

SUMMARY - PUBLIC HEARING

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

January 8, 2014 – 12:00 p.m.

ATTENDANCE

Members Present: Mary Alice Evans (DBEDT)
Randy Grune (DOT)
Miles Kamimura
Brian Lee
Lois Mitsunaga
Luis Salaveria (DBF)
Brian Tamamoto

Members Absent: Dean Seki (DAGS)

Others Present: Anthony Ching
Lori Tanigawa (Deputy Attorney General)
Lindsey Doi, Compliance Assurance & Community Outreach Officer
Deepak Neupane, Director of Planning & Development - Kakaako
Shelby Hoota, Program Specialist
Patricia Yoshino, Secretary
Holly Hackett (Court Reporter)

A public hearing of the Kakaako members of the Hawaii Community Development Authority (“Authority”), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Brian Lee, Chairperson of the Authority at 12:22 p.m. on Wednesday, January 8, 2014, at the Authority’s principal offices at 461 Cooke Street, Honolulu, Hawaii 96813.

Development Permit Application KAK-13-091: 803 Waimanu Street

Chairperson Lee stated that the public hearing was being held under the provisions of §206E-5.6, Hawaii Revised Statutes, to render a decision on the development permit application KAK-13-091 (“Application”) dated August 9, 2013. An initial public hearing was held on November 6, 2013 to allow the development permit application to be presented to the Authority and to provide the public with the opportunity to present oral and/or written testimony. In addition, supplemental comment sessions were held on November 16, 2013, November 19, 2013, December 14, 2013, and December 17, 2013 to provide additional opportunities for the public to present testimony. All oral testimony was recorded by a court reporter for consideration by the Authority prior to decision making.

Chairperson Lee stated that the applicant is MJF Development Corporation (“Applicant”), and the project address is 803 Waimanu Street. The TMK for the property is: (1)2-1-049: 050, 070 and 072. The project consists of a 65 foot high 7-story structure containing 153 residential units and 92 parking stalls.

Notice of the public hearings was published on October 6, 2013, in the Honolulu Star Advertiser. The notice was made available for public review at the office of the Hawaii Community Development Authority (“HCDA”) and on the HCDA website. The landowners, lessees and other stakeholders in the Kakaako District and surrounding communities, state and county agencies, state legislators, Honolulu City Councilmembers, Association of Apartment Owners of residential buildings adjacent to the Project, surrounding landowners and businesses, and various interested community groups and individuals were notified of the hearing by fax and e-mail. In addition, public hearing notice was provided to approximately 321 individuals and organizations that have shown interest in development in Kakaako in the past and requested that they be kept informed of development activities in the district. Pursuant to HRS 206E-5.6, notice was provided to the President of the Senate and Speaker of the House.

Staff Report, Findings of Fact and Recommendations

Executive Director Anthony Ching presented staff’s report and recommendations on the Application via a PowerPoint presentation (see Exhibit A). He summarized the public hearing notice and community outreach, state and county agencies consultation, design review, compliance with Mauka Area Rules, adequacy of infrastructure and the executive director’s determination to support a density floor area ratio (“FAR”) of 3.5, building type, building form and height, building placement, frontage type and thoroughfare plan, green building, flood zone, and parking and loading, public facilities dedication, and reserved housing requirement. He noted that the Applicant has proposed seeking credit for reserved housing in surplus of the requirement for the project. However, such approval would require review by the Authority at a later time. The Applicant was not requesting any modifications of the Mauka Area Rules.

He presented the following findings of fact relating to development permit application KAK 13-091:

1. The Project as proposed is consistent with the objectives of the Mauka Area Plan and Rules.
2. The Project complies with and advances the goals, policies and objectives of the Mauka Area Plan.
3. The Project protects, preserves, and enhances desirable neighborhood characteristics through compliance with standards and guidelines of the Mauka Area Rules.
4. The Project does not have adverse effect on the surrounding land uses and is compatible with the existing and planned land use character of the surrounding area.
5. Conduct an archaeological impact survey.

