally receive the findings and recommendations of these PIGs. Any discussion or action on the reports cannot be taken at this meeting; it will need to await until the next meeting in September. Iseri-Matsubara noted that a report summary was distributed to the members in the meeting materials.

The Council needs to move forward on State and county alignment and implementation on TOD projects and a pending OPSD TOD infrastructure financing study. The Co-Chairs proposed the establishment of four new county-focused PIGs to work on these matters.

- A. Reports of Permitted Interaction Groups Established in 2018 and 2020
- East Kapolei, Hālawā-Stadium, and Iwilei-Kapālama PIGs, O'ahu, 2018
  - West Hawai'i and East Hawai'i PIGs, 2018
  - Maui PIG, 2018
  - Kaua'i PIG, 2018
  - Neighbor Islands PIG, 2018
  - Affordable Housing PIG (Work Group), 2020
  - Infrastructure Investment Strategy PIG (Work Group), 2020

Ruby Edwards summarized PIG activities for PIGs formed in 2018. In some cases, PIGs were not convened. Reports on PIGs are available for review in the meeting handouts. Reports on PIGs are available for review in the meeting handouts.

Rodney Funakoshi reported that on the 2020 Affordable Housing Work Group. The PIG was tasked with formulating an achievable strategy for prioritizing and maximizing the development of affordable housing in TOD areas along the Honolulu rail line. Based on HHFDC's 2019 housing study, the PIG estimated that the need for affordable units would be approximately 17,000 on O'ahu by 2025. The Group inventoried the amount of affordable housing that was being proposed along the rail corridor, which was estimated at 9,600 units over the next 10 years. Projects were prioritized in terms of public/community benefits, agency/project readiness, catalytic impact, and site considerations. Near terms infrastructure needs/costs were estimated for priority housing projects. The recommendation from this Group effort was to transition to an infrastructure investment strategy work group for financing.

In 2020, the TOD Council formed the Infrastructure Investment Strategy Work Group to develop a strategy to guide decisions on how, when, and where to invest in infrastructure in terms of scheduling, funding, and delivery. There are significant infrastructure constraints in many areas. In order to coordinate upgrades in the Iwilei-Kapālama area, a Memorandum of Understanding (MOU) was executed between the City and State. The Group still needs to work on project priorities, and it was decided to consolidate this work with the Affordable Housing Work Group.

- B. Proposal to Establish TOD Implementation PIGs for O'ahu and Neighbor Island Counties
- Affordable Housing/State TOD Implementation PIG, O'ahu  
The purpose of the O'ahu PIG is to determine the extent and availability of underutilized State lands along Honolulu Rail line for affordable housing and TOD; to formulate action to develop these lands and update State TOD Strategic Plan and priorities; and to advise on the OPSD TOD Infrastructure Financing Study.

The charge will be to review lands for TOD and affordable housing and develop an action plan along the rail corridor.

Representative Nakamura added that it took a lot of effort working with the agencies and private sector to get this information and creating a framework on how the Group can identify projects. This will help them at the infrastructure stage. She discussed with Senator Chang, Inouye, and Lee ways the information can be shared with the legislature. It is useful information and provides the big picture for how rail supports smart growth. This will help in achieving the goal of building housing and affordable housing along the rail line. She is going to follow-up on setting a time and date for an informational briefing to legislators.

Pam Eaton asked if these efforts on housing and infrastructure work group are only directed toward O'ahu or would there be support for the Neighbor Islands. Maui is finalizing the Ka'ahumanu Avenue Community Corridor Plan. The next step is the implementation and strategy component. The primary focus is going to be affordable housing and infrastructure. Funakoshi stated this can be part of the discussion in the Neighbor Island work groups. Edwards added that the intent is to use the county PIGs for this kind of discussion and come up with an integrated plan that addresses housing, financing, transit, and other types of community goals. Also, the infrastructure financing study will require a pilot area in each county to look into applicable financing tools and strategies. This is the opportunity to work with them on alignment, identify what those priorities need to be, and resources that will be required. The Neighbor Island PIGs will be similar in tasks to the O'ahu PIG. Representative Nakamura requested that the Neighbor Islands start looking into the format and think about a possible pilot area.

For Oahu, the Affordable Housing/State TOD Implementation PIG will be co-chaired by Representative Nakamura and Iseri-Matsubara. Proposed members are: Governor's Office, OPSD, HPHA, DLNR, DOE, HCDA, DAGS, UH, Affordable Housing Advocate, and City DPP. The meetings should take place between August – October.

