

SUMMARY REPORT

# KAKA'AKO POLICY DESIGN TANK

01 August, 2022



**UH CDC**  
UNIVERSITY OF HAWAII  
COMMUNITY DESIGN CENTER

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**SCHOOL OF  
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UNIVERSITY OF HAWAII AT MĀNOA

# ACKNOWLEDGEMENT

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# EXECUTIVE SUMMARY

The Kaka’ako Policy Design Tank convened two panels of nine experts from a number of fields related to urban planning, urban design, housing, real estate development, and arts and culture. Two separate working groups focused on Housing and the Environment/Open Space reviewed draft development incentives for the Mauka Area of the Kaka’ako Community Development District. After developing an evaluation framework consisting of multiple evaluation criteria, the two working groups evaluated the draft incentives and suggested recommendations for improving the incentives before adoption. The primary recommendation across both working groups was that HCDA should consider being more generous with FAR bonus, especially in places where it would like to encourage developers to expand reserve housing, public amenities, or reduce environmental impacts.

# INTRODUCTION

The Kaka’ako Community Development District Mauka and Makai Area Plans and Rules are designed to guide the redevelopment of this former industrial area into a vibrant pedestrian-oriented urban community. The Mauka and Makai Area Plans establish the general redevelopment goals and objectives for each respective area, while the Mauka and Makai Area Rules specify regulations and incentivize development practices that are important for the enhancement of these urban communities.

The Hawai’i Community Development Authority (HCDA) is a public entity created by the Hawai’i State Legislature in 1976 to plan for the redevelopment of Kaka’ako and other areas of the state that are in need of renewal, renovation, or improvement. HCDA was established to compose development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition. HCDA’s work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawai’i’s people.

The Kaka’ako Mauka area plan and rules were first adopted in 1982. The next major repeal and replacement of the Mauka area plan and rules came in 2011. Presently, HCDA is drafting amendments to the Mauka Area Rules governing the KSDD, for consideration by the State Legislature. Rule amendments tend to occur every 5-10 years and should guide the direction of development in the KSDD for a period of a decade or more. HCDA has contracted the University of Hawai’i Community Design Center (UHCDC) to implement a Policy Design Tank, a gathering of multi-disciplinary experts to provide feedback on proposed amendments and suggest amendments that can produce the outcomes that HCDA and the community have envisioned for Kaka’ako.

Starting in March 2022, UHCDC in partnership with the Department of Urban and Regional Planning in the College of Social Sciences at the University of Hawai’i at Mānoa, convened a panel of nine experts to evaluate the draft rules and incentives for the Mauka Area of the development district. This report documents the activities of that Policy

Picture 1. Kaka’ako Mauka and Makai area.



Design Tank and the two working groups therein that were tasked with evaluating the draft incentives. This report also includes the recommendations these experts made based on their review of the proposed rule and development incentive changes.

PROCESS OVERVIEW

Purpose & Goals

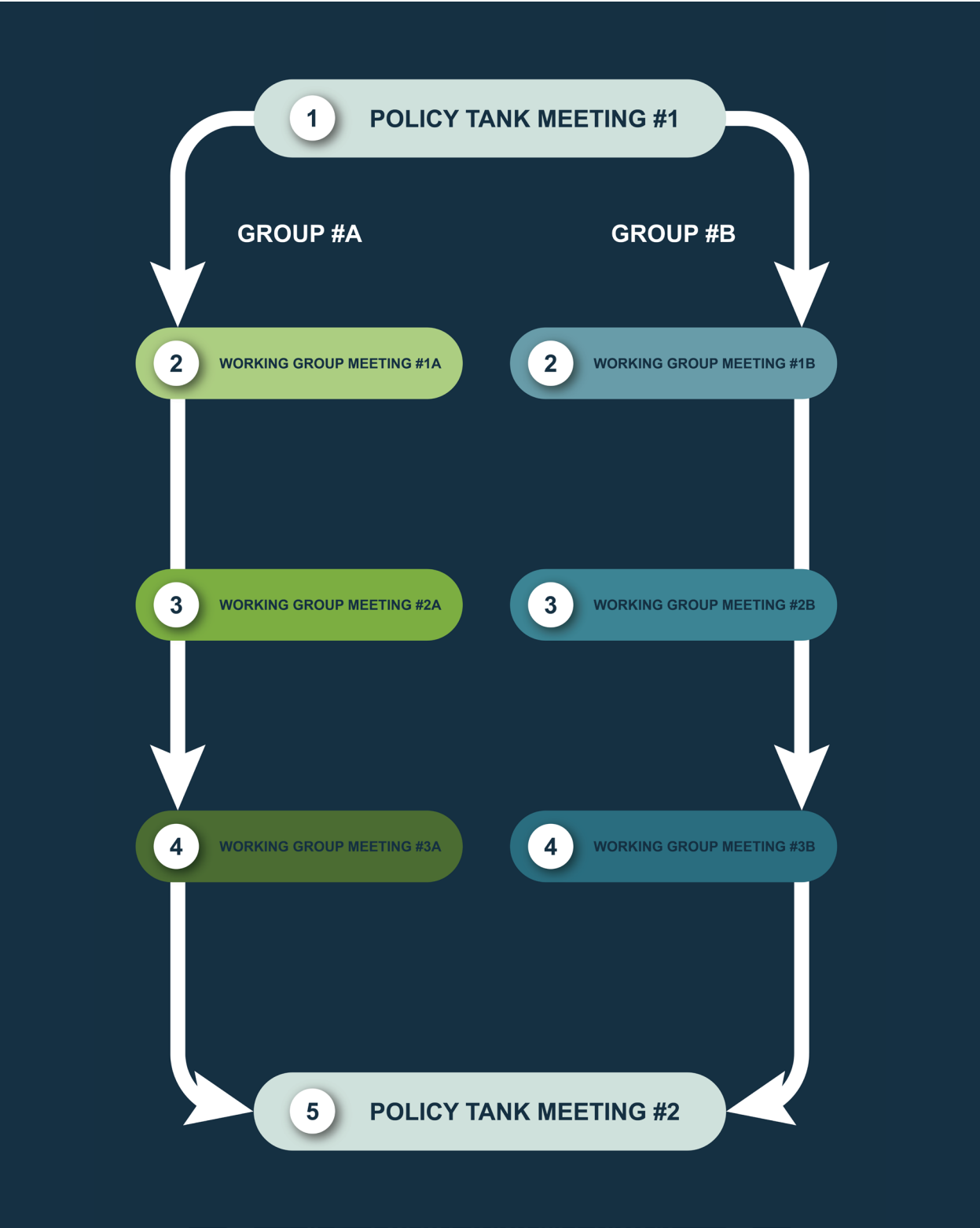
The purpose of the Kaka’ako Policy Policy Design Tank was to review draft incentives/ development guidelines, develop an evaluation framework, evaluate the draft incentives/guidelines, and provide recommendations for revising them to meet the needs of HCDA, the community, and the State.

Process Overview

The Policy Design Tank focused its efforts on three urban planning and design concept areas: Housing, Environment, and Open Space. A group of nine subject-matter experts were invited to participate in the Policy Design Tank. These experts represented a variety of fields, which included planning, economics, housing, community development, urban design, landscape architecture, art, and real estate development, that were relevant to the three primary concept areas. The experts were divided into two working groups. One working group reviewed incentives intended to promote the development of affordable housing and a second working group reviewed incentives related to the environment and open space.

An overview of the Policy Design Tank Process is included in Figure 1, below. The Policy Design tank was supposed to convene twice as a large group, once at the beginning and again at the conclusion of the process. However, due to scheduling constraints, each working group met separately at the start of the process before meeting three additional times each. The entire Policy Design Tank then met at the conclusion of all the working group meetings. Individually, the working groups were tasked with developing an evaluation framework for their concept areas, evaluating the draft incentives, and recommending changes/revisions to the draft incentives.

Figure 1. Policy Design Tank Process Overview





Meetings/Structures

In total, the Policy Design Tank convened nine meetings (See Table 1 for the complete schedule of those meetings). Only eight meetings were planned originally, but due to scheduling conflicts, working groups met separately for the first meeting. Each working group met three times, and the entire policy tank met once more to conclude the process. The meetings were all held between March 7, 2022 and May 23, 2022. Brief descriptions of the meetings are included below and detailed agenda can be found in Appendix A.

Table 1. Policy Design Tank Meeting Schedule

MEETING	DATE(S)	PURPOSE
Policy Tank Meeting #1	03/07/22 - Environment/Open Space 03/11/22 - Housing	To describe the purpose of the Policy Design Tank, share some of the background/history of the project/incentives, organize the working groups, and decide on the collaborative logistics of each group.
Working Group Meeting #1	4/11/22 - Environment/Open Space 5/10/22 - Housing	To review the draft development incentives and to develop an evaluation framework.
Working Group Meeting #2	4/25/22 - Environment/Open Space 5/11/22 - Housing	To conduct a preliminary evaluation of the draft incentives and to revins the evaluation framework.
Working Group Meeting #3	5/12/22 - Environment/Open Space 5/17/22 - Housing	To conduct a final evaluation of the draft incentives, to identify gaps, opportunities, weaknesses, and threats of current draft incentives, and to recommend alternatives and/ or revisions of draft incentives.
Policy Tank Meeting #2	5/23/2022 - Both Working Groups	To summarize and share the outcomes of the evaluations conducted by each group, to summarize the major recommendations from each working group, to discuss next steps, and adjourn the policy design tank.

HOUSING WORKING GROUP

Group’s Mission/Mandate

The Housing Working Group of the Kaka’ako Policy Policy Design Tank was tasked with evaluating the incentives that specifically related to the provision of more affordable housing in the neighborhood. Their mission was to identify a set of criteria and use those criteria for evaluating proposed incentives. Given the time constraints, the working group conducted a qualitative evaluation of their draft incentives. Their conclusions are based on their status as subject matter experts and long standing experience in the fields of housing and urban development in Honolulu and in other geographic locations.

Group Members

Members of the Housing Working Group have extensive experience and expertise in housing development, planning for housing, and housing policy. They represented public agencies, private sector developers, and not-for-profit organizations. The Housing working group members were all intimately familiar with the dynamics of real estate development in Hawai’i and, in particular Honolulu. They were also familiar with and have worked in Kaka’ako. The members of the Housing Working Group are listed in Table 2, below.

Table 2. Members of the Housing Working Group

NAME	AFFILIATION
Kalani Fronda*	Land Director, Office of Hawaiian Affairs
Marian Gushiken	Director, Real Estate Development, Hawaii, EAH Housing
Stanford Carr	President, Stanford Carr Development, LLC
Philip Garboden	HCRC Professor in Affordable Housing Economics, Policy, and Planning, Department of Urban & Regional Planning, University of Hawaii Economic Research Organization, College of Social Sciences, University of Hawaii at Manoa

\* Working Group Chairperson

**Housing Working Group: Meeting Summaries**

**Policy Tank Meeting #1: March 11, 2022**

The first meeting with members of the Housing working group was held on March 11, 2022, via Zoom. During this meeting, the working group was introduced to the ongoing efforts to revise the Mauka area development incentives, they were given an overview of the Policy Design Tank process, and were shown how their work would contribute to the incentive update process. The goal of the Policy Design Tank, as articulated to the working group members, was to apply their professional expertise and experience to evaluate the draft incentives in order to identify opportunities or weaknesses and recommend revisions or alterations. The group was also given an opportunity to decide on how they would work together, what tools they would use to support their work, and selected Kalani Fronda as the group’s chairperson. The group raised several questions including questions about the extent of broader efforts to engage community members, the timeline of the entire process, and where they might find more information about the process. The housing working group was directed to the project website which included links to relevant and detailed information about the project. A detailed summary of this meeting is included in Appendix B.