Mr. Ching recommended that the Authority adopt the findings of fact and approve the development permit application KAK 13-091.

Member Tamamoto stated he had read the consultant study on traffic and was satisfied with it. He had also read the letter from Ms. Pamela Wood with concerns about FAR and asked Mr. Ching to comment on the increase in FAR from 1.5 to 3.5.

Mr. Ching explained that the rules recognized that the Central Kakaako area has not been subject to a specific Improvement District project, and had provisions for consideration and analysis to be given prior to a specific project. Portions of the district may not be suitable for a maximum FAR being granted. However, the subject parcel is on the extreme boundary of Central Kakaako and is adjacent and within 200 feet of wastewater facilities that the HCDA installed in 1993. The developer would be able to connect to the transmission distribution line on Cooke Street for wastewater. The project received a sewer connection permit from the City and County of Honolulu ("City") Department of Planning and Permitting. No other correspondence from the City has been received indicating that Cooke street facilities were not adequate. The Board of Water Supply indicated that drinking water capacity exists to support the project. Public utilities, such as electricity, cable, telephone, have not indicated that they could not provide the services. The traffic impact analysis study described no impact other than designating Waimanu Street and Kawaihahao Street driveways be designated as in and out, and sidewalks be constructed. This particular parcel is appropriate for elevation of the FAR. These determinations do not mean that infrastructure in the greater Kakaako is adequate. It just means that for this particular project, infrastructure is adequate

Member Evans noted that the Applicant's schematics proposes to place photovoltaic ("PV") panels on the roof at the 65-foot level. She asked if any public comments were received or other consideration given regarding glare and reflection from adjacent properties.

Mr. Ching explained that the panels were non-reflective, so glare and glint would not be issues.

PUBLIC TESTIMONY

Chairperson Lee noted that written testimony on the project had been received as follows: 8 in support, 118 in opposition and 1 with comments only.

Chairperson Lee explained that any testimony received after 4:30 p.m. on January 7, 2014 was not included in the list read. Persons who submitted written testimony after the deadline were encouraged to sign up to present oral testimony as the HCDA could not guarantee that any written testimony submitted after the deadline would be incorporated into the record.

The following persons provided oral testimony:

1. Clara Morikawa, oppose
2. Eddie Johnson, oppose
3. Pamela Wood, oppose
4. Jack Hamada, oppose

Questions/Discussion by Authority Members during the Testimony Period

Chairperson Lee noted Mr. Johnson's proposal that the HCDA waive the reserved housing requirement and allow all units to be sold at market rates in order to have the developer lower the building height. He asked if Mr. Johnson could see the problem that might be created.

Mr. Johnson acknowledged that he did, with other developments in the queue.

Chairperson Lee commended Mr. Johnson's creativity and attempts to find solutions with the developer. He asked whether the proposal had been made to legislators, and why the discussions with the developer did not work out.

Mr. Johnson explained that it was late in the game and the developer's plans were already set.

Mr. Ching explained to public witness Mr. Hamada that the City Department of Transportation Services ("DTS") had offered comments that a traffic report be conducted and recommended mitigation be conducted. DTS also asked that a greater regional traffic assessment be conducted. An ongoing EIS and regional traffic analysis are being conducted by the HCDA.

DECISION MAKING

Chairperson Lee polled individual members on whether they had reviewed the record and were prepared to deliberate on the Application. All Members responded in the affirmative.

Chairperson Lee entertained a motion to adopt the staff's findings of fact and recommendation and approve with the conditions presented in staff's presentation the development permit application KAK 13-091 for MJF Development Corporation for the project located at 803 Waimanu Street, Tax Map Keys: (1)2-1-049: 050, 070 and 072 .

A motion was made by Member Salaveria and seconded by Member Mitsunaga.

Chairperson Lee asked if there was any discussion on the motion.

