

Hawai'i Interagency Council for Transit-Oriented Development
Minutes of Meeting No. 62
Friday, February 16, 2024
9:30 am

Office of Planning and Sustainable Development
235 South Beretania Street 6th Floor
Honolulu, Hawai'i 96813
and Via Videoconference

https://files.hawaii.gov/dbedt/op/lud/20240216%20TOD%20Mtg/GMT20240216-193332_Recording_3386x2018.mp4

Members/ Designees Present:	<p>Mary Alice Evans, Office of Planning and Sustainable Development (OPSD), Co-Chair Dean Minakami, Hawai'i Housing Finance and Development Corporation (HHFDC), Co-Chair</p> <p>Gordon Wood, Department of Accounting and General Services (DAGS) Nancy McPherson, Department of Hawaiian Home Lands (DHHL) Russell Tsuji, Department of Land and Natural Resources (DLNR) Wayne Takara, Department of Corrections and Rehabilitation (DCR) Tammy Lee, Department of Transportation (DOT) Ryan Tam, Hawai'i Community Development Authority (HCDA) John Fink, Stadium Authority (SA) Michael Shibata, University of Hawai'i (UH) Representative Nadine Nakamura, House of Representatives Tim Streit, 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) Cathy Camp, Central Pacific Bank, Business Representative Kevin Carney, Affordable Housing Connections LLC, Housing Advocate Laura Kodama, Castle and Cooke, Developer Representative Ramona Mullahey, U.S. Housing & Urban Development, Honolulu Office (HUD) (Ex-officio)</p>
Members/ Designees Excused:	<p>Brooke Wilson, Office of the Governor Keith Hayashi, Department of Education (DOE) Kenneth Fink, Department of Health (DOH) Catherine Betts, Department of Human Services (DHS) Hakim Ouansafi, Hawai'i Public Housing Authority (HPHA) Senator Chris Lee, State Senate Mayor Richard Bissen, County of Maui (COM) Ramona Mullahey, U.S. Housing & Urban Development, Honolulu Office (HUD) (Ex-officio)</p>
Other Designees/ Alternates Present:	<p>Katia Balassiano, OPSD Harrison Rue, OPSD Ian Hirokawa, DLNR Randy Chu, HHFDC David DePonte, DAGS Harold Alejandro, DCR David Yamashita, COM</p>

Scott Forsythe, COM

TOD Council Ruby Edwards, OPSD
Staff: Brandon Soo, OPSD
 Carl Miura, OPSD

1. **Call to Order and Introduction of Members**

Dean Minakami, Co-chair, called the meeting to order at 9:33 a.m.

2. **Review and Approval of Minutes of January 19, 2024 Meeting**

On the January 19, 2024, TOD Council meeting minutes page 7, Item #8-Standing Reports, Department of Hawaiian Home Lands (DHHL), East Kapolei Increment II-A, Multi-Family/Commercial, Nancy McPherson asked that the last two sentences be amended to say, “They are still interested in Increment II-A for mixed-use, multi-family commercial. However, project prioritization is in flux.”

The January 19, 2024 TOD Council meeting minutes were approved as corrected.

3. **Permitted Interaction Group (PIG) Reports for TOD Infrastructure Financing and Delivery Study Project**

Discussion of Permitted Interaction Group Reports presented at the January 19, 2024 TOD Council meeting. The County PIGs were formed to support the TOD Infrastructure Financing Study, to help identify area project and infrastructure needs and potential financing tools to advance infrastructure to support housing development.

- Hawai‘i PIG
- Kaua‘i PIG
- Maui PIG
- O‘ahu PIG

Action: Accept the reports and recommendations of the four Permitted Interaction Groups.

Harrison Rue said that the co-chairs from four County PIGs reported out at the January 2024 TOD Council meeting. They provided a brief summary and discussed the recommendations. Based on OIP Rules, the PIGs were automatically dissolved once they reported out. TOD Council had to wait until the next meeting in February to accept the reports.

It was moved by Pam Eaton and seconded by Nancy McPherson to accept the PIG reports.

Katia Balassiano shared that the consultant team produced an informational graphic to help summarize and highlight the key elements of the report. Various materials are being distributed to the legislators. OPSD and other agencies are working with them to implement the State and County-level actions.

4. **TOD-Related Capital Improvement Project (CIP) Budget Requests for Recommendation to the 2024 Legislature**

Discussion and action on list of TOD-related CIP budget requests for Fiscal Year 2024-2025 to be recommended for funding by the 2024 State Legislature. See TOD-Related CIP request in the draft letter in meeting materials.