**Working Group Meeting #1: May 10, 2022**

The first working meeting of the Housing Working Group took place on May 10, 2022. During this meeting, the working group focused on identifying the criteria they would use for evaluating the draft incentives. A facilitated brainstorming session resulted in the evaluation criteria identified in the Evaluation Framework outlined below. Additionally the group engaged in discussion of the incentives in relationship to both past impacts and potential future impacts. The group reached consensus regarding the priority of criteria for evaluating incentives with the production of more affordable housing as the most important. A detailed summary of this meeting is included in Appendix C.

**Working Group Meeting #2: May 11, 2022**

The second meeting of the Housing Working Group took place on May 11, 2022. During this meeting, the Working group evaluated the draft incentives using the criteria identified in the previous meeting. Overall, the Housing Working Group agreed that the Floor Area Ratio (FAR) Bonuses including the draft incentives could be more generous, especially when it comes to providing incentives to increasing housing supply. Other themes that came up during this meeting related to the range of median incomes considered for affordable housing eligibility, the role that encumbrances played relative to the purchase of affordable housing units and housing mobility, and the lack of incentives for affordable rental properties. Beyond the primary goal of increasing affordable housing production, the group also identified areas of concern and interest to include the skyline and aesthetic impacts of the proposed incentives and their interest in a cultural or arts district designation for the community. Questions raised included the basis of the FAR bonuses as presented in the draft incentives and the possibility of HCDA participating in a soft subsidy program to further promote the production of affordable housing. A detailed summary of this meeting is included in Appendix D.

**Working Group Meeting #3: May 17, 2022**

The third meeting of the Housing Group took place on May 17, 2022. Because the working group had completed their review of the incentives specifically linked to housing and housing affordability, the Housing Working group was asked to review the incentives related to the Environment and Open Space during this meeting, where appropriate according to their professional expertise and experience. The group shared a common concern that the incentives as written may be too specific for accomplishing the intended goals and noted that it may be more advantageous to allow for adjustment of FAR bonuses related to the specific project and scale of benefit provided by each development. A detailed summary of this meeting is included in Appendix E.



Evaluation Framework

The Housing Working Group identified the following criteria, which they used to evaluate the draft development incentives. The criteria are listed below, followed by brief descriptions:

- 1. *Affordability Mixture* – the mixture of housing in the Mauka area based sale value.
- 2. *Demographic Diversity* – the diversity of the population of people and families living in the Mauka area. Diversity in this case refers to ethinc/racial diversity, age, economic class, and so on.
- 3. *Arts & Culture Destination* – the extent to which the Mauka area is a welcomed destination for artists, artisans, and other creatives to live and work in Kaka’ako and the extent to which the Mauka area attracts a wider range of visitors to the area.
- 4. *Rental Housing Stock* - the availability of rental stock at different levels of affordability.
- 5. *Housing Mobility* – the ability of individuals/households to build wealth through homeownership, especially linked to moving up the housing ladder.
- 6. *Developer Feasibility* – the likelihood that the incentive is feasible from a developer’s perspective, as in will the benefits from an FAR bonus outweigh the costs enough to entice a developer to actually implement the incentive.

Evaluation Worksheet Summary

During the second and third working group meetings, members of the Housing Working group were led through a qualitative evaluation of the relevant development incentives. This evaluation drew on their status as subject matter experts and highlights the potential strengths of the current incentive drafts but also points to potential opportunities

for improvement. To complete their evaluation, the group reviewed the draft incentive and then discussed the impact that incentive might have on the criteria under consideration. For instance, when the group considered the 2.00 FAR bonus for 30% increase in reserved housing, they discussed how much of an impact that incentive might have on the mixture of affordable housing in the Mauka area. The facilitation team observed their conversation and documented the final consensus conclusion from the group regarding that incentive's impact on that criteria. This process was repeated for each draft incentive and each criteria. Table 3, below, summarizes the consensus perspective of the working group members. More detailed accounts of their discussion can be found in the meeting summaries for the second and third working group meetings (Appendices D and E, respectively); furthermore, a detailed evaluation framework is included in Appendix F.

Evaluation of Proposed Incentives

Analysis of Reserved Housing Incentives

During their analysis, the Housing Work Group considered all the incentives related to reserved housing together, since the impacts would likely be similar across all criteria. They noted that the differences would only be observed in the magnitude of impacts anticipated. As

Table 3. Evaluation of Draft Development Incentives for Affordable Housing

INCENTIVE	CONCLUSION(S)
Include 30% Reserved Housing	Feasible and desirable, increase FAR bonus.
Include 40% Reserved Housing	Feasible and desirable, increase FAR bonus.
Include 45% Reserved Housing	Feasible and desirable, increase FAR bonus.
Incorporate Micro Units	Feasible and desirable, reduce percentage of units required.
Maintain Light Industrial Land Uses	Not feasible nor desirable.

drafted these incentives would provide Floor Area Ratio bonuses of 2.00, 2.50, and 3.00 for developments in which 30%, 40%, and 45%, respectively, of the for sale units were set aside as reserved housing units.

1. ***Affordability Mixture*** – reserved housing incentives are unlikely to promote the housing affordability mixture since it will all serve the same area median income (AMI) bracket of 100 - 140%.
2. ***Demographic Diversity*** – reserved housing incentives are also not expected to promote demographic diversity without incentives for housing at lower AMI levels including deep affordability and affordable rental units.
3. ***Arts & Culture Destination*** – reserved housing incentives are unlikely to enhance the desirability of Kaka’ako because they are unlikely to make significant and direct contributions to either the mixture of affordable housing and the demographic diversity in Kaka’ako.
4. ***Rental Housing Stock*** – because reserved housing units were expected to be “for sale,” none of these incentives will increase the amount or affordability of rental housing stock in the Mauka area.
5. ***Housing Mobility*** – encumbrances on the resale of reserved housing units reduce housing mobility; the encumbrances create a disincentive to relocating by reducing the amount of equity available to unit owners to move into market rate units.
6. ***Developer Feasibility*** – 30% reserved housing for a 2.00 FAR increase is feasible; however the FAR increases for the 40% and 45% reserved housing levels might be too low to overcome the increased cost required thus making it more likely that developers will opt for the 30% reserved housing incentive.

**Recommended Changes/Additions to Reserved Housing**

**Incentives:**

- Increase the FAR bonuses to incentivize the development of more Reserved Housing. This should put the higher percentages of Reserved Housing within closer financial reach of developers leading to the development of more affordable housing.
- Either reduce the length of encumbrances or vary the encumbrance length on a sliding scale relative to the area median income to reduce the draft that these incentives might place on housing mobility.
- Expand the area median income brackets eligible for reserved housing in order to maximize the diversity of affordable housing and the demographic diversity of neighborhood residents.
- Include incentives to promote the development of rental housing units at and below market rates to improve housing and demographic diversity.

**Analysis of Micro Units Incentive**

Picture 2. Ward Village Anaha offers housing options from studios to penthouse suits.  
source: <https://realhawaii.co/ward-village>





This incentive is intended to provide a density (FAR) bonus if a developer includes micro units (~300 square feet), which are intended to provide low cost and energy efficient forms of housing. Developers will be awarded a 3.00 FAR increase if micro units comprise at least forty percent of the total residential units in the project.

1. *Affordability Mixture* – micro units will add housing at a lower level of affordability but the high percentage required may reduce the impact that this incentive has on the affordability mixture within the project.
2. *Demographic Diversity* – the availability of micro units may have both a positive and negative impact on demographic diversity. By addressing a specific, unmet need, micro units might improve demographic diversity. However, their limited use might also constrain the promotion of demographic diversity.
3. *Arts & Culture Destination* – micro units might be attractive to makers, artisans, and other creatives and may enhance Kaka’ako’s status as an Arts & Cultural Destination.
4. *Rental Housing Stock* – construction costs of micro units relative to the potential rental rates, especially when compared to the costs/rents for one-bedroom rental units, might have a negative impact on the number of rental units available.
5. *Housing Mobility* – housing mobility will be hindered by the lower appreciation rates of micro units. There is a potential market for buyers of these units, however, their ability to purchase large units will be hindered by the lower appreciation rates and the large price gap between micro units and larger housing units.
6. *Developer Feasibility* – micro units are feasible for developers but not desirable. Micro units are expensive on a per square foot basis and the added density on the project site might not provide as much community benefit for the costs as other types of units.

**Recommended Changes to the Micro Units Incentive:**

- Reduce the percentage of micro units required for the density bonus in this incentive.
- Micro units should be targeted for deeper affordability to provide entry level rental units at the lowest AMI brackets.

**Analysis of Incentive to Maintain Light Industrial Land Uses on Project Sites**

The Housing working group concluded that there would be little to no community benefit for prioritizing the maintenance of light industrial land uses by offering density bonuses to developers. They argued that incentives for industrial land uses should prioritize industries that would modernize industrial production and provide greater benefit to the community and city. They also determined that this incentive would not be desirable to developers.

**Recommended Changes to the Light Industrial Land Uses Incentive:**

- Remove this incentive from consideration as written.
- Consider adopting an incentive that encourages the development of industries that provide greater social and economic benefit to the community.
- Incentive should target density (FAR) over building podium height to further the housing goals.

**Other Actionable Recommendations**

Throughout each meeting and during the final Policy Design Tank meeting, the members of the Housing Working Group also offered additional recommendations that cut across all the draft incentives. They also suggested recommendations that were unrelated to the specific incentives but offered them as suggestions for addressing housing affordability issues in Kaka’ako and, more widely, in Honolulu.

**Recommendations Related to the Incentives**

- Consider more generous density bonuses.
- Widen marginal FAR increments where appropriate.
- Incentives should include both rental and for-sale housing units.
- Consider how the incentives might address a need for deeper housing affordability.
- Generate empirically based pro formas that establish the financial feasibility/desirability of the incentives.

**Recommendations Related to Housing, Generally**

- Housing affordability should be based on a sliding scale adjusted median income.
- Address the encumbrance problem for selling units as a damper on housing mobility.
- Develop a “soft second gap” financing program to support housing development.

## ENVIRONMENT/OPEN SPACE WORKING GROUP

**Group’s Mission/Mandate**

The Environment/Open Space Working Group was charged with evaluating the incentives that related to the provision of public open space, the use of sustainable building practices, and other public amenities. Their mission was to identify a set of criteria and use those factors for evaluating the proposed incentives. Because of the limited time available, the Environment/Open Space Working Group completed a qualitative evaluation of the draft incentives for each criteria they identified. As with the Housing Working group, their conclusions are based on their status as subject matter experts with significant experience in the fields of landscape architecture, economics, arts and culture, planning, and land use planning in Honolulu and in other locations, as well.

**Group Members**

Members of the Environment/Open Space Working Group have extensive experience and expertise in the fields of urban planning, urban design, landscape architecture, land use planning, economics, environmental planning, and arts and culture. They represented private sector consultants, academic institutions, and public art museums. The Environment/Open Space Working group members had a much wider array of interests and expertise than the Housing working group, but are all intimately familiar with the connections between real estate development, urban planning, and its associated impacts on public open space and the local environment. They were also familiar with current state-of-the-art building practices and urban design principles related to sustainable development and the promotion of public art and culture. They were also familiar with and have worked in Kaka’ako. The members of the Environment/Open Space Working Group are listed in Table 4, below.