- Hawai'i County/State TOD Alignment and Implementation PIG
- Kaua'i County/State TOD Alignment and Implementation PIG
- Maui County/State TOD Alignment and Implementation PIG

The purpose of the three Neighbor Island PIGs is to review and align county and State project and budget priorities to develop a joint TOD strategy and identify necessary actions to implement aligned TOD strategy. See attached Draft TOD Council PIG Work Plans.

By establishing four county PIGs, Edwards is hoping this could lead to a more active forum for State and county agencies to collaborate on TOD implementation and TOD priorities. The overall work plan is to: revisit the existing TOD projects in the State TOD Strategic Plan for any emerging opportunities that should be incorporated; getting better alignment of State and county resources for TOD implementation; and aligning State and county goals and objectives around infrastructure investments. This should translate into a set of priorities for TOD implementation in each county.

Edwards added that O'ahu PIG will be similar to what the East Kapolei, Hālawā-Stadium, and Iwilei-Kapālama PIGs did in conjunction with the State TOD Implementation Plan several years ago. They brought State agency interests, concerns, and needs to the table. They also provided a forum for discussion of timing and infrastructure requirement.

The first tasks for the Neighbor Island groups will be to determine the pilot study area for the infrastructure financing study, determining the process for integrating this effort with

other studies going on. The initial county meetings are expected to take place between July–October. During November and December, the groups will work on compiling TOD infrastructure needs and priorities that will guide alignment and an action plan for financing. They would have an initial report out of the action TOD strategies hopefully early 2022. At that point, the Council can disband the PIGs or re-establish them with a new set of tasks for implementation.

Each county PIG will be operating similarly. Memberships will be very similar. OPSD will be staffing this effort and will be working very closely with the county planning representatives. OPSD and the county planning representatives will be serving as co-chairs of the PIGs. The following individuals asked to be part of the PIGs (through chat, discussion, or email):

- Council members:
  - Kevin Carney (All)
  - Senator Chris Lee (O'ahu PIG)
  - Pam Eaton requested DOH on the Maui PIG
  - Heidi Hansen Smith (All)
  - Scott Kami (Infrastructure Financing/O'ahu PIG)
  
- Guests expressed interest as follows:
  - Kalani Fronda, OHA (O'ahu PIG)
  - Pane Meatoga III (O'ahu PIG)
  - Susie Fong (interest in areas in the vicinity of Joint Base Pearl Harbor-Hickam)

Representative Nadine Nakamura asked if the membership is set or can the groups have additional county personnel to move the discussion forward. The list looked State-heavy. Edwards answered that the counties can bring any number of agencies to the meeting because the Mayor is the actual member. The counties will decide who they want participating. Funakoshi further explained that the members of the PIGs represent the agencies on the TOD Council. There can be a many people participating from one agency. Also, agencies/people who are not on the Council can be invited.

Senator Chris Lee inquired if the Senate was involved in these groups. Iseri-Matsubara mentioned that the Co-Chairs will look into it. He also asked if transit was given its own work group since it seems to be left behind in these discussions. This can lead to problems in implementation and affordability for those people who may be future tenants. Edwards mentioned that transit has been the organizing element of prior work done with the counties and many of the Neighbor Island projects in the State TOD Strategic Plan Projects are transit improvements. It has also been part of the expressed priorities of the counties. With the enactment of Senate Bill 1402, Senator Lee would like the opportunity to discuss this sometime in the future even possibly setting up a PIG. Edwards said his request would be discussed with the Co-Chairs.

Pam Eaton requested to have DOH serve on the Maui PIG. They work very closely with the HEAL (Healthy Eating, Active Lifestyle) and Vision Zero Programs on the West Maui TOD Corridor and Ka'ahumanu Avenue Community Corridor Plans.

**Action:** It was moved by David Rodriguez and approved by the Council to establish four new TOD Implementation PIGs as amended by Council members.