State Budget (HB 1800/SB 2234)

- PSD – O‘ahu Community Correctional Center (OCCC) RFP for the Solicitation and Delivery of a New OCCC Facility, O‘ahu (PSD900)
FY 2025 \$10,000,000
- HHFDC – Dwelling Unit Revolving Fund Infusion (DURF), Statewide (BED160)
FY 2025 \$50,000,000
- HHFDC – Cash Infusion for Rental Housing Revolving Fund (RHRF), Statewide (BED160)
FY 2025 \$180,000,000
- OPSD – State Transit-Oriented Development (TOD) Planning, Statewide (BED144)
FY 2025 \$2,000,000
- HCDA – Iwilei-Kapālama TOD Infrastructure Design, O‘ahu (BED150)
FY 2025 \$10,000,000
- HCDA – UH-West O‘ahu Infrastructure, On-Site Infrastructure, Phase 2, Kapolei, O‘ahu (BED 150)
FY 2025 \$25,000,000
- DLNR – East Kapolei Transit-Oriented Development Project Plans and Design, O‘ahu (LNR101)
FY 2025 \$500,000
- SA - Request to Increase Stadium Development Special Fund (SDSF) Ceiling to Allot and Expend the \$49.5M General Fund (BED180):
FY 2025 \$49,500,000
- SFA – Teacher Housing Construction, Various, Statewide (EDN450)
FY 2025 \$45,000,000
- NELHA – Potable Water Well Construction, Kailua-Kona, Hawai‘i (BED146)
FY 2025 \$5,000,000

Action: Council approval of TOD CIP Recommendations to the Legislature.

Balassiano explained that the TOD Council is charged with reviewing the TOD-related CIP Budget requests by statute. For the upcoming FY2025 budget, staff reviewed the CIP proposals in Executive Budget HB 1800 (companion SB 2234). The TOD-related projects that staff identified were included on the agenda and draft letter in the meeting materials. In the past, letters in support of the TOD projects were sent to the legislature. Last year, it helped bring attention to the proposed projects and was included in the final draft. Council members were asked to let OPSD know by February 22, 2024, if a TOD-related CIP item in the budget or one of the bills was missing.

Wayne Takara requested that the two Department of Corrections and Rehabilitation CIP Projects added to the letter:

- New Kaua'i Community Correctional Center and Community Transitional Center (KCCC) Design, Permitting, Owners Representation/Construction Management, Kaua'i, \$20,000,000.
- New West Hawai'i Jail and Community Transitional Center Planning, Hawai'i, \$3,000,000.

The current KCCC facility is located in the flood zone. Also, since Kūhiō Highway is going to be widened, it is going to take away a significant amount of prison property and impact their operations. These facilities should be placed in the community, near the courts, and on a public transit route. There is a similar need for the West Hawai'i facility. He believes these projects will encourage the use of transit. In their package, they have to include a community partnering effort, and one way to do it is to connect to a TOD project.

Natasha Soriano commented that County of Hawai'i (COH) is budgeting for a West Hawai'i warehouse for the Hawai'i Police Department. She is hoping there will be some form of co-location with DCR's new facility on the Kona-side. McPherson wanted to let DCR know that KCCC is surrounded by DHHL lands. They are moving forward with the Waialua Master Plan EA. Takara said he will follow-up with COH and DHHL.

It was moved by Tim Streitz and seconded by Representative Nadine Nakamura to approve the TOD-related CIP Budget Recommendations to the Legislature.

5. **TOD Presentation: Hawai'i Housing Finance and Development Corporation (HHFDC) Kahului Civic Center Mixed-Use Project; Housing Component**

Presentation by Karen Seddon, Marian Gushiken, and Questor Lau, EAH Housing Hawai'i; Joe Earing, Department of Accounting and General Services

EAH Housing was selected by HHFDC to build 303 units of affordable housing at the Kahului Civic Center Mixed-Use Complex. It is set for delivery in 2029. The civic center portion will be designed and built separately by the Department of Accounting and General Services (DAGS). When completed, the Kahului Civic Center area will feature affordable housing, a potential library, a County transit hub, adult school, and government offices.