Member Evans asked why tower separation did not apply to this development permit application.

Mr. Neupane explained that the Mauka Area Rules do not identify building height of 65 feet as a tower, so there was no tower separation requirement.

Member Evans asked if there were other elements in the rules that address the distance between two structures in the Mauka area.

Mr. Neupane replied that the distance between buildings is identified only for tower elements, and there is no setback requirement unless it is a street. So it is controlled by City building and fire codes. If a building has an opening that is unrated, there is a separation. However, if there

is no opening and adequate fire rating, then the buildings can be next to each other.

Chairperson Lee asked if there are other buildings under 65 feet that are similar distance apart under normal City rules.

Mr. Neupane replied in the affirmative. Under the City Land Use Ordinance, there is no separation distance for towers. Separation between buildings is governed by the fire code, and depends on whether there are openings in a building, fenestration, rated or unrated and other technicalities.

Member Evans stated that one resident had commented that on the Imperial Plaza side, there are windows from units facing the proposed development. She asked if that would require building separation under the City fire code.

Mr. Neupane replied that it did not.

Member Tamamoto asked the Applicant for his feedback based on the testimony given by the community residents.

Mr. Franco Mola of MJF Development Corporation explained that the project started a year ago. He originally proposed a 27-story workforce housing project. Due to public concerns, they re-designed the project to follow the rules with no discretions requested. He flipped the building, and flipped it again in response to public concern. He had spent considerable money in redesign for approval and to give consideration to the residents of Imperial Plaza. He could design and build a parking structure to 65 feet, but instead has 45 feet structure with setback. The project was reduced from 27 stories to 7 stories. He would like to build a project to rent, sell and be proud of. The project meets the building code and will provide affordable housing in the area. As far as adequacy of infrastructure, he has 217 sewer hook ups allocated from the sewer department. However, it will be 30% under, since the project was reduced from 224 units to 153 units. As far as traffic, the road is used mostly by neighboring car dealerships. He wanted to develop good housing and be good neighbors. He was not in the luxury housing business, but entry level housing and affordability.

Member Salaveria noted that the Authority rejected the original application. It appeared that the Applicant had listened to the community and their issues on the rules. He asked if the project now conforms to the rules.

Mr. Mola responded that he had heard the community and no modifications were being requested.

Chairperson Lee stated that there was a public perception that the HCDA was lax. However, if the project were to go through the normal City process without asking for any modifications, it would be just ministerial and there would be no need for public hearings. In many cases, the HCDA requirements are more stringent than the City.

Mr. Mola stated that if the project were under City jurisdiction, they could just design according to the code and go forward without a public hearing. The HCDA oversight was over and above City requirements.

Chairperson Lee noted an Imperial Plaza resident's statement that they felt powerless, but that was contrary because the Project had been modified quite a bit as a result of their concerns. He also noted, that since April 2013, the City Council has approved projects with triple the height requirement.

A roll call vote was conducted.

Ayes: Members Evans, Grune, Kamimura, Lee, Mitsunaga, Salaveria and Tamamoto.

Nays: None

The motion passed 7 to 0 with 2 excused (Member Seki and 1 vacant position).

ADJOURNMENT

The public hearing was adjourned at 1:33 p.m.

Attachment: Exhibit A - KAK-13-091 803 Waimanu Street Staff Report - January 8, 2014

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.

