**Voting Members:** 

Calvin K.Y. Say, Chair; Tyler Dos Santos-Tam, Vice-Chair; Radiant Cordero, Esther Kia'āina, Matt Weyer

Committee Meeting Held September 13, 2023

Honorable Tommy Waters Chair, City Council City and County of Honolulu

Mr. Chair:

Your Committee on Zoning, which considered Resolution 23-216 entitled:

"RESOLUTION AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE HOCKING HALE AFFORDABLE RENTAL PROJECT IN CHINATOWN, O'AHU,"

transmitted by Departmental Communication 643 (2023), dated September 1, 2023, from the Department of Planning and Permitting ("DPP") and introduced on September 7, 2023, reports as follows:

The purpose of the Resolution is to authorize, pursuant to § 201H-38, Hawaii Revised Statutes ("HRS"), exemptions from certain City application fees, infrastructure or public works fees and charges, and development standards for the Hocking Building affordable rental project (the "Project").

The DPP processed the 201H application, and transmitted to the Council the Project's requested exemptions and preliminary plans and specifications by Departmental Communication 643 (2023).

## HONOLULU CITY COUNCIL

Ke Kanihela o ke Kalana o Honolulu CITY AND COUNTY OF HONOLULU

OCT 4 2023

**Voting Members:** 

Calvin K.Y. Say, Chair; Tyler Dos Santos-Tam, Vice-Chair; Radiant Cordero, Esther Kiaʻāina, Matt Weyer

> Committee Meeting Held September 13, 2023 Page 2

### PROJECT DESCRIPTION

Hocking Building, LP (the "Applicant") proposes to develop the Hocking Building affordable rental project on approximately 14,980 square feet of land zoned BMX-4 Central Business Mixed Use District, located at 2 North King Street, within the Historic Core Precinct of the Chinatown Special District in Honolulu (listed as a historic site in the National Register of Historic Places), and identified as Tax Map Key 1-7-003:001.

The Project is an adaptive reuse project that will convert an existing commercial (the joined three-story Hocking Building and two-story Aseu Building, collectively referred to as the "Hocking Building") into a multi-family dwelling that includes 40 dwelling units (studio, one-bedroom, and two-bedroom units), and approximately 2,512 square feet of residential amenities including a community room, laundry room, fitness center, and courtyard located on the first floor of the building, with bicycle parking, 40 storage lockers, and four short-term and 20 long-term bicycle parking spaces located on the basement level of the building.

The Project will consist of 39 affordable dwelling units rented to households earning 50 percent or below of the area median income determined by the U.S. Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical Area as adjusted for household size ("AMI") (four dwelling units will be affordable to households earning 30 percent or below of the AMI, 35 dwelling units will be affordable to households earning 50 percent or below of the AMI), and one dwelling unit will be a manager's unit. All 39 affordable dwelling units will remain affordable for a minimum period of 65 years.

#### REQUESTED EXEMPTIONS

The Resolution authorizes exemptions from the payment of plan review fees, building permit fees, and the payment of park dedication in-lieu fees.

## HONOLULU CITY COUNCIL

Ke Kanihela o ke Kalana o Honolulu CITY AND COUNTY OF HONOLULU

ADOPTED ON OCT 4 2023

**Voting Members:** 

Calvin K.Y. Say, Chair; Tyler Dos Santos-Tam, Vice-Chair; Radiant Cordero, Esther Kia'āina, Matt Weyer

Committee Meeting Held September 13, 2023 Page 3

The proposed CD1 version of the Resolution provides that the exemption from the payment of park dedication in-lieu fees for the one manager's dwelling unit will only be authorized if federal or State funding for the Project, such as the use of low income housing tax credits, prohibits the use or sale of the manager's dwelling unit as a revenue-generating or profit-generating dwelling unit for the required affordability period, including any extensions thereof.

The proposed CD1 also authorizes exemptions from Land Use Ordinance ("LUO") development standards and requirements for the BMX-4 District relating to off-street loading spaces.