Table 4. Members of the Environment/Open Space Working Group

NAME	AFFILIATION
Abbey Seitz*	Founder, Planning for Community, LLC
Lee Sichter	President, Lee Sichter, LLC
Grace Zheng	Senior Associate, PBR and Associates, INC, Hawaii
Taylour Chang	Curator, Film and Performance at Honolulu Museum of Art
Justin Tyndall	Assistant Professor of Economics, Department of Economics,University of Hawaii Economic Research Organization, College of Social Sciences, University of Hawaii at Manoa

\* Working Group Chairperson



**Environment/Open Space Working Group: Meeting Summaries**

**Policy Tank Meeting #1: March 7, 2022**

Environment/Open Space Working Group Members attended the first policy tank meeting via Zoom on March 7, 2022. Working group members were introduced to the ongoing efforts to update the development incentives for the Mauka area. They were also introduced to the Policy Design Tank Process, and were shown how their work would contribute to the larger incentive update process. The goal of the entire Policy Design Tank process, as communicated to the working group members during this meeting, was to apply their expertise to evaluate the draft incentives in order to identify opportunities or weaknesses and recommend revisions or alterations. The remainder of the meeting served as a group orientation. Members introduced themselves to each other and were given the opportunity to decide how they would work together. They also identified the tools that they would rely on to support their work, and selected Abbey Seitz as the group's chairperson. During this meeting, the group wondered about the definition of “community” as it related to this effort and was also interested in knowing more about the broader set of community stakeholders that had been engaged in this process. A detailed summary of this meeting is included in Appendix G.

**Working Group Meeting #1: April 11, 2022**

The first working meeting of the Environment/Open Space Working Group took place on April 11, 2022. This meeting included a facilitated brainstorming session in which participants identified a range of possible criteria to include in their evaluation framework. The group finalized a list of criteria to include in their evaluation framework which is outlined below. The group expressed a need to use criteria that allowed for flexibility given the wide range of incentives they were tasked with evaluating and that would allow them to consider a range of potential outcomes. A detailed summary of this meeting is included in Appendix H.

**Working Group Meeting #2: April 24, 2022**

The second working meeting of the Environment/Open Space Working Group took place on April 25, 2022. The purpose of this meeting was to collectively evaluate the draft incentives related to the Environment/Open Space using the criteria the working group had identified in the previous meeting. The group discussed the incentives in detail and prioritized the social and ecological qualities of the spaces and amenities potentially provided by the development incentives. They also expressed concern for impacts that transcended an individual site and impacted the urban fabric of the wider neighborhood/region. The group identified a range of potential forms that various concepts/incentives could take and noted that each potential form would result in a unique evaluation of the proposed FAR bonus for that community benefit. According to the members of this working group, a quantifiable evaluation of the incentives as written is not possible, considering the range of options available within the developer-provided benefit. The group shared a concern that the lack of specificity of the concepts could result in a low-quality or redundant benefit to the community. A detailed summary of this meeting is included in Appendix I.

**Working Group Meeting #3: May 12, 2022**

The final working meeting of the Environment/Open Space Working Group occurred on May 12, 2022. During this meeting, the group completed their evaluation of the draft environment and open space incentives. The list of incentives reviewed during this meeting reflected updates to the draft incentives made by HCDA and shared with the group just prior to this meeting. Members of the working group discussed potential developer-produced benefits resulting from the implementation of each draft incentive and noted that the value of the appropriate FAR bonus would change depending on the benefit of a specific community amenity. They concluded that the FAR steps should increase at a higher rate as the community benefit/value of environmental or public amenity increased. For example, the group recommended that the increase in FAR for LEED Platinum should be greater than the increase from Silver to Gold. Additionally, the group identified incentives with potentially conflicting outcomes including green façades and parking incentives. A detailed summary of this meeting is included in Appendix J.

Evaluation Framework

The Environment/Open Space Working Group identified the following criteria, which they used to evaluate the draft development incentives. The criteria are listed below, followed by brief descriptions:

- 1. *Practical Feasibility* – is the proposed incentive practically feasible as currently written.
- 2. *Diversity of Population/Uses* – the demographic diversity in terms of race/ethnicity, age, income levels, and community/ cultural interests and the diversity of land uses, building types, and residence types.
- 3. *Sustainable Building Practices* – promoting the use of state-of-the-art building practices and landscaping, including the use of 100% native plants for landscaping and other low impact design features.
- 4. *Transportation & Street Design* – connections to and support for multi-modal transportation options and infrastructure improvements for non-motorized transportation modes (e.g., bicycling and pedestrian.)
- 5. *Streetscape Improvements* – enhancements to the pedestrian experience in terms of walkability, accessibility, shade and other streetscape amenities.
- 6. *Open Space Quality* – the quality and diversity of available public open space.
- 7. *Open Space Access* – the accessibility of open space for public use .
- 8. *Creative Space* – the quantity and quality of both indoor and outdoor spaces for works of art and community art projects.
- 9. *Spaces for Creatives* – the availability of living and working spaces for creatives within the neighborhood to promote the arts, including makers’ spaces.

- 10. *Developer Feasibility* – the likelihood that the incentive is feasible from a developer’s perspective, as in will the benefits from an FAR bonus outweigh the costs enough to entice a developer to actually implement the incentive.

Evaluation Worksheet Summary

During the second and third working group meetings, members of the Environment/Open Space Working Group collectively conducted a qualitative evaluation of the relevant draft development incentives. This evaluation drew on their status as subject matter experts and highlights the potential strengths of the current incentive drafts but also points to potential opportunities for improvement. Table 5, below, summarizes the consensus perspective of the working group members. More detailed accounts of their discussion can be found in the meeting summaries for the second and third working group meetings (Appendices I and J, respectively); furthermore, a detailed evaluation framework is included in Appendix K.

Evaluation of Proposed Incentives

Analysis of Public Art Incentive

The Environment and Open Space Working Group considered the incentive that would provide developers with a 0.25 Floor Area Ratio bonus for providing a publicly accessible art installation or gallery space. Whether a gallery or art installation, this incentive was specifically designed to promote the presence of art in Kaka’ako.

- 1. *Practical Feasibility* – practically this incentive may be hard to maintain in perpetuity. The costs associated with maintenance would likely exceed the revenue generated by the density.
- 2. *Diversity of Population/Uses* – unlikely to change the diversity of land uses or the demographic density of the Mauka area because it replicates practices that are well established in the neighborhood.



Table 5. Evaluation of Draft Development Incentives for Affordable Housing

INCENTIVE	CONCLUSION(S)
Provide Public Art Space	Feasible and uncertain community benefit.
Provide Public Facility Space	Feasible and limited community benefit.
Provide Public Open Space	Feasible and limited community benefit.
LEED/WELL Silver Certification	Feasible and desirable, increase FAR bonus.
LEED/WELL Gold Certification	Feasible and more desirable than silver, increase FAR bonus.
LEED/WELL Platinum Certification	Least feasible and most desirable, increase FAR bonus.
Provide Hardened Shelters On-site	Feasible and uncertain desirability.
Include a Rainwater Management System	Feasible and desirable.
Include Stormwater Management System	Feasible but not desirable, increase FAR bonus.
Generate On-site Renewable Energy	Feasible but not desirable, increase FAR bonus.
Construct a Green Façade	Not feasible.
Provide Public Parking	Feasible but not desirable.
Install Pedestrian Cover	Feasible, incorporate into standard design requirements.
Create a robotic parking system	Not feasible at this time.

3. *Streetscape Improvements* – public murals would enhance streetscape aesthetics, but the design of an indoor gallery space would determine whether and how it might enhance the streetscape. Internal gallery space would have no impact on streetscape improvements.
4. *Open Space Quality* – public art installations would improve open space quality if planned in conjunction with public open space development.
5. *Creative Space* – public art space would provide additional art display space for local artists. It would add to the existing creative character of the neighborhood. Gallery space would allow for a more regular rotation of art and be a more active space relative to a mural or other static public art.
6. *Spaces for Creatives* – display space would have no impact on spaces for creatives.
7. *Developer Feasibility* – the cost required relative to the provided benefit (0.25 FAR) does not appear to be reasonable.

Recommended Changes to the Public Art Space Incentive

- The FAR bonus should be increased to 0.5 or 0.75 to account for the increased costs required for providing public art space and ensuring its maintenance.
- The incentive should be revised to prioritize gallery/exhibition space over murals.
- Include a requirement that mural space be provided for emerging artists.
- Stipulate provisions for public access to the space and for its long term maintenance.
- Stipulate specifications for what would qualify as a public art amenity (e.g., gallery square footage.)

**Analysis of Public Facility Incentive**

The Environment and Open Space Working also considered the incentive that would provide developers with a 0.25 Floor Area Ratio bonus for providing a public facility. The purpose of this incentive is to provide residents of Kaka’ako access to a public facility in the neighborhood. Developers would be required to include a public facility from the HCDA’s pre approved list, onsite, in order to qualify for this incentive.

- 1. *Practical Feasibility* – this incentive is practically feasible; however, without prior knowledge regarding the specific type of public facility offered by the developer it is unclear if the application of this incentive would be desirable for the community.

- 2. *Diversity of Population/Uses* – unlikely to impact the demographic or land use diversity.
- 3. *Sustainable Building Practices* – not directly applicable.
- 4. *Transportation & Street Design* – not directly applicable.
- 5. *Streetscape Improvements* – impact on streetscapes will depend on the type of public facility provided, its location on the site, and final design.
- 6. *Open Space Quality* – would only apply if open space was included as part of the public facility.
- 7. *Open Space Access* – would only apply if open space was included as part of the public facility.
- 8. *Creative Space* – could potentially provide space for the display or performance of art depending on the type of public facility developed. If designed as a dual-purpose facility, this could represent an opportunity to provide an enhanced community amenity.
- 9. *Spaces for Creatives* – would only apply if the public facility included space or spaces for the creation of art or other products.
- 10. *Developer Feasibility* – the FAR bonus is likely too low relative to the costs associated with providing a public facility. The feasibility of providing a public facility would depend, entirely, upon the nature and size of facility desired/provided.

**Recommended Changes to the Public Art Space Incentive**

- HCDA should provide recommendations of the types of public facilities desired. This might include a prioritization of the pre approved public facilities list.
- The priorities of the community should be taken into consideration with regard to the type of public facility incentivized

Picture 3. Kaka’ako art murals enhance streetscape aesthetics.



under this proposed incentive.

- The FAR bonus should be more generous and should scale in relation to the type of public facility being considered since not all public facilities will require the same investment from developers.

### Analysis of Public Open Space Incentive

The Public Open Space incentive is intended to provide developers with a density bonus of 0.5 FAR in exchange for providing perpetually accessible open space on the project site. The developers are required to follow the guidance for public open space provided in the Kaka’ako Civic Open Space Plan.