KAK 13-091

803 Waimanu Street
Staff Report – January 8, 2014

Project Rendering



Project Lot Area	21,192 sf
Total Number of Units	153 Units
Open Space	8,477 sf
Recreation Space	8,477 sf
Total # of Parking Stalls	91 stalls
Loading	1 stalls
Proposed Floor Area	89,006 sf

Project Summary

- Public hearing notice for the Project was published in the Honolulu Star-Advertiser on October 6, 2013
- Public Notified of Project and Public Hearings:
 - the President of the Senate
 - the Speaker of the House of Representatives
 - Association of apartment owners of residential buildings adjacent to the Project
 - Surrounding landowners and businesses
 - The Ala Moana/Kaka'ako Neighborhood Board No. 11
 - The Kaka'ako Improvement Association
 - Various elected officials and State and County
 - Approximately 321 individuals and organizations that have shown interest in development in Kaka'ako in the past

PUBLIC HEARING NOTICE & COMMUNITY OUTREACH

- The Project was presented during a Public Hearing at HCDA on November 6, 2013.
- Supplemental Comment Sessions were held at HCDA on
 - November 16, 2013
 - November 19, 2013
 - December 14, 2013
 - December 17, 2013
- The Project was presented at the October 22, 2013 Ala Moana/Kaka'ako Neighborhood Board No. 11 meeting.
- There was 5 public testimonies in support and 108 in opposition at the time of the first public hearing.
- At the time of preparing this presentation, HCDA staff has received 8 public testimonies in support of the Project and 118 testimony in opposition of the Project.

PUBLIC HEARING NOTICE & COMMUNITY OUTREACH

- The Development Permit application was provided to the following Agencies on September 24, 2013 for review and comment:
 - State of Hawaii**
 - State Historic Preservation Division ("SHPD"), Department of Land and Natural Resources ("DLNR"),
 - Department of Education ("DOE"),
 - Department of Transportation ("DOT"), Airports Division.
 - City and County of Honolulu ("City")**
 - Department of Transportation Services ("DTS"),
 - Department of Planning and Permitting ("DPP"),
 - Department of Environmental Services ("DES"), and
 - Honolulu Board of Water Supply ("BWS").
- Agency Meeting held on October 24, 2013

State and County Agency Consultation

Design Advisory Board (DAB) Members:

- Mr. Deepak Neupane, P.E., AIA (HCDA Director of Planning and Development),
- Ms. Lois Mitsunaga, (HCDA Board Member), and
- Mr. Tom Schnell, AICP (professional expert and Kaka'ako resident).

- Design review was held on August 20, 2013

Design Review

- Project will comply with all provisions of the HAR, Chapter 217, Title 15, Mauka Area Rules.

Ch. 217 Mauka Area Rule Compliance

- DPP Waste Water Branch has approved sewer connection permit for the Project
- Comment from BWS indicates adequate water supply to support the Project
- Applicant has submitted a traffic impact assessment report (TIAR) which does not find any major traffic concerns
- In 1993 HCDA completed Improvement District Project-3 (ID-3) in the area that included sewer upgrade on Cooke Street
- Applicant is proposing frontage improvements.
- Based on comments from C&C agencies, infrastructure in the neighborhood is adequate to support the Project
- As provided for in §15-217-57 (c) and (d) of the Mauka Area Rules the Executive Director finds that there is adequate infrastructure in the area to support a density (floor area ratio) of 3.5.

Mauka Area Rules §15-217-57 Adequate Infrastructure

- Comments Received from C&C Agencies (Departments of Environmental Services, Transportation Services, Board of Water Supply) Raise No Infrastructure Concerns
- This Determination Will Not Release the Developer from Responsibility for Any Project Specific Improvements Id'd in the Course of Governmental Review
- Developer is Required to Participate in Any Future HCDA Improvement District Projects
- On-Site Improvements Proposed by Developer Will Improve Local Conditions
- Adequate Infrastructure to Support 3.5 FAR

ED's Determination

HCDA Rules

	Ch. 217 Plan & Rule	Proposed Project	Comments
Building Type	Urban Block	Urban Block	
Building Form & Height	Maximum 65'	7 floors to height of 65' Stepped floor plates	
Building Placement	<u>Build-to-Lines</u> Kawalahao St: No requirement Waimanu: Not requirement	<u>Build-to-Lines</u> Kawalahao St: To property line Waimanu St: To property line	