#### **TESTIMONY**

At your Committee's meeting on September 13, 2023, the Applicant's Agent provided a brief presentation of the Project and responded to questions from the Councilmembers.

The DPP Director testified in support of the Resolution.

One individual offered comments on the Resolution.

Your Committee received no written testimony on the Resolution.

#### **DISCUSSION OF EXEMPTIONS**

In the discussion of the requested exemptions, representatives of the DPP and your Committee's members agreed that the Project would be an important step towards meeting Honolulu's affordable housing goals.

## HONOLULU CITY COUNCIL

Ke Kanihela o ke Kalana o Honolulu CITY AND COUNTY OF HONOLULU

OCT 4 2023

**Voting Members:** 

Calvin K.Y. Say, Chair; Tyler Dos Santos-Tam, Vice-Chair; Radiant Cordero, Esther Kia'āina, Matt Weyer

> Committee Meeting Held September 13, 2023 Page 4

### **COMMITTEE AMENDMENTS**

Your Committee has prepared a CD1 version of the Resolution, which makes the following amendments:

- A. In the resolution title and throughout the text of the resolution, refers to the "Hocking Building" (instead of the "Hocking Hale").
- B. In the first, second, and third WHEREAS clauses, clarifies the description of the Project.
- C. In the fifth WHEREAS clause, provides that under the City's rules implementing HRS § 201H-38, at least 20 percent (instead of 50 percent) of a project's total unit must be available to households earning 80 percent or below of the AMI, and at least 31 percent of the project's total units must be available to households earning between 81 percent and 120 percent of the AMI, or lower AMI.
- D. In the seventh WHEREAS clause, provides that the Project's preliminary plans and specifications were submitted to the Council on September 7, 2023, by Departmental Communication 643 (2023).
- E. In Exemption 3, relating to park dedication ordinance requirements, provides for an exemption from park dedication requirements for 40 dwelling units, estimated at 4,400 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$1,255,452 (instead of \$1,240,800); provided that the park dedication requirement attributed to the one manager's dwelling unit is only exempt if federal or State funding for the Project, such as the use of low income housing tax credits, prohibits the use or sale of the manager's dwelling unit as a revenue-generating or profit-generating dwelling unit for the required affordability period, including any extensions thereof.

## HONOLULU CITY COUNCIL

Ke Kanihela o ke Kalana o Honolulu CITY AND COUNTY OF HONOLULU

**Voting Members:** 

Calvin K.Y. Say, Chair; Tyler Dos Santos-Tam, Vice-Chair; Radiant Cordero, Esther Kia'āina, Matt Weyer

> Committee Meeting Held September 13, 2023 Page 5

- F. Adds a new Exemption 4, to provide an exemption from ROH § 21-6.100, relating to required off-street loading spaces, to allow for no onsite loading space (instead of one loading space).
- G. In the BE IT FINALLY RESOLVED clause, corrects the address for R.M. Towill Corporation to 2024 (instead of 2021) North King Street.
- H. Makes miscellaneous technical and nonsubstantive amendments.

### COMMITTEE FINDINGS AND RECOMMENDATIONS

Your Committee finds that the housing benefits to be provided by the Project justify the exemptions authorized by this Resolution, as amended in the foregoing CD1. Accordingly, your Committee acts favorably on this Resolution, as amended.

Your Committee on Zoning is in accord with the intent and purpose of Resolution 23-216, as amended herein, and recommends its adoption in the form attached hereto as Resolution 23-216, CD1. (Ayes: Cordero, Dos Santos-Tam, Kiaʻāina, Say, Weyer – 5; Noes: None.)

Respectfully submitted,

Committee Chair

HONOLULU CITY COUNCIL

Ke Kanihela o ke Kalana o Honolulu CITY AND COUNTY OF HONOLULU

ADOPTED ON OCT 4 2023

## RESOLUTION

AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE HOCKING BUILDING AFFORDABLE RENTAL PROJECT IN CHINATOWN, O'AHU.