1. *Practical Feasibility* – this incentive is very feasible but the benefit to the community will depend on the quality of the open space provided.
2. *Diversity of Population/Uses* – the ultimate impact that this incentive will have on the diversity of uses will depend entirely upon the type and quality of public space provided and whether/ how it duplicates existing public spaces or expands upon them.
3. *Sustainable Building Practices* – public open space has the potential to promote sustainability and biodiversity by incorporating green infrastructure and native plant landscaping.
4. *Transportation & Street Design* – not directly applicable.
5. *Streetscape Improvements* – public open space may impact streetscape could if developers are required to integrate streetscape improvements into their designs for on-site public open space.
6. *Open Space Quality* – this incentive may improve the quality of public open space, provided if ensuring the provision of high quality open space is stipulated as part of the incentive and the civic open space plan.

7. *Open Space Access* – overall, this incentive will have a positive impact on the public’s access to open space; however, access impacts are subject to time of use restrictions that may be put in place by the developer/private property owner.

8. *Creative Space* – not directly applicable.

9. *Spaces for Creatives* – not directly applicable.

10. *Developer Feasibility* – The incentive for the developer greatly outweighs the benefit to the community unless the form and quality of the public space actually offers a benefit to the community by encouraging diverse uses, potential to serve as creative/ adaptable space, and use of green infrastructure/ native landscaping.

### Recommended Changes to the Public Art Space Incentive

- The incentive should include stipulations regarding:
  - » The quality of open space provided.
  - » Limits on use and access restrictions the developer may put in place.
  - » The use of native plants or other green infrastructure.
  - » Minimum requirements for providing shade other other coverage.
- The FAR bonus should be offered on a sliding scale and higher density bonus should be offered for higher quality open space and that offers co-benefits like enhanced stormwater retention on-site.
- The use of this incentive should consider the neighborhood context and proposals that duplicate existing open space nearby should be disincentivized whereas designs that improve the diversity of land uses and public space in the area should be encouraged.



**Analysis of LEED/WELL Incentives**

During their analysis, the Environment/Open Space Work Group considered all the incentives related to LEED/WELL certification together, since the impacts would likely be similar across all criteria. They noted that the differences would only be observed in the magnitude of impacts anticipated. As drafted these incentives would provide Floor Area Ratio bonuses of 0.5, 0.75, and 1.00 for developments which achieved silver, gold, or platinum LEED/WELL certification, respectively.

- 1. *Practical Feasibility* – at the Silver level, the working group concluded that the feasibility would be higher than the net benefit and would therefore promote “silver is good enough” mentality and not incentivize attempts to reach higher certification levels (i.e., gold and platinum). The working group also concluded that the FAR bonuses for the higher levels of certification were not high enough to offset the additional costs associated with their attainment.
- 2. *Diversity of Population/Uses* – not directly applicable.
- 3. *Sustainable Building Practices* – all three certification levels are desirable for promoting sustainable building practices, but platinum certification was the most desirable.
- 4. *Transportation & Street Design* – not directly applicable.
- 5. *Streetscape Improvements* – not directly applicable.
- 6. *Open Space Quality* – *LEED/WELL* certification might replace the community-facing benefits of public open space since most of the benefits provided by certification are mechanical and not social/community.
- 7. *Open Space Access* – not directly applicable.
- 8. *Creative Space* – not directly applicable.
- 9. *Spaces for Creatives* – not directly applicable.

10. *Developer Feasibility* – in their current form, the LEED/WELL incentives are most likely going to lead to developers targeting silver certification - absent other incentives that might offset the costs associated with gold or platinum certification.

**Recommended Changes to LEED/WELL Certification Incentives**

- The FAR bonuses should be increased to incentivize higher LEED/WELL certification levels (i.e., gold and platinum.)
- The gaps between density bonuses for each level of certification should be increased (Silver - 1.5 FAR; Gold - 2.0; Platinum - 3.5 FAR.)
- LEED/WELL Certifications should be reviewed to either promote or prevent “double dipping” in which developers might get twice as much credit for practices that contribute to LEED certification but might also earn them FAR bonuses through these incentives.

**Analysis of the Shelter Hardening Incentives**

The Environment/Open Space Working group evaluated the incentive to promote the inclusion of on-site hardened shelters. This incentive would provide developers with a 1.0 FAR bonus in exchange for the provision of emergency shelters for residents or occupants of the building. The incentive notes that the shelters can be designed for dual use but must be made available during major storms or other emergencies.

- 1. *Practical Feasibility* – this incentive is practically feasible, especially because it provides for spaces that can have multiple uses. However, in terms of their use during an actual emergency, the feasibility of these facilities will depend on the type of space provided and the individuals allowed to access the shelters during an event.
- 2. *Diversity of Population/Uses* – not directly applicable
- 3. *Sustainable Building Practices* – hardened shelters would promote sustainable building practices by contributing to the community’s ability to respond to natural disasters.

- 4. *Transportation & Street Design* – not directly applicable
- 5. *Streetscape Improvements* – not directly applicable
- 6. *Open Space Quality* – not directly applicable
- 7. *Open Space Access* – not directly applicable
- 8. *Creative Space* – not directly applicable
- 9. *Spaces for Creatives* – provides potential opportunities to augment the supply of space for creatives if the dual use of the shelters is targeted at creatives, for instance developing shelters that can serve as makerspaces.
- 10. *Developer Feasibility* – this incentive is feasible in principle, but the benefit to the developer may not outweigh the cost of including hardened shelters on site. This is especially true of common, publicly accessible shelters/dual use spaces. Shelters built into individual residential/commercial units would be cost-effective, but would reduce the broader community impacts of open, dual use shelters.

**Recommended Changes to the Shelter Hardening Incentive**

- Specify the types of dual uses allowed.
- Specify the type and purpose of the shelters desired (e.g., public/private.)
- Increase the FAR bonus to increase residential space and to further incentive the inclusion of on-site shelters.
- Coordinate with disaster planning agencies/authorities to ensure that the type and location of provided shelters works in concert with existing facilities and disaster management plans and procedures.

**Analysis of the Rainwater Management Incentive**

The rainwater management incentive would provide developers with an FAR bonus of 0.5 in exchange for providing a stormwater retention

system on the project site. The systems must capture and store water from 75% of the project roof area and store it for use on site, either for irrigation or indoor water use.

- 1. *Practical Feasibility* – this incentive is feasible but only for the purposes of landscape irrigation.
- 2. *Diversity of Population/Uses* – not directly applicable
- 3. *Sustainable Building Practices* – this incentive would improve the sustainable building practices of developments in Kaka’ako.
- 4. *Transportation & Street Design* – not directly applicable
- 5. *Streetscape Improvements* – not directly applicable
- 6. *Open Space Quality* – because it might provide water for irrigating on-site vegetation, this incentive might improve the quality of open space, and might help bridge the gap between open space and the provision of green infrastructure on the development site.
- 7. *Open Space Access* – not directly applicable
- 8. *Creative Space* – not directly applicable
- 9. *Spaces for Creatives* – not directly applicable
- 10. *Developer Feasibility* – Rainwater capture for indoor water use is not feasible at this time, and its feasibility as a source of water for on-site irrigation will depend on the system adopted. This incentive may also provide developers with an opportunity to double the benefits from multiple incentives. In this case, this incentive may overlap with the items included in the LEED/WELL certification, so a developer may be able to receive FAR bonuses in two categories for the same action.

**Recommended Changes to the Rainwater Management Incentive**

- Specify the types systems considered appropriate for this incentive or provide a range of options a developer may adopt.
- Increase the FAR Bonus.
- Determine whether or not to allow developers to double dip and receive FAR bonus in two categories that overlap.

**Analysis of the Stormwater Management Incentive**

The Environment/Open Space Working Group considered the potential benefits of providing a developer with an FAR bonus of 0.5 in exchange for the retention of 100% of stormwater runoff for a period of twenty-four hours.

1. *Practical Feasibility* – this incentive is feasible but should include a strong preference for soft stormwater management technologies/techniques over the development of hard/gray infrastructure.
2. *Diversity of Population/Uses* – not directly applicable.
3. *Sustainable Building Practices* – might improve sustainable building practices if the use of soft, green infrastructure was incentivized.
4. *Transportation & Street Design* – not directly applicable.
5. *Streetscape Improvements* – depending on the form, there is a strong potential for this incentive to enhance or detract from streetscape aesthetics.
6. *Open Space Quality* – combined with on-site open space, this incentive could improve the quality of public open space.
7. *Open Space Access* – this incentive may reduce the amount of open space accessible to the public if access needs to be limited

to ensure the stormwater management capabilities of the green infrastructure are not compromised.

8. *Creative Space* – not directly applicable.

9. *Spaces for Creatives* – not directly applicable.

10. *Developer Feasibility* – absent a capacity requirement (i.e., a volume of water tied to a specific, estimated storm event), there is the potential that the provided benefit would not be worth benefit to the developer.

**Recommended Changes to the Stormwater Management Incentive**

- Articulate the volume of stormwater that must be retained relative to a specific storm event (e.g., a two-year, twenty-four hour storm event.)
- Balance the FAR bonus against what might be required for the developer to achieve the 100% retention threshold. If a developer is required to include more green infrastructure to retain 100% of on-site stormwater, then the FAR bonus should increase, accordingly.
- Stress that this incentive is geared toward the use of green infrastructure.
- Address the “double-dipping” issue posed by this incentive and the LEED/WELL incentives.

**Analysis of the Renewable Energy Incentive**

In this incentive, developers will receive an FAR bonus of 0.5 in exchange for providing on-site renewable energy. This incentive will require that the systems installed must provide at least 10% of the energy for the site.

1. *Practical Feasibility* – this incentive is practically feasible but there is a strong potential that rooftop solar would conflict with other uses such as community gardens or rainwater collection systems reducing the net benefit of other incentives included in this list.



- 2. *Diversity of Population/Uses* – not directly applicable.
- 3. *Sustainable Building Practices* – would very likely improve the sustainability of the building practices used in a development project and could be another opportunity to double-dip by including renewable energy generation for this incentive and LEED/WELL Certification.
- 4. *Transportation & Street Design* – not directly applicable.
- 5. *Streetscape Improvements* – the reflectivity of vertical photovoltaic cells/panels could cause negative impacts on pedestrians while also potentially increasing urban heat island effects.
- 6. *Open Space Quality* – not directly applicable.
- 7. *Open Space Access* – not directly applicable.
- 8. *Creative Space* – not directly applicable.
- 9. *Spaces for Creatives* – not directly applicable.
- 10. *Developer Feasibility* – the Environment and Open Space Working Group did not think that the required percentage of renewable energy would scale enough relative to the FAR bonus to make this cost effective for developers. However, when asked, the Housing working group considered this incentive feasible for developers at this level and for a 0.5 FAR bonus.

**Recommended Changes to the Renewable Energy Incentive**

- Add steps for additional FAR bonuses for higher percentages of on-site renewable energy generation (e.g., 1.0 FAR for 25% renewable energy, 1.5 FAR for 50%, et cetera.)
- Distinguish between rooftop and vertical photovoltaic panels/ cells because their impact on the site and surrounding area will be different and should be mitigated differently.
- Address the “double-dipping” issue posed by this incentive and the LEED/WELL incentives.

**Analysis of the Green Façade Incentive**

The Environment and Open Space Working evaluated the incentive focused on inclusion of a green façade. With this incentive, developers would receive a ten foot increase in the podium height for the development in exchange for providing a green planting façade that covered at least 70% of the building.