HCDA Rules

	Ch. 217 Plan & Rule	Proposed Project	Comments
Frontage Type	Stoop Frontage	Stoop Frontage on both Kawalahao and Waimanu	
Thoroughfare Plan	2 Thoroughfares: Kawalahao & Waimanu Streets	Consistent with Figure 1.7B of Mauka Area Rules	
Open Space	15% of lot = 3,179 sf	8,477 sf (40%)	Exterior recreation space also serves as open space. Consistent with §15-217-56(d) of Mauka Area Rules
Landscape	Native and/or Adaptive Species	Native and/or Adaptive Species	
Recreation Space	55 sf / dwelling unit 153 units = 8,415 sf	8,477 sf on 2 nd & 5 th floors	

HCDA Rules

	Ch. 217 Plan & Rule	Proposed Project	Comments
Floor Plate	5 th -7 th floors average 60% of floorplate	20,229 sf floor plate, Floors 5-7 average 12,136 sf (60%)	
Orientation	No requirement		
Tower Separation	Not applicable		
Green Building	LEED or Equivalent	Eligible LEED Certified	

HCDA Rules

	Ch. 217 Plan & Rule	Proposed Project	Comments
Flood Zone	Flood Zone X – No Requirements	Flood Zone X – Outside of .2% annual chance of 500-year flood	
Parking	No off-street parking for Central Kaka'ako. 1 stall/unit for reserved housing	91 stalls	Mechanical parking system proposed. Allowed by 15-217-63(i)(4)
Parking Access	22' from property line	Greater than 22' from property line	
Loading	1 stall	1 loading, 1 handicap	
Public Facilities Dedication	4% residential (less reserved housing) = 2,861 sf	866 sf in widened sidewalk along Kawaiahao St	Remaining by payment of lieu-in-fee. Allowed by 15-217-63(c)(2).

- The requirement for public facilities dedication is 4% residential floor area (excluding reserved housing), which amounts to 2,840 square feet of land.
- The Applicant is proposing to provide 866 square feet along Kawaiahao Street to widen the sidewalk.
- The Applicant is proposing to satisfy remaining 1,974 square feet requirement by paying cash-in-lieu fee of \$189/sq ft for a total of \$373,086.

Public Facilities Dedication

- The applicant is proposing to designate 17,994 square feet (20.1%) of reserved housing, which amounts to 24 units (6 studios, 17 one-bedroom, 1 two-bedroom)
- The applicant has proposed to seek credit for residential units that would qualify and meet terms of reserved housing in surplus of the requirement for the Project.
- Approval of reserved housing credits would require further action from the Authority.
 - Due to the off-street parking requirement for reserved housing units, only 67 units would be eligible for reserved housing credit with parking proposed to be provided on-site.
 - The remaining 62 residential units without parking on-site, would be eligible as reserved housing if required parking is provided off-site within 1,200 feet of the project location, subject to the provisions of 15-217-63(f)(3) of Mauka Area Rules.
 - Since the Project is predominantly studio units, a multiplier of 0.63 is recommended to be used to convert eligible units into credit.
- The reserved housing credits could be applied to meet requirements of future projects within the Kaka'ako District.

Reserved Housing

- The Applicant is not requesting any modifications of the Mauka Area Rules.

Modifications Requested

- Staff recommends the Authority adopt the following findings of fact relating to the Development Permit application:
 - (a) The Project as proposed is consistent with the objectives of the Mauka Area Plan and Rules
 - (b) The Project complies with and advances the goals, policies and objectives of the Mauka Area Plan.
 - (c) The Project protects, preserves, and enhances desirable neighborhood characteristics through compliance with standards and guidelines of the Mauka Area Rules.
 - (d) The Project does not have adverse effect on the surrounding land uses and is compatible with the existing and planned land use character of the surrounding area.
 - Conduct an archaeological impact survey (AIS)
- Staff recommends the Authority approves the 803 Waimanu Street Development Permit No. KAK 13-091

Findings of Fact