Questor Lau shared that Kahului Civic Center Mixed-Use Project site is located in a very walkable area. A grocery store, medical offices, library, and restaurants are within 10-minute walk. The area includes a Maui Bus hub and the future civic center. The parcel will have landscaping along the building, which will enhance the streetscape and pedestrian experience. Maui County is proposing Complete Streets upgrades on Kane Street.

Phase 1 is the u-shaped building with the opening facing West Ka'ahumanu Avenue on the corner with Kane Street. It will offer 195 units. Phase 2 is an L shaped building with 106 units. They will have a combined total of 303 1-, 2-, and 3-bedroom units for residents at 60 percent AMI or below . In addition to vehicle parking, they will provide bicycle stalls, EV charging stations, and ride sharing. The building will be LEED Certified. It will offer solar water heating and natural ventilation to reduce monthly electricity costs. Additional amenities include onsite laundry facilities, lounges, public computers, and community and fitness rooms.

Along Ka'ahumanu Avenue, the building is set back to create green spaces to screen the surface parking and help preserve the rock wall. The capital stack will include Low-Income Housing Tax Credits (LIHTC), solar tax credits, Hula Mae Multi-Family (HMMF) bonds, Rental Housing

Revolving Fund (RHRF), and Maui Affordable Housing Fund. The first residents are expected to move into Phase 1 in February 2029 and into Phase 2 in October 2029.

Joe Earing explained that the 2023 legislature appropriated \$9 million in design funds for the Kahului Civic Center Mixed-Use Complex, state office portion. Funding has been released by the Governor, and the contract should be executed by June 2024. They are planning to request construction funds during the FY2025-2027 biennium. If it is approved, the project should be completed around late 2027. Also, a decision has to be made about the potential for integrating the Kahului Public Library with the mixed-use complex on the bottom floor. Eaton believes that it could be a “win-win” for the community to include the library especially when doing outreach. She added that the Central Maui Community Plan Update kicked off this week, so the Planning Department will be doing extensive community engagement. She recommended that DAGS work with them.

Electric charging stations at affordable housing facilities are required by the building code. Evans added that the State has a decarbonization strategy, which includes clean energy requirements that look forward to when electric vehicles (EV) are more affordable. She thanked EAH Housing for adding trees along Ka‘ahumanu Avenue to provide shade, per the State’s Climate Change Mitigation and Adaptation Commission goals.

The developers felt that parking was important, and they tried to balance the different requirements. Eaton encouraged them to reduce the amount of parking because the project has more parking stalls than residential units, especially since it is located in the TOD area. They are kicking off the Long-Range Transportation Plan Update next month which will emphasize people walking, biking, and taking transit. Multi-modal strategies will help reduce carbon emissions.

6. **TOD-Related Legislative Proposals in the 2024 Legislative Session**

Report on TOD-related bills and resolutions in the 2024 legislative session with impact on the TOD Council and the performance of its duties. A full list of bills being tracked will be included in the meeting materials packet. The following are noted for the TOD Council.

- SB 3051/HB 2362, Proposing amendments to Article VII, Sections 12 and 13, of the Hawai‘i Constitution to expressly provide that the Legislature may authorize the counties to issue tax increment bonds and to exclude tax increment bonds from determinations of the funded debt of the counties.
Proposes amendments to the Constitution of the State of Hawai‘i to expressly authorize issuance of tax increment bonds and to exclude tax increment bonds in calculating the debt limit of the political subdivisions.
- SB 3052/HB 2363, Relating to Tax Increment Financing.
Proposes to conform county debt limit statements law to exclude tax increment bonds from the debt limit of the counties if a constitutional amendment authorizing the use of tax increment bonds and excluding tax increment bonds from determinations of the counties' funded debt is ratified.
- SB 3008, Proposing amendments to Article VII, Sections 12 and 13 of the Hawai‘i Constitution to expressly provide that the Legislature may authorize the counties to issue tax increment bonds and to exclude tax increment bonds from determinations of the funded debt of the counties.

Proposes amendments to the Constitution of the State of Hawai'i to expressly provide that the Legislature may authorize political subdivisions, such as counties, to issue tax increment bonds, and to exclude tax increment bonds in calculating the debt limit of the political subdivisions.

- **SB 3053/HB 2364, Relating to Conveyance Tax.**
Proposes to increase the conveyance tax rate for certain properties. Exempts conveyances of certain real property from the conveyance tax. Allocates ten percent of conveyance tax collections to the Dwelling Unit Revolving Fund (DURF) for the purpose of funding infrastructure programs in transit-oriented development areas.