- 1. *Practical Feasibility* –this incentive is not practically feasible nor is it desirable.
- 2. *Diversity of Population/Uses* – not directly applicable.
- 3. *Sustainable Building Practices* – this incentive does not represent a sustainable building practice because the maintenance requirement represents a potential source of increased water demand.
- 4. *Transportation & Street Design* – not directly applicable.
- 5. *Streetscape Improvements* – potentially has both positive and negative impacts. Green façades may enhance and cool the streetscape environments, but they may also lead to many buildings looking the same leading to a monotonous streetscape environment.
- 6. *Open Space Quality* – not directly applicable.
- 7. *Open Space Access* – not directly applicable.
- 8. *Creative Space* – not directly applicable.
- 9. *Spaces for Creatives* – not directly applicable.
- 10. *Developer Feasibility* – a green façade is too costly to install and maintain relative to the incentive provided.

**Recommended Changes to the Green Façade Incentive**

- Remove this incentive from consideration.
- If included, reduce the coverage area to account for the added

- costs associated with installation and maintenance.
- Stipulate the use of native, non-invasive and drought tolerant plants to reduce impact on water demand.

### Analysis of the Public Parking Incentive

In exchange for providing at least fifty publicly available parking stalls on a lot of 20,000 square feet or less, developers will receive a ten foot increase in the podium height of the development.

1. *Practical Feasibility* – this incentive is practically feasible but not desirable because it promotes private car ownership instead of promoting transit and other non-motorized forms of transportation.
2. *Diversity of Population/Uses* – not directly applicable.
3. *Sustainable Building Practices* – this incentive does not promote sustainable building practices; requiring that the stalls provide electric vehicle charging stations might provide some benefit.
4. *Transportation & Street Design* – would likely increase the number of private vehicles being used and promote greater car dependency.
5. *Streetscape Improvements* – podium height increase might impact streetscape aesthetics.
6. *Open Space Quality* – not directly applicable.
7. *Open Space Access* – not directly applicable.
8. *Creative Space* – not directly applicable.
9. *Spaces for Creatives* – not directly applicable.

10. *Developer Feasibility* – Podium height is not attractive as an incentive. This would only be feasible for a FAR bonus and only if allowed to charge fair market rates for parking (not obligated to charge municipal rates.)

### Recommended Changes to the Public Parking Incentive

- Reconsider this incentive to promote alternative forms of transportation.
- Revise this incentive to require electric vehicle charging stations.
- Change the bonus from a podium height increase to an FAR bonus.

### Analysis of the Pedestrian Cover Incentive

The Environment and Open Space Working Group reviewed the incentive that would provide developers with a podium height increase of ten feet or an FAR increase for providing coverage for pedestrians. The pedestrian canopy or awning must cover at least ninety percent of the ground level building frontage and must be a minimum of five feet in horizontal depth from the exterior of the building façade.

1. *Practical Feasibility* – this is practically feasible and desirable; however the working group argued that this incentive should not be included and that pedestrian covers should be included as a standard add-on design feature. They also noted that pedestrian covers should be fit to their intended purpose (i.e., as shelter from rain or for shade purposes.)
2. *Diversity of Population/Uses* – not directly applicable.
3. *Sustainable Building Practices* – not directly applicable.
4. *Transportation & Street Design* – not directly applicable.
5. *Streetscape Improvements* – If used, the pedestrian canopy or awning should extend into the public right-of-way. Street trees would be more effective for improving streetscape/ pedestrian

experience and an awning could potentially conflict with street trees if horizontal space within the public right-of-way is limited.

- 6. *Open Space Quality* – not directly applicable.
- 7. *Open Space Access* – not directly applicable.
- 8. *Creative Space* – not directly applicable.
- 9. *Spaces for Creatives* – not directly applicable.
- 10. *Developer Feasibility* – Financially feasible and desirable; however, there were questions as to whether this should be included as an incentive or if should be a standard part of a development project.

Picture 4. Honolulu Night Market with food trucks, local businesses, and live music performances.  
source: <https://ourkakaako.com/blog/honolulu-night-market/>



#### Recommended Changes to the Pedestrian Cover Incentive

- Reconsider including this as an incentive and require it as part of the standard development process.
- Require that the canopy or awning extend into the pedestrian right-of-way.
- Stipulate that the canopy or awning must be fit to the needs of particular location and/or should address multiple needs (e.g., for shade or weather protection.)

#### Analysis of the Robotic Parking Incentive

The final incentive that the Environment and Open Space Working Group considered was the incentive for developers to include robotic parking. With this incentive, developers would receive an additional ten feet of podium height for setting aside at least 50% of the parking floor area for robotic parking to improve parking efficiency and reduce land use impacts.

- 1. *Practical Feasibility* – this incentive is not feasible first because the technology is not ready for broad application and second because it needs to be 100% of the parking floor area. There is no real efficiency gained for the cost required for only half the parking floor area
- 2. *Diversity of Population/Uses* – not directly applicable
- 3. *Sustainable Building Practices* – robotic parking can be more energy intensive than standard parking, but might be more energy efficient if paired with self-supporting, on-site photovoltaic energy production
- 4. *Transportation & Street Design* – not directly applicable
- 5. *Streetscape Improvements* – not directly applicable
- 6. *Open Space Quality* – not directly applicable



- 7. *Open Space Access* – not directly applicable
- 8. *Creative Space* – not directly applicable
- 9. *Spaces for Creatives* – not directly applicable
- 10. *Developer Feasibility* – Developers are already incentivized to maximize the use of space, and robotic parking is not financially feasible at this time.

**Recommended Changes to the Robotic Parking Incentive**

- Reconsider including this incentive.
- Incentive, if included, should be for 100% of the parking floor area.
- Stipulate that robotic parking should be paired with and supported by on-site renewable energy production.

**Other Actionable Recommendations (cut across all the incentives)**

Throughout each meeting and during the final Policy Design Tank meeting, the members of the Environment/Open Space Working Group offered additional recommendations that were related to all the incentives, generally. They also suggested recommendations that were unrelated to the incentives themselves but offered them as broaders suggestions for HCDA to consider.

**Recommendations Related to the Incentives**

- Increase FAR bonuses.
- Specificity is paramount, especially with regard to artist spaces.
- Quality of space (e.g., public open space, environmental amenity, etc.) needs to be incorporated into the incentives.
- Widen marginal FAR increments where appropriate.
- Incentives should include both rental and for-sale housing units.
- Consider how the incentives might address a need for deeper housing affordability.
- Generate empirically based pro formas that establish the financial feasibility/desirability of the incentives.

**Recommendations Related to Environment/Open Space, Generally**

- Create and implement a Cultural/Arts District Master Plan.
- Create and Implement and Environment/Open Space Plan.

The two plans suggested above would provide more direction for developers to provide versions of space and amenities that would contribute to the community. Within their professional experience, the group considered the ad hoc nature of prior negotiations and decisions by developers and HCDA and suggested that anchoring future decisions to a plan for open space, promotion of the arts, or sustainability/ resiliency, would enhance both the transparency and the overall benefit to the community.

**POLICY DESIGN TANK  
OUTCOMES & RECOMMENDATIONS**

**General Outcomes**

This Policy Design Tank was organized around the overarching purpose of providing recommendations on draft development incentives to HCDA. To accomplish this purpose, both the Housing and Environment/Open Space Working Groups crafted evaluation frameworks which include relevant criteria for evaluating the draft incentives. These criteria represent the factors that, in the eyes of the experts in this Design, are most critical for the success of ongoing efforts to promote development in Kaka’ako, and they recommend continuing to use these factors to assess changes to the incentives going forward.

Furthermore, through their specific and detailed evaluations of the draft incentives, each working group provided recommendations for improving the draft incentives as HCDA moves toward approval and adoption. Additionally, both groups articulated general overarching recommendations for improving the likelihood of achieving HCDA’s stated goals. Both working groups support the use of FAR bonuses to incentivize developers to produce projects that improve economic

and social opportunities of the people of Kaka’ako. This group of subject matter experts encourages additional specificity within the draft incentive wording to ensure clarity and transparency in the intent and range of potential products that would qualify the project for an FAR bonus. With this desire for specificity however, the working group members encouraged incentives that allow for a range of products within each category that may qualify for a range of FAR bonuses, according to the cost and added benefit. It was noted on multiple occasions that specific amenities or features would change depending on the details of the project and that narrowly defined incentives may result in redundancy or undesirable architectural forms. Developers are motivated to produce projects that are efficient, aesthetically pleasing, and functional. Incentives that acknowledge the expertise that developers contribute to the process by providing sufficient flexibility for creativity and innovation can be balanced with clear and specific rules that indicate the intent and range of acceptable qualifying products. HCDA has an opportunity to both provide greater transparency in the process while partnering with developers to ensure high quality projects that both meet the housing needs of a diverse population and contribute benefits to the community.

**Composite Recommendations**

In addition to the specific recommendations made for each draft incentives, the working group developed general recommendations for HCDA’s consideration which may be summarized as follows:

- 1. Increase the FAR increments at a greater rate for higher incentive levels. The incentive should be increased at each higher investment level.
- 2. An analysis should be conducted regarding the profitability of reserved housing at each of the proposed levels including the potential to stack other incentives available to qualify for FAR bonuses to be sure there is a significant enough incentive for producing reserved and workforce housing at greater levels, considering the urgent need for more housing both in the neighborhood and on the island.

- 3. HCDA should consider the development of an open space or arts and culture plan in order to provide greater direction for developers for the production of amenities that will contribute to and enhance what is already valued by the community. Rather than considering project-specific amenities for open space, arts, and creativity, amenities qualifying for FAR bonuses should be considered within the larger goals of the community for improving open space access and promoting the neighborhood as a destination for arts and culture.

**CONCLUSION**

This report summarizes the work and recommendations of the Kaka’ako Policy Design Tank. Overall, the Design Tank reviewed nearly twenty draft development incentives for the Mauka area of the Kaka’ako Community Development District. The two Working Groups (Housing and Environment/Open Space) developed evaluation frameworks that integrated multiple criteria and lent their expert judgment to evaluate the draft development incentives. Overall and based on this evaluation, the Policy Design Tank recommended that HCDA be more aggressive at using incentives (i.e., FAR bonuses) to promote development in Kaka’ako, especially as it relates to the development of new housing units.