WHEREAS, Hocking Building, LP (the "Applicant") proposes to develop the Hocking Building affordable rental project on approximately 14,980 square feet of land zoned BMX-4 Central Business Mixed Use District, located at 2 North King Street, within the Chinatown Special District in Honolulu, O'ahu, and identified as Tax Map Key 1-7-003:001, as depicted in Exhibits A, B, and C-1 through C-6, attached hereto and made a part hereof (the "Project"); and

WHEREAS, as proposed, the Project is an adaptive reuse project that will convert an existing commercial building (the joined three-story Hocking Building and two-story Aseu Building, collectively referred to as the "Hocking Building") into a multi-family dwelling that includes 40 dwelling units (studio, one-bedroom, and two-bedroom units), and residential amenities including a community room, laundry room, fitness center, courtyard, storage lockers, and four short-term and 20 long-term bicycle parking spaces; and

WHEREAS, as proposed, the Project will consist of 39 affordable dwelling units rented to households earning 50 percent or below of the area median income determined by the U.S. Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical Area as adjusted for household size ("AMI") (four dwelling units will be affordable to households earning 30 percent or below of the AMI, 35 dwelling units will be affordable to households earning 50 percent or below of the AMI, and one dwelling unit will be a manager's unit; and

WHEREAS, all affordable dwelling units will remain affordable for a minimum period of 65 years; and

WHEREAS, the Project is eligible to receive consideration under the City's rules implementing § 201H-38, Hawai'i Revised Statutes ("HRS"), which require that at least 20 percent of a project's total units be available to households earning 80 percent or below of the AMI, and at least 31 percent of the project's total units be available to households earning between 81 percent and 120 percent of the AMI, or lower AMI; and

WHEREAS, the City Council ("Council") is empowered and authorized to approve the Project which may include exemptions from statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning,

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## RESOLUTION

construction standards for subdivision, development and improvement of land, and the construction of units thereon pursuant to HRS §§ 46-15.1 and 201H-38; and

WHEREAS, the Council has reviewed the preliminary plans and specifications for the Project, dated June 3, 2022, prepared by CDS International (the "Plans and Specifications"), and submitted to the Council by the Department of Planning and Permitting ("DPP") on September 7, 2023, by Departmental Communication 643 (2023); and

WHEREAS, the Project is consistent with the housing and community development goals and objectives of the City; and

WHEREAS, the granting of the exemptions is necessary for the timely and successful implementation of the Project; and

WHEREAS, the Project does not contravene any safety standards, tariffs, rates, or fees approved by the Public Utilities Commission or the Board of Water Supply; and

WHEREAS, the exemptions authorized herein meet the intent of HRS Chapter 201H, and minimum requirements of health and safety; now, therefore.

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the Project, which approval includes exemptions from certain requirements for the Project as set forth in the Plans and Specifications for the Project, as follows:

### **Application Fees:**

- 1. Exemption from §18-6.1, Revised Ordinances of Honolulu 2021 ("ROH"), to allow an exemption from the payment of plan review fees, estimated at \$14,173.70.
- 2. Exemption from ROH § 18-6.2, to allow an exemption from the payment of building permit fees, estimated at \$70,868.50.

### Park Dedication Ordinance:

3. Exemption from ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements for 40 dwelling units, estimated at 4,400 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$1,255,452; provided that the park dedication requirement attributed to the one manager's dwelling unit is only exempt if federal or State funding for the Project, such as the

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## RESOLUTION

use of low income housing tax credits, prohibits the use or sale of the manager's dwelling unit as a revenue-generating or profit-generating dwelling unit for the required affordability period, including any extensions thereof.