Balassiano explained that several bills were introduced during this legislative session that have a direct impact on the TOD Council. The list of bills was included in the meeting materials. Testimony has been submitted through OPSD and other agencies for those that clearly further TOD principles, projects, funding, and goals. This year's highlights include bills from the infrastructure finance study. They are intended to clarify the use of tax increment financing, provide more funding for infrastructure using the conveyance tax, and make TIF not count towards the county's debt limit. Senator Dela Cruz's SB 3008 appears to be moving forward. The Administration's TIF bills did not make it out of committee. Of the two conveyance tax measures, it appears that HB 2364 is still alive and headed to the Finance Committee. Also, there is a house bill to use the conveyance tax for homeless services. It was revised to include infrastructure financing in TOD areas. Another Administration proposal amends the TOD Council membership from the Department of Public Safety to Department of Corrections and Rehabilitation. Senate Bill 3054 is headed to Senate Ways and Means Committee.

Kevin Auger shared that the City and County of Honolulu (City) is supporting SB 2337, HB 1808, and HB 1988. The purpose of the bills is to reconcile inconsistencies in 201H and 46-15, housing development. Under 201H, HHFDC has the ability to plan, develop, and construct housing projects including mixed-use development. Under 46-15.1(a), the Counties have the same powers as granted to HHFDC, but only for low- and moderate-income housing. It does not allow the Counties to use affordable housing bonds for mixed-use housing projects. The bills are intended to remedy the situation. He asked for everyone's support.

Representative Nakamura asked if there was any update on a new Attorney General's Opinion regarding tax increment financing. Balassiano said that the NAIOP, the Commercial Real Estate Development Association, and Move Oahu Forward have been looking into the issue. OPSD has also been working with our infrastructure financing consultants on this issue.

7. Standing Report—Agency Updates on TOD Projects in State Strategic Plan for Transit Oriented Development (Time Permitting)

Updates from State and county agencies on recent/new activities for their TOD projects. Projects for which reports may be received are listed in "Appendix A. TOD Project Status and Funding Reported to TOD Council," in the meeting materials packet. Note that this is 'opt-in' for those agencies that have activities to report.

a. State and County Projects—O'ahu

- **OPSD: East Kapolei Infrastructure Implementation Master Plan**
Rue reported that the contract is near finalization. OPSD sent out an email giving agencies a heads-up that the consultant, Jacobs, will be needing data, plans, etc. for the project. The kick-off meeting should be in about a month or two. This will give the consultant time to prepare the work plan and have agencies review it.
- **UH: UH-West O'ahu, University District**
Michael Shibata said UH issued an RFP to develop a 35-acre parcel near the corner of Kualaka'i Parkway and Farrington Highway. They received responses and selected a group of local and mainland developers with experience in mixed-use and film studio projects in January 2024. They are working on ground lease negotiations, development agreements, etc. The group is aware of TOD and potential collaboration with UH-West O'ahu Academy of Creative Media.
- **DLNR: East Kapolei Master Development Plan**
Ian Hirokawa reported that the Urban Design Plan should be completed soon. They are also working on the EIS. The draft should be published in 2024.
- **DAGS: New Aloha Stadium Entertainment District (NASSED)**
Gordon Wood shared that the deadline for the qualifications phase of the RFP was on February 14, 2024. They were very encouraged by the submittals and will be spending the next several weeks evaluating it. Priority Listed Offerors should be announced in March/April 2024. The proposals phase will be next.

b. State and County Projects—Kaua'i

- **COK: Lihu'e Civic Center Redevelopment Feasibility Plan**
Jodi Higuchi Sayegusa said it is still on going.
- **COK: East Kaua'i Community Plan Update**
Higuchi Sayegusa announced that they will be kicking off the project with charettes in June 2024. It will be a robust study looking into transportation issues.
- **COK: Kīlauea Town Affordable Housing Expansion**
Allison Rettig said that the acquisitions are 99.9 percent finalized. The court ruled in favor of County of Kaua'i on the condemnation. They are reviewing the literature on archaeological and cultural assessment. Interdepartmental meetings have been held, and project advisory groups have been formed.
- **COK: Waimea 400 Master Plan**
Rettig mentioned that the County Planning Department did a master plan on the 60-acre portion several years ago. They already had interdepartmental meetings, formed project advisory groups, and created a project website. Also, they had a kick-off meeting. The environmental components that need a longer lead time have been started. The first community meeting is scheduled for Tuesday, February 20, 2024.

c. State and County Projects—Hawai'i

- **COH: Pāhoā Transit Hub and Pāhoā Public Library Co-Location**
Natasha Soriano reported that the EA will be coming out soon.