## APPENDICES

- Appendix A.** Policy Design Tank Meeting Agenda
- Appendix B.** Policy Design Tank Meeting #1 Summary (Housing Working Group)
- Appendix C.** Housing Working Group Meeting #1 Summary
- Appendix D.** Housing Working Group Meeting #2 Summary
- Appendix E.** Housing Working Group Meeting #3 Summary
- Appendix F.** Housing Working Group Draft Development Incentives Evaluation
- Appendix G.** Policy Design Tank Meeting #1 Summary (Environment/Open Space Working Group)
- Appendix H.** Environment/Open Space Working Group Meeting #1 Summary
- Appendix I.** Environment/Open Space Working Group Meeting #2 Summary
- Appendix J.** Environment/Open Space Working Group Meeting #3 Summary
- Appendix K.** Environment/Open Space Working Group Draft Development Incentives Evaluation



**Appendix A.** Policy Design Tank Meeting Agenda

Policy Tank Meeting 1 Agenda

Date: 07 March 2022

Time: 06:30 - 07:30 PM

Location: Kaka’ako Policy Design Tank Zoom Meeting (Passcode: xxxxxx)

Outcomes:

- To commence the Kaka’ako Policy Design Tank Process
- To get to know the other members of the Policy Design Tank
- To organize the Environment and Public Space Working Group

Agenda:

1. Welcome & Introductions
2. Process Overview
3. Organizing the Environment and Public Space Working Group
4. Adjourn

Housing Working Group Meeting 1 Agenda

Date: 10 May 2022

Time: 9:00 - 10:30 AM

Location: Kaka’ako Policy Design Tank Zoom Meeting (Passcode: xxxxxx)

Outcomes:

- Review Draft Incentives
- Develop Evaluation Framework/Matrix

Agenda:

1. Welcome Back & Reminders
2. World Café Brainstorming
3. Finalize Evaluation Criteria
4. Recap & Adjourn

**Appendix A.** Policy Design Tank Meeting Agenda (Cont.)

Housing Working Group Meeting 2 Agenda

Date: 11 May 2022

Time: 01:00 - 02:30pm

Location: Working Group Meeting: Kaka'ako Policy Design Tank Zoom Link (Passcode: 96850)

Outcomes:

- Review draft evaluation framework
- Evaluate draft incentives within each criteria
- Refine evaluation as needed

Agenda:

1. Welcome
2. Review meeting 1 outcomes and planned outcomes for meeting 2
3. Work Session 1
4. Break
5. Work Session 2
6. Adjourn

Housing Working Group Meeting 3 Agenda

Date: 17 May 2022

Time: 09:00 - 10:30 AM

Location: Working Group Meeting: Kaka'ako Policy Design Tank Zoom Link (Passcode: xxxxxx)

Outcomes:

- Review open space/environment incentives
- Provide feedback on the open space/environment incentives

Agenda:

1. Welcome
2. Updates & Recap
3. Work Session 1
4. Break
5. Work Session 2
6. Adjourn

**Appendix A.** Policy Design Tank Meeting Agenda (Cont.)

Environment & Open Space Working Group Meeting 1 Agenda

Date: 11 April 2022

Time: 01:00 - 02:30pm

Location: Working Group Meeting: Kaka'ako Policy Design Tank Zoom Link (Passcode: xxxxxx)

Outcomes:

- Review Draft Incentives
- Develop Evaluation Framework/Matrix

Agenda:

5. Welcome Back & Reminders
6. World Café Brainstorming
7. Finalize Evaluation Criteria
8. Recap & Adjourn

Environment & Open Space Working Group Meeting 2 Agenda

Date: 25 April 2022

Time: 01:00 - 02:30pm

Location: Working Group Meeting: Kaka'ako Policy Design Tank Zoom Link (Passcode: xxxxxx)

Outcomes:

- Review draft evaluation framework
- Evaluate draft incentives within each criteria
- Refine evaluation as needed

Agenda:

1. Welcome
2. Review meeting 1 outcomes and planned outcomes for meeting 2
3. Work Session 1
4. Break
5. Work Session 2
6. Adjourn



Appendix A. Policy Design Tank Meeting Agenda (Cont.)

Environment & Open Space Working Group Meeting 3 Agenda

- Date: 12 May 2022
- Time: 01:00 - 02:30pm
- Location: Working Group Meeting: Kaka'ako Policy Design Tank Zoom Link (Passcode: xxxxx)
- Outcomes:
- Review remaining incentives
  - Finalize evaluation of all incentives
- Agenda:
1. Welcome
  2. Recap
  3. Work Session 1
  4. Break
  5. Work Session 2
  6. Adjourn

Policy Tank Meeting 2 Agenda

- Date: 23 May 2022
- Time: 01:00 - 02:30 PM
- Location: Kaka'ako Policy Design Tank Zoom Meeting (Passcode: xxxxxx)
- Outcomes/Purpose:
- To review evaluation work conducted by each working group
  - To provide summary feedback to HCDA from policy tank
  - To identify gaps and opportunities in current draft incentives
- Agenda:
1. Welcome & Quick Intros
  2. HCDA Progress Report and Next steps
  3. Housing Working Group Summary
  4. Environment/Open Space Summary
  5. Discussion/Q&A
  6. Identified Opportunities
    - a. In the current incentives
    - b. More broadly in the neighborhood
  7. Adjourn

Appendix B. Policy Design Tank Meeting #1 Summary (Housing Working Group)

Policy Tank Meeting 1 Summary

Date: March 11, 2022,  
Time: 12:00 Noon - 01:00 PM  
Location: Zoom

Attendees:

Dan Milz (UHM, host)  
Cathi Schar (UHM CDC)  
Max Rosenfeld (UHM support)  
Tamera Blankenship (UHM support)  
Darlyn Chau (UHM support)  
Mark Hakoda (HCDA)  
Phil Garboden (UHM, UHERO)  
Marian Gushiken (EAH Housing)  
Jeff Gilbreath (Hawaiian Community Assets)

Not Present:  
Stanford Carr (Stanford Carr Development)  
Kalani Fronda (Office of Hawaiian Affairs,  
Land Assets Division

Key Points

- Introductions of Working Group and support staff
- A brief overview of the process by Mark Hokuda, HCDA
  - HCDA is studying the existing mauka area rules in the areas of public space, housing, environment, and building form for the purpose of drafting incentives for new development.
  - Currently in the community outreach portion of the effort which has identified priorities of housing, environment, public space, and then building form, in that order.
  - Working group will focus on drafts of incentives for developers that incentivize public benefits in exchange for density
- The goal is to gain expert input and advice from the two Working Groups on the draft incentives before they go to the legislature
  - There will be a total of 5 meetings for each of the two Working Groups to review draft incentives, create an evaluation framework for their area of concentration and provide recommendations to HCDA for their consideration
- Working Group 1 will be focused on housing

Questions Raised

- What has been the extent of community engagement?

- Response - The goal is 300 respondents, which has not yet been reached. There is no specific target population. The link to the survey will be shared with the Working Group for their assistance in getting it out to the community. HCDA wants significant community input and vetting of the incentives and the Advisory Committee (13 members) has been helpful in engaging the community as well. The survey effort is ongoing.
- What is the timeline?
  - Response - HCDA would like to get the amendments to the public hearing by the end of the year but is unsure if that will be possible.
- Is there an explainer or a place where all of the information is available in a simplified format for getting familiar with the background and recently permitting projects?
  - No, but there is a website for the Policy Design Tank with links to all of the relevant information and sources. [Link provided.](#)

Tasks Completed

- Select a Chair for Working Group 1 - Kalani Fronda
- Decide platform for Working Group 1 collaboration - Google Drive

Follow-up Required

- ☐ Schedule next meeting - Working Group members asked to send Dan an email with blackout dates to assist with scheduling

Next Meeting

To be scheduled. Email to follow.

Appendix C. Housing Working Group Meeting #1 Summary

Kaka’ako Policy Design Tank  
Meeting Summary Working Group 1

May 10, 2022, 9:00-10:30am  
(remote, via Zoom)

Attendees:

Dan Milz (UHM)  
Max Rosenfeld (UHM support)  
Tamera Blankenship (UHM support)  
Phil Garboden (UHM)  
Lee for Kalani Fronda (OHA)  
Marian Gushiken (EAH)  
Stanford Carr (SCD)

Key Points

- Refresh - reminder of where we are in the process and overview of next three meetings
- Small group work to brainstorm evaluation criteria for draft incentives, two breakout sessions

Breakout Room Work

- Brainstormed possible criteria and considerations
- Breakout Room [Jamboard](#)

Full Group Discussion

- Review of criteria brainstorm
- Discussion of development incentives in relationship to policy and past/ potential future impacts
  - FAR bonuses have been given in the past to provide affordable housing but policies to disincentivize re-sale of affordable units has created a knee-jerk response. Policies that overly regulate the re-sale of units disincentivize developers (by increasing their ratio of risk:return) and constrain the families that we aim to help by preventing them from moving up the housing ladder.
- Agreement on broad areas of concern and overall goal of incentives to create more affordable housing

Follow-up Required

- ☐ Dan and Tamera will create a worksheet with the criteria identified by the group for next meeting
- ☐ Dan will send Zoom link, meeting summary and worksheet before next meeting.

Next Meeting

May 11, 2022, 1:00-2:30pm (via zoom)



Appendix D. Housing Working Group Meeting #2 Summary

Kaka’ako Policy Design Tank  
Meeting Summary, Working Group 1

May 11, 2022, 1:00-2:00pm  
(remote, via Zoom)

Attendees:

Dan Milz (UHM)  
Max Rosenfeld (UHM support)  
Tamera Blankenship (UHM support)  
Phil Garboden (UHM)  
Kalani Fronda (OHA)  
Marian Gushiken (EAH)  
Stanford Carr (SCD)

Key Points

- Working Group 1 began evaluating the updated draft incentives according to the seven criteria identified in the previous meeting
- There is general consensus regarding the need to promote more mixture of affordability and rental/ for-sale units, rather than prescriptions for a percentage of reserved for-sale units for only one AMI range (the upper range). Incentives for a mixture of AMI levels would provide more housing under 100% AMI.
- There should be a larger increase in FAR bonus as the percentage of reserved housing increases.
- Micro units provide little benefit to residents, developers, or the community. The incentive as written is unlikely to serve the intended purpose. Micro units serve a particular niche and may make sense form smaller infill sites but because they are more expensive to develop on per sf basis, let developers determine suitability.

Full Group Discussion

- The incentives as written are feasible, but perhaps not aggressive enough. Larger increases in FAR bonus as the percentage of reserved housing increases would better incentivize the development of reserved housing at higher rates.
- The rental market should be included as well. A mixture of for-sale and rental units within developments is preferred, provides greater community benefit. **Mixture of housing tenures should be promoted but not necessarily combined into individual projects. For ease of structuring, better to have ownership projects separate from rental housing projects.**
- The need for deeper affordability is not addressed with these incentives as written.
- Increasing the allowable height would provide benefits to the community, skyline, etc.
- There is an interest in advocating for an arts district designation. The group discussed the need to provide more incentives to develop arts and entertainment venues/ opportunities within the community. Also the need for quality open spaces.

- Rather than prescribing specific percentages, it might be beneficial to allow developers to propose a mixture at a range of income levels based on their familiarity with the market, tolerance for risk, adaptability, etc.
- Micro units are a niche product and provide little benefit to purchasers related to mobility. The smaller units cost more per square food to build and while attractive for sale to someone who can only afford the somewhat cheaper unit, the resale value is limited. 40% of micro units within one development is too high. There is little social value to promoting large numbers of micro units. Current art residences in the neighborhood start at 1-bedroom, up to 3-bedroom. **Disagreement with this point - in context of rental housing – if the affordability is targeted deeply enough, there is a value to providing “entry level” rental housing units, but again, the trade-off is the expense to develop.**
- Subsidizing light industrial in Kakaako might be antiquated. There are other industries that might be considered that would bring more benefits to the community, such as tech.

Questions Raised

- How were the proposed FAR numbers calculated?
- Is all reserved housing in the draft incentives referring to 100-140% AMI with a mean of 125% AMI?
- What is the possibility of HCDA creating soft-subsidy program with the shared appreciation funds, similar to the rental revolving fund?
- What is the benefit of promoting micro units as 40%? What is the intent from HCDA perspective?

Follow-up Required

- ☐ Dan and Tamera will summarize the consensus opinions from the notes into a spreadsheet for review.
- ☐ Dan will follow up with HCDA regarding the questions raised by the group.
- ☐ Dan will send Zoom link, meeting summary and spreadsheet before next meeting.