### Land Use Ordinance:

4. Exemption from ROH § 21-6.100, relating to required off-street loading spaces, to allow for no onsite loading space (instead of one loading space), as generally shown in the attached Exhibits; and

BE IT FURTHER RESOLVED that the Project is approved subject to the following conditions:

- A. Except as modified herein, development must be in general conformance with the approved Project, as described herein and shown on plans and drawings labeled as Exhibits C-1 through C-6, attached hereto and made a part hereof. Minor changes may be approved by the DPP Director. Major modifications to the Project will require approval by the City Council.
- B. Prior to the issuance of any building permit for the Project, the Applicant shall execute a 201H Agreement with the DPP Director that includes terms, conditions, and provisions to facilitate the efficient development and monitoring of the Project, and to ensure the Project's compliance with the requirements of HRS Chapter 201H and this resolution; and

BE IT FURTHER RESOLVED that references to specific statutes, ordinances, or regulations include respective successor statutes, ordinances, or regulations; and

BE IT FURTHER RESOLVED that the exemptions granted for this Project are not transferable to any other real property; and

BE IT FURTHER RESOLVED that this resolution is null and void unless construction of the Project commences no later than 60 months after the adoption of this resolution; and

BE IT FURTHER RESOLVED that the final plans and specifications for the Project constitute the zoning, building, and construction standards for the Project and are approved if those plans and specifications do not substantially deviate from the Plans and Specifications submitted to the City Council; provided that minor modifications to the design character or specifications of the building or landscaping

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## **RESOLUTION**

may be approved by the DPP, if such modifications are consistent with the prevailing neighborhood character; and

BE IT FURTHER RESOLVED that no action may be prosecuted or maintained against the City and County of Honolulu, its officials or employees, on account of actions taken by them in reviewing or approving the preliminary plans and specifications or in granting these exemptions listed herein; and

BE IT FURTHER RESOLVED that the DPP Director is authorized to execute and record the 201H Agreement referenced in Condition B, pursuant to the terms, conditions, and provisions approved as to form and legality by the Corporation Counsel as being necessary, advisable, or desirable for the purpose of carrying out this resolution; and

BE IT FURTHER RESOLVED that the DPP Director is hereby authorized to execute any incidental or related documents to carry out the transactions above described, so long as said documents do not increase either directly or indirectly the financial obligations of the City; and

