

RESOLUTION

AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE PAHOA RIDGE RENTAL OR FOR-SALE PROJECT IN HONOLULU, O'AHU

WHEREAS, Highridge Costa Development Company, LLC (the "Applicant"), with co-developer Form Partners, LLC, and with the approval of the Hawaii Housing Finance and Development Corporation ("HHFDC"), proposes to develop