Next Meeting

May 17, 2022, 9:00-10:30am (via zoom)

Appendix E. Housing Working Group Meeting #3 Summary

Kaka’ako Policy Design Tank  
Meeting Summary, Working Group 1

May 17, 2022, 9:00-10:30am  
(remote, via Zoom)

Attendees:

Dan Milz (UHM)  
Tamera Blankenship (UHM support)  
Phil Garboden (UHM)  
Kalani Fronda (OHA)  
Marian Gushiken (EAH)  
Stanford Carr (SCD)  
Cathi Schar (UHM CDC)  
Darlyn Chau (UHM support)

Key Points

- Working Group 1 reviewed the incentive evaluation of Working Group 2 and added some additional information and insights.

Full Group Discussion

- The numbers that are being used in the incentives are based on existing percentages of reserved housing in 201h. These percentages should be revisited and should be a formula for accomplishing specific percentage goals at different levels of affordability. Kaka’ako needs more family housing. The incentive for micro housing does not accomplish that.
- Recommendation that HCDA develop a program that utilizes the revenue from the shared appreciation program to provide soft second gap financing, similar to the rental reserved housing funds, in order to produce more affordable housing by closing the gap between tax incentives and cost of development.
- Public art and public facility incentives bring up questions and concerns for developers/ owners. What is the obligation for management and maintenance? The details of these incentives will be important to determine if they are beneficial.
- Public facilities and shelter hardening incentives appear to be designed to make up for inadequate public services. Both provide logistical and operational challenges to produce and maintain.
- Rainwater capture is more challenging than stormwater management. Cisterns that store rainwater for landscaping irrigation is feasible. But advanced rooftop rainwater systems are not feasible for developers at this time. The proposed FAR bonus does not come close to the cost for that system.
- Renewable energy incentive is sufficient
- General concern that specific incentives with one-size-fits-all bonuses won’t accomplish the intent. Good design and existing motivations will accomplish some of the goals of the incentives (pedestrian cover, renewable energy, etc). It may be more beneficial to allow room for adjusting FAR bonuses for specific projects.

- Podium height incentives are not enticing. The podium height will be determined by parking needs. FAR bonus is more feasible/ attractive.

Questions Raised

- What is the intent of the micro unit incentive? Is it part of homeless policy?
- For the public parking incentive, will parking rates be fair market or municipal rates? This makes a difference - fair market rates will make this incentive feasible.

Follow-up Required

- ☐ Summarize input on the evaluation worksheet and email to the group (Dan and Tamera)
- ☐ Send agenda, meeting summary, and Zoom link for next meeting (Dan)

Next Meeting

May 23, 2022 , 1:00-2:30pm  
\*Final Policy Tank Meeting\*

Appendix F. Housing Working Group Draft Development Incentives Evaluation

INCENTIVES	AFFORDABILITY MIXTURE	PROMOTE DIVERSITY OF PEOPLE IN NEIGHBORHOOD	PROMOTES KAKAAKO AS A DESTINATION (WILL ATTRACT ARTS, CULTURE, ENTERTAINMENT)
30% Reserved Housing - 2.00	Unlikely to promote affordability mixture if the reserved housing will all serve the same 100-140% AMI bracket.	Not expected to promote diversity of people in the neighborhood without incentives for housing at different AMI levels including deep affordability.	These reserved housing incentives do little to enhance the desirability of Kaka’ako as they are unlikely to result in a significant mix of people and activities.
40% Reserved Housing - 2.50			
45% Reserved Housing - 3.00			
Micro Units - 3.00 (40% micro units of total residential units)	Adds housing at a lower level of affordability but the high percentage required (40%) reduces the possibility for mixture of affordability within a project.	These units serve a specific need and adds some possibility for diversity. These units have very limited use and the ability to promote diversity is constrained.	Potentially beneficial if these units attracts creatives.
Maintain Light Industrial - X.XX		Maintaining the current light industrial provides little benefit to the community and does not need to be incentivized. There would be greater benefit from incentives for industries that would modernize and benefit the community and the city.	

INCREASE RENTAL STOCK	SKYLINE, ARCHITECTURAL DIVERSITY	HOUSING MOBILITY OPPORTUNITIES	DEVELOPER FEASIBILITY (BALANCE OF LIABILITY/ RISK & REWARD)
No impact since this is all expected to be for sale housing.	No impact, no benefit	Since longer encumbrances reduce mobility, there should be a sliding scale of encumbrance on for sale products depending on the AMI level.	The level is very feasible. However, due to rapidly increasing costs, this level might be more attractive to developers considering the modest FAR increases at each of the higher levels of reserved housing.
			The increase in FAR at this level should be higher to further incentivize development, considering the rising costs and the need for more affordable housing.
			Again, the increase from the previous level should be greater to incentivize more reserved housing stock.
These units are expensive to build per square foot and the rent differential between a micro and one-bedroom is substantial. This might disincentivize rental stock.	Unlikely to have a positive effect.	Limited benefit since these units do not appreciate at the same rate as larger units. While there is a market for people who might only be able to afford this level, their mobility is likely hindered by this limited appreciation and the cost jump at the next level.	Feasible but not desirable. These units are expensive to build per square foot. This high concentration within a project seems to have little benefit for the community or the people who otherwise benefit from reserved housing stock.
			Not desirable for developers.



Appendix G. Policy Design Tank Meeting #1 Summary (Environment/  
Open Space Working Group)

Policy Tank Meeting 1 Summary

Date: March 7, 2022,  
Time: 06:30 Noon - 07:30 PM  
Location: Zoom

Attendees:  
Dan Milz (UHM, host)  
Cathi Schar (UHM Community Design Center)  
Max Rosenfeld (UHM support)  
Tamera Blankenship (UHM support)  
Darlyn Chau (UHM support)  
Lee Sichter (Lee Sichter, LLC)  
Taylour Chang (Bishop Museum)  
Grace Zheng (PBR & Associates)  
Justin Tyndall (UHM)  
Abbey Seitz (Better Block Hawaii)

- Key Points
- Introductions of Working Group and support staff
  - A brief overview of the process by Dan (similar to Mark Hakoda’s presentation described above)
  - Working Group 2 will be focused on the environment and public space

- Questions Raised
- What is the definition of “community” that will be used for this effort?
    - Response - Defining community is always a challenge and not something that will be resolved during this process. For working purposes, we can consider geographic, communities of practice, and shared culture as some of the characteristics that will be useful for thinking about community.
  - Can HCDA provide the Working Group with a list of current stakeholders?
    - Response - HCDA has that master list

- Tasks Completed
- Select a Chair for Working Group 2 - Abbey Seitz
  - Decide a platform for Working Group 2 collaboration - Excel and PDF formats with either Google Drive for sharing documents

- Follow-up Required
- ☐ Schedule next meeting - Working Group members asked to send Dan an email with blackout dates to assist with scheduling

Next Meeting  
To be scheduled. Email to follow.

Appendix H. Environment/Open Space Working Group Meeting #1  
Summary

Kaka’ako Policy Design Tank  
Meeting Summary Working Group 2

April 11, 1:00-2:30pm  
(remote, via Zoom)

Attendees:  
Max Rosenfeld (UHM support)  
Tamera Blankenship (UHM support)  
Darlyn Chau (UHM support)  
Lee Sichter (Lee Sichter, LLC)  
Taylour Chang (Bishop Museum)  
Grace Zheng (PBR & Associates)  
Justin Tyndall (UHM)  
Abbey Seitz (Better Block Hawaii)

- Key Points
- Introduction to the group working tool for the meeting - Jamboard
  - Reminder of where we are in the overall process
  - Description of the meeting objective - Identify the criteria for evaluating the draft incentives
  - Description of the process - breakout rooms and full group discussion

- Breakout Room Work
- Brainstormed a list of criteria and incentives
  - Discussed possible value and impacts of various incentives
  - Began organizing criteria
  - Breakout Room [Jamboard](#)

- Full Group Discussion
- Identified overarching goals of various criteria and incentives and narrowed the criteria to a list that allows for flexibility and consideration of many possible outcomes

- Follow-up Required
- ☐ Tamera and Max will compile the criteria discussed by the full group into a format for asynchronous review.
  - ☐ Working group members will review criteria and make suggestions, revisions, clarifications, etc. in order to have a final tool ready for use at the next meeting.

Next Meeting  
April 25, 2022, 1:00-2:30pm (via zoom)

Appendix I. Environment/Open Space Working Group Meeting #2  
Summary

Kaka’ako Policy Design Tank  
Meeting 2 Summary

Working Group 2

April 25, 2022, 1:00-2:30pm  
(remote, via Zoom)

Attendees:

Dan Milz (UHM, host)  
Tamera Blankenship (UHM support)  
Darlyn Chau (UHM support)  
Lee Sichter (Lee Sichter, LLC)  
Taylour Chang (Bishop Museum)  
Grace Zheng (PBR & Associates)  
Justin Tyndall (UHM)  
Abbey Seitz (Better Block Hawaii)

Key Points

- Began working to evaluate the incentives within the criteria identified by the group, using the matrix created as a worksheet.
- Significant concern regarding the quality of spaces that may be used to satisfy density bonuses. For example, public space needs to be accessible, quality space to justify the bonus. There needs to be a way to encourage a diversity of open spaces among developments. Simply providing a small lawn area would not satisfy the group’s conditions for the type of space that would warrant a bonus.
- Much discussion regarding artist space. The type of space and accessibility is a major concern for group when considering the quality of artist space that would warrant a bonus. There should be a mechanism for creating a diversity of uses and users. There is a nexus between artist space and open space that can be explored further.
- The area would benefit from an Open Space Plan.
- Open space amenities needs more specificity in order to be viable. Too generic would make it a check-the-box, low quality contribution.
- Encouragement of highest level of LEED certification that a project is able to achieve. The group noted that many of the benefits of a LEED certified project would not be public-facing and may have little benefit to the community. There was a consensus that other incentives, like public space, should be considered in addition to, not instead of, LEED certification.
- Most of their responses to the evaluations started with it depends. This caused them to think critically about ad hoc nature in which these decisions had been made. Is too much being left to the developer or to the negotiation between the developer and HCDA, and if

the latter could HCDA be doing a better of anchoring those negotiations via an open space plan or an arts plan, or a green infrastructure plan or a disaster resilience plan, etc.? Not doing so creates more risk for fears of opaque decision-making being validated.

Questions Raised

- Can air space and air rights be considered?
- Can incentives for conversion of excess parking be considered for providing public space? Other uses?
- How will the FARs impact affordable housing development?
- How are privately-owned public spaces (POPS) managed, maintained? Who is responsible?

Tasks Completed

- Completion of approximately half of the evaluation matrix.

Follow-up Required

- ☐ Review matrix draft and make any corrections or additions - everyone
- ☐ Meeting summaries completed and shared with group - Tamera

Next Meeting

May 12, 2022 , 1:00-2:30pm

Appendix J. Environment/Open Space Working Group Meeting #3  
Summary

Kaka’ako Policy Design Tank  
Meeting 3 Summary

Working Group 2

May 12, 2022, 1:00-2:30pm  
(remote, via Zoom)

Attendees:

Dan Milz (UHM, host)  
Tamera Blankenship (UHM support)  
Max Rosenfeld (UHM support)  
Lee Sichter (Lee Sichter, LLC)  
Taylour Chang (Bishop Museum)  
Grace Zheng (PBR & Associates)  
Justin Tyndall (UHM)  
Abbey Seitz (Better Block Hawaii)

Key Points

- Working Group 2 reviewed the updated list of incentives and descriptions provided by HCDA.
- Discussed and evaluated the second half of the incentives (first half completed in previous meeting)

Discussion

- Shelter hardening raises many questions in terms of who it would serve (residents only or public?), what the need would be, and how other uses might be a benefit (an amenity the developer could market/ benefit from) or a hindrance (a space that gets used for storage and not realistically available when its needed). There is a potential for this function to combined with a maker's space since some of the conditions might suit both uses.
- What is the potential for overlap/ double-dipping with LEED incentives and the other sustainability incentives? Perhaps the other incentives provide a menu of sorts for projects that aren't pursuing LEED certification.
- LEED Platinum is extremely difficult to achieve in Hawaii especially for multi-family homes. It might be better to provide a bigger incentive for Gold so that Silver isn't the default.
- There may be opportunities for for sustainability incentives to also improve streetscape if green infrastructure is used.
- Green facade might conflict with sustainability goals.