**5. Infrastructure Financing Study, Act 88, SLH 2021, Section 39 Budget Proviso**

Edwards explained that Representative Nakamura was instrumental in advocating for funding for this study, so that progress can be made in financing TOD infrastructure to facilitate TOD and affordable housing. A provision in the State CIP appropriation bill sets aside \$300,000 of the \$2 million in FY22 State TOD CIP Planning Funds for the study. OPSD is charged with hiring a consultant to conduct the study. The primary tasks are:

- Find alternative financing tools, cost recover mechanisms to recapture upfront State infrastructure investment;
- Look at specific financing, cost recovery, value capture tools to pilot at TOD site in each county;
- Analyze barriers and strategies to implement tools for TOD; and
- Develop recommendations, including legislation, to implement tools for the TOD pilots.

The proviso requires consultation with key stakeholders, which are listed in Act 88. This advisory group becomes a forum for dialogue on findings and types of mechanisms that are needed to allocate resources and costs wisely. It will take about 4-5 months to get the funds released and procure a consultant. In December or January, OPSD anticipates kicking off the project. The project will take 18-24 months to complete. Input will be requested on scope, workplan, process, county stakeholders, best practices, and identification of the TOD pilot area. The pilot area will allow the team to apply some of the tools and figure out what it would take to implement. OPSD will be convening a small group to help with developing the scope.

Deepak Neupane asked how this study relates to the financial study prepared in 2020 by PBR Hawai'i for OPSD. Edwards answered that the infrastructure financing study picks up from the previous one and moves further by looking at specific tools, institutional framework and mechanisms needed, cost recovery mechanisms for the pilot area and other elements needed to implement a financing strategy, etc. The prior study stopped short of getting into the specifics and getting agreements among the parties to explore these concepts. It also did not vet any of the tools with people impacted. She invited him to participate in the brainstorming and discussion. Neupane expressed concern that this might be an academic exercise that may not get implemented in the future.

Harrison Rue echoed Neupane's concerns adding that the City has done a number of studies on this over the last seven years. The City does not have taxing power over all the State lands along the TOD corridor and impose fees on State's parcels unless the State voluntarily participates. He sees the 2020 PBR study feeding into this one. This time, the difference is there seems to be a goal of getting to a decision about what kind of financing strategy to take. A number of key people were listed in the Act, but it will take 10 - 50 times the amount of people making decisions. Neupane explained that HCDA has done something similar with infrastructure and assessments in Kaka'ako. He is somewhat familiar with the process and challenges.

**6. FY22 Statewide TOD CIP Planning Funds, Act 88, SLH 2021; Call for Proposals**

Edwards summarized the TOD Council and OPSD's roles for promoting and redirecting resources toward implementation of TOD projects in the State Strategic Plan. She noted that the legislation appropriated TOD CIP planning funds for this purpose in 2017, 2018, and 2020. In FY2022, OPSD

was appropriated \$2 million in TOD CIP planning funds to be used statewide to support TOD project planning. Five hundred thousand will be set for the TOD Infrastructure Financing Study.

An application guidance document is included in the meeting materials. OPSD is requesting proposals from public agencies. Proposals will be due on August 31, 2021. County informational meetings will be held in late July or early August. The purpose is to discuss the kind of proposals being considered for submittal and to go over any questions the applicants might have.

The proposal content is the same as last year's and as is the evaluation criteria. It is important to flesh out as early as possible the conceptual scope of work. This will speed up the release of funds for the projects. If the project is not in the State TOD Strategic Plan, agencies will need to prepare a project fact sheet and present their project to TOD Council at its September meeting for Council action on inclusion in the State TOD Strategic Plan before receiving any fund award.

Edwards asked county partners to notify Carl Miura or herself as to dates/times for the pre-application meetings that work for them.

#### **7. Upcoming Meetings and Agenda Items**

- State/County Agency TOD Project Updates – Standing Reports at each Council Meeting Beginning in September, Iseri-Matsubara announced that the Co-chairs would like to have all TOD Council agencies provide a verbal status report on their active TOD projects at each TOD Council meeting. Co-chairs hope this will encourage more participation, discussion, and involvement from the TOD Council members, and will keep everyone abreast of the progress being made on TOD projects.

Sara Lin suggested that OPSD provide a simple template or guidance on information that should be provided in order to better organize the reports and ensure sufficient time for all to report.

- August 2021 – No Meeting
- September 17, 2021 – New TOD Projects for Inclusion in the State Strategic Plan  
FY22 TOD CIP Funding Opportunity: Projects Selected for Funding

#### **8. Announcements**

#### **9. Adjournment**

There being no further business, the meeting was adjourned at 10:50 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/>.