- COH: Village 9 Affordable Housing
Neil Erickson said the proposal to accept the TOD CIP Planning Funds passed first reading at the Hawai'i County Council. The contract was sent to the Office of the Corporation Counsel for review. The connector road is almost ready to pave. They are awaiting Department of Transportation (DOT) approval to connect to the right of way.

d. State and County Projects—Maui

- COM: West Maui TOD Corridor Plan
Eaton announced that the West Maui TOD Corridor Plan has evolved into a framework for resiliency. They are planning to present it to the Office of Recovery after it is completed. Comments have been incorporated. She will be presenting it to the Maui Metropolitan Planning Organization-Technical Advisory Committee (Maui MPO TAC) on February 22, 2024, and the Policy Board on February 29. In April, they will be presenting to the TOD Council.

8. Announcements

a. TOD Project Fact Sheet Revisions

Due July 2024

b. Next Meeting and Preliminary Agenda Items for Future Meeting

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| i. | March 2024 | • No TOD Council Meeting |
| ii. | April 19, 2024 | • Presentation: County of Maui, West Maui TOD Corridor Plan |
| | | • Update: TOD-Related Budget and Legislative Proposals in the 2024 Legislative Session |
| | | • Standing Report—TOD Project Updates on Projects in <i>State Strategic Plan for Transit-Oriented Development</i> |
| iii. | May 2024 | • No TOD Council Meeting |
| iv. | June 21, 2024 | • Presentation: TBA |
| | | • Update: TOD-Related Budget and Legislative Proposals in the 2024 Legislative Session |
| | | • Standing Report—TOD Project Updates on Projects in <i>State Strategic Plan for Transit-Oriented Development</i> |

Rue announced that U.S. Department Housing and Urban Development will be holding a conversation on potential investments in affordable housing and how to leverage financial assistance to deliver resilient TOD communities. A significant amount of funds is available from the Inflation Reduction Act and Bipartisan Infrastructure Law especially on items outside of the normal affordable housing funding stack. Bennett Hilley, Senior Advisor for Housing and Sustainability, Office of Multifamily Housing Programs, will be in town to discuss various resources. Also, Jennifer Gottlieb Elazhari, Assistant to HUD Climate Advisor, Office of the Secretary, will be joining the discussion via Zoom. Agencies will be able to join the discussion either in person at

OPSD or via Zoom on Friday, February 23, 2024, 10:30 a.m. A meeting invite will be sent out in the afternoon.

Tim Streit mentioned that the Kalihi Stakeholder Summit will be on March 20-21, 2024. It is being organized by Move O'ahu Forward to bring together government leaders and the Kalihi community to outline a path forward for transit-oriented development. Please save the date. More details to follow.

9. Adjournment

There being no further business, the meeting was adjourned at 10:38 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/>.

Guests/Attendees: Allison Rettig, COK Housing Agency
Ryan Andrews, SA
Blue Kaanehe, DLNR
Chris Sadayasu, SA
Dave Freudenberger, Goodwin Consulting Group
Dayna Vierra, DLNR
Del Won, HHFDC
Denise Iseri-Matsubara, City Office of Housing
David Arakawa, Land Use Research Foundation
Derek Wong, DLNR
Franz Krainitz, City Department of Planning and Permitting
Gerald Schmitz, DOT
Joseph Earing, DAGS
Kaliko Chun, DHHL
Karen Seddon, EAH Housing
Kevin Auger, City Office of Housing
Lauren Yasaka, DLNR
Lindsay Apperson, Governor's Housing Team
Marian Gushiken, EAH Housing
Mark Hakoda, HCDA
Michael Imanaka, Alexander and Baldwin
Neil Erickson, COH Office of Housing and Community Development
Questor Lau, EAH Housing
Randy Tanaka, Office of Senator Sharon Moriwaki
Rasmi Agrahari, DOT
Ren Seguritan, Kamehameha Schools
Senator Chang's Staff
Sofia Luczak, OPSD
Stanley Fujimoto, HHFDC
Susie Fong, Joint Base Pearl Harbor-Hickam
Tami Whitney, Governor's Housing Team
Trey Gordner, Governor's Housing Team