- Parking should not be further incentivized in the area. EV charging stations and incentives for shared transportation or alternative transportation should be prioritized.

Follow-up Required

- ☐ Update evaluation worksheet (Tamera)
- ☐ Send meeting summary, evaluation worksheet, agenda, and Zoom link for next meeting (Dan)

Next Meeting

May 23, 2022, 1:00-2:30pm  
\*Final Policy Tank Meeting\*



Appendix K. Environment/Open Space Working Group Draft  
Development Incentives Evaluation

Incentives	Description	Practical Feasibility	Diversity of population/ uses	Sustainable building practices/ landscaping	Complete Streets and sustainable transportation
Public Art - 0.25 FAR	"Provide a privately funded, publicly accessible, art installation, gallery space to display art installations, equivalent to 1% of the project's construction costs, or vertical exterior building facade space of not less than 20 ft x 100 ft, to gain an additional 0.25 FAR. Gallery space and exterior building facade space must be permanently dedicated to the purpose of displaying art installations. Exterior building facade space must not be used for commercial or advertising purposes. Art to be designed, built, and installed by a Hawaii Artist, as defined by the Hawaii State Foundation on Culture and the Arts. Approx \$10,000 art installation."	A gallery space would have substantial ongoing costs that would not be covered by the 0.25 FAR bonus. An exterior mural would require repainting at 7-10years. This incentive needs more details to be practical/ feasible. Should increase FAR bonus (ie. 1.0 FAR.)	Continues the current character of the neighborhood. Does not necessarily increase diversity since this is already occuring in the area.		
Public Facility - 0.25 FAR	Construction and dedicate a public facility from HCDA's preapproved list of public facilities within the project site to gain a 0.25 FAR bonus.	This incentive needs more detail. The FAR should depend on the nature of the public facility and the cost to build, maintain.			
Public Open Space - 0.50 FAR	Provide at least [50%] of the required open space area, on site, to gain an additional 0.50 FAR. Required to be perpetually publicly accessible and usable (refer to Civic Space Plan.)	Possibly too feasible if the quality and form of the space is left to the developer. The quality of space is critical and should be considered on a block-by-block basis.The incentive may greatly outweigh the benefit provided to the community unless there is greater specificity regarding the type of open space. Should be higher (ie. 1.0 FAR) for better quality open space that is more than just lawn.	Diversity of uses and users is dependent on diversity of spaces generated by each development. Promoting diversity of spaces is a priority and requires that the benefit promote various forms of open spaces among developments.	Public open space has the potential to promote sustainability and biodiversity by incorporating green infrastructure and native plant landscaping.	
LEED/WELL Platinum - 1.0 FAR		Very difficult to achieve for multi-family units in HI. Should get more FAR bonus (ie. 3.5 FAR) for achieving this.		This level is optimal for promoting sustainable building benefits.	
LEED/WELL Gold - 0.75 FAR		More feasible than platinum. Gold should have a higher FAR bonus (ie. 2.0 FAR.)		Highly desirable for promoting sustainable building benefits.	
LEED/WELL Silver - 0.50 FAR		Perhaps too feasible and this distribution of FAR among the levels of LEED cert might promote a "silver is good enough" decision. In that case, the feasibility is high but benefit is low. Should have higher bonus (ie. 1.5 FAR).		Desirable for promoting sustainable building benefits.	

Streetscape improvement	Open space - quality	Open space - access	Creative space	Space for creatives	Financial Feasibility
Exterior wall mural would provide streetscape improvement. Gallery space might improve streetscape if it is visible and attractive for pedestrians to enter.	Mural visible from open public space could offer some improvement of perceived quality of open space.		Provides another mural space or gallery space for local artists to display their work. Adds to the creative character of the neighborhood. Gallery space allows for rotation of display, more activation than a mural.	No impact.	Approximately \$10,000 for mural or gallery space for 0.25 FAR. Is this reasonable?
Streetscape could be improved if developers are required to differentiate the open public space from exisiting and planned nearby space.	Quality will be determined by the form and the uniqueness of form. 25% of the open space should be shaded at all times for human comfort.				The incentive for the developer greatly outweighs the benefit to the community unless the form and quality of the public space actually offers a benefit to the community by encouraging diverse uses, potential to serve as creative/ adaptable space, and use of green infrastructure/ native landscaping.
	Important that LEED certification not replace more community-facing benefits such as open space. Most benefits to LEED are mechanical, not social.				This level is unlikely to be feasible, but if achieved might warrant a greater bonus, in order to incentivize over lower levels of LEED.
					This level is more reasonable and provides a win-win scenario. May consider higher bonus for gold compared to silver.
					Consider increasing the FAR gap between silver and gold and gold to create more benefit to both community and sustainability. Make the gold level more financially feasible/ enticing to developer.

Appendix K. Environment/Open Space Working Group Draft  
Development Incentives Evaluation (Cont,)

Incentives	Description	Practical Feasibility	Diversity of population/ uses	Sustainable building practices/ landscaping	Complete Streets and sustainable transportation
Shelter Hardening - 1.0 FAR	Provide the hardened shelter (per EHPA Standards) on site, to gain additional 1.0 FAR. Shelter shall provide at least 30 SF of space per household or 10 SF per occupant of commercial space in the Project. Provide at least 100 SF for 10% of total households in Project. Dedicated hardened shelter space can have dual use, but must be turned over to the shelter use during marjor storm or natural disaster events.	The ability for dual use of the space makes this incentive more feasible but there is concern regarding the type of space, its usefulness, and who would be able to access in the event of storm.		Positive for natural disaster preparedness.	
Rainwater Management - 0.50 FAR	Provide a rainwater retention system on the project site to gain an additional 0.50 FAR. The system must capture and store water from at least 75% of the project roof area for reuse such as landscape irrigation and indoor water use.	Appears feasible, depending on the system (only for landscape irrigation), especially in there is an overlap with LEED certification.		Would promote sustainable building practices and landscaping.	
Stormwater Management - 0.50 FAR	Provide on site stormwater retention of [100]% of overall projected run-off for a period of [24 hrs] to mitigate pressures on municipal infrastructure during major storm events to gain an additional 0.50 FAR.	There is a strong preference for soft stormwater management and a specification in the incentive to that effect.		Could be green infrastructure.	
Renewable Energy - 0.50 FAR	Provide on site renewable energy to gain an additional 0.50 FAR bonus. The system must provide [10%] of renewable energy.	There is a potential that this would conflict with other roof uses such as community garden or rainwater management. Also, there would be better ways to measure this. Roof PV panels are more efficient than vertical PV cells. But yes, this is feasible. Minimum % should be higher, should correlate with FAR bonus (ie. 1.0 FAR for 25% renewable energy, 1.5 FAR for 50% renewable energy, 2.0 FAR for 100%, etc.)		Would contribute to sustainable building practices. Could be an option for projects not seeking LEED certification.	
Green Facade - 10ft podium height	Provide a green planting facade that covers at least 70% of the exterior building facade for building type BT .3, BT .4, BT .5, BT .7, BT .8, BT .9 or podium facade for building type BT .10. The green planting facade must be maintained in good health by the owner to gain an additional 10ft podium height or X.X in additional FAR.	If aesthetics is prioritized over being "green" there is the potential for wasteful use of resources. The maintenance requirement could be problematic with limited water availability. Not practical or feasible.		Would need to specify non-invasive and drought-tolerant plants. Consider making this dependant on rainwater capture.	

Streetscape improvement	Open space - quality	Open space - access	Creative space	Space for creatives	Financial Feasibility
				There may be opportunities for creative space as a dual use. Consider combining with maker's space.	Appears very attractive as it may provide a benefit to the developer as an amenity depending on the dual use of the space. As it is however, this is expensive to build with little FAR bonus.
	This may have the potential to bridge the gap between open space and green infrastructure.				Seems very feasible depending on the system and the use. Rainwater capture for indoor use is not feasible at this time.. Is there potential to double-dip here? (would LEED + rainwater management count once or twice?)
Depending on the form, there is a potential to improve or detract from the streetscape.	Green infrastructure solutions could be combined with open space. Aesthetically pleasing forms would improve open space quality.				What would be the capacity requirement? There is a potential that the requirement would not be worth the 0.5 FAR.
Vertical PV reflectivity could be a concern, could be unpleasant for pedestrians. Vertical PV could potentially increase urban heat island effect on surrounding paving.					May not be financially feasible at this level. Need to leverage economies of scale for incentivizing renewable energy generation. (WG1 evaluates this as feasible at this FAR.)
Could lead to many buildings looking the same.					Green facade would be costly to install and maintain and 70% is too high for the coverage.

Appendix K. Environment/Open Space Working Group Draft  
Development Incentives Evaluation (Cont.)

Incentives	Description	Practical Feasibility	Diversity of population/ uses	Sustainable building practices/ landscaping	Complete Streets and sustainable transportation
Public Parking - 10ft podium height	Provide at least 50 publicly available parking stalls on a lot 20,000SF or less. At least 100 publicly accessible parking stalls on a lot 20,001SF or greater to gain an additional 10ft podium height or X.X FAR bonus.	Incentives should be for shared mobility and alternative forms of transportation as we move away from private car ownership and improvement in public transit. Consider incentives for providing EV charging stations.		Not a sustainable building practice. Providing EV charging stations could provide some benefit.	
Pedestrian Cover - X.X podium height or X.X FAR	Provide at least 90% of ground level building frontage with a pedestrian canopy or awning minimum to gain an additional 10ft podium height or additional X.X FAR. Must be minimum of 5ft in horizontal depth from exterior face of the building facade. Shall be compliant with Section 15-217-39.	Should be for rain and sun. The form should follow function and should provide benefit to pedestrians on the sidewalk. This should be covered in the design guidelines and will be achieved according to the architectural style of a particular building. Should not be incentivized as a standard add-on feature.			
Robotic Parking - 10ft podium height	Dedicate at least 50% of parking floor area for robotic parking to minimize the amount of land usage to gain an additional 10ft in podium height.	Not feasible at this time. This would need to be all or nothing. 50% is not realistic.		Requires more energy use than standard parking. Can be self-supporting with PV (Santa Monica example.)	

Streetscape improvement	Open space - quality	Open space - access	Creative space	Space for creatives	Financial Feasibility
					Podium height is not attractive as an incentive. This would only be feasible for a FAR bonus and only if allowed to charge fair market rates for parking (not obligated to charge municipal rates.)
If used, should extend to public right of way, more than 5ft. Street trees would be more effective for improving streetscape/ pedestrian experience. Could potentially conflict with street trees if horizontal space within public right of way is limited.					Financially feasible.
					Developers are already incentivized to maximize space. But robotic parking is not financially feasible.