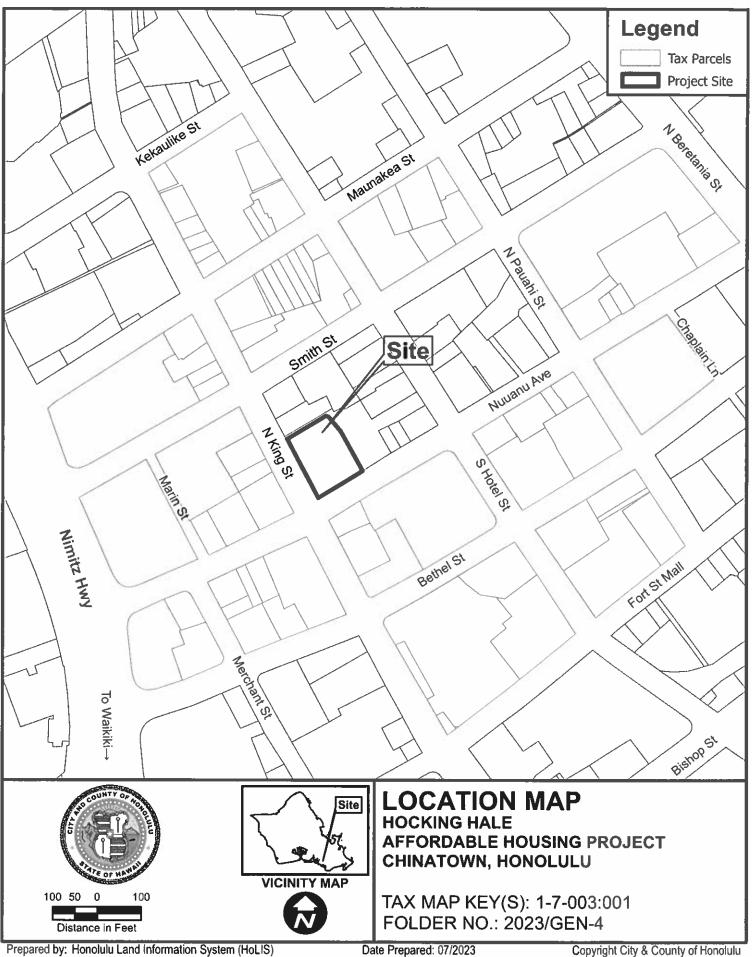


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## RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to Dawn Takeuchi Apuna, Director of Planning and Permitting, 650 South King Street, 7th Floor, Honolulu, Hawai'i 96813; Kevin Unemori, Hocking Building, LP, 1600 Ala Moana Boulevard, Suite 103, Honolulu, Hawai'i 96815; and Isaiah Sato, R.M. Towill Corporation, 2024 North King Street, Suite 200, Honolulu, Hawai'i 96819.

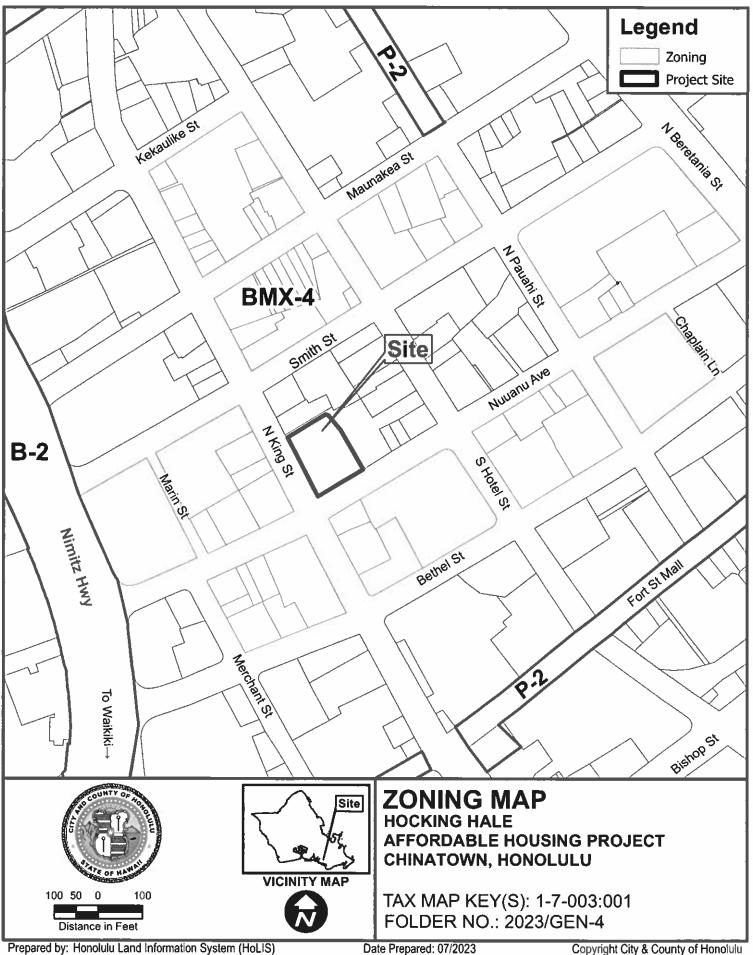
	INTRODUCED BY:
	Tommy Waters (br)
	: 50
DATE OF INTRODUCTION:	
September 7, 2023	123 SEC. 123
Honolulu, Hawai'i	Councilmembers



Department of Planning & Permitting (DPP) City and County of Honolulu

**EXHIBIT A** 

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Prepared by: Honolulu Land Information System (HoLIS) Department of Planning & Permitting (DPP) City and County of Honolulu

**EXHIBIT B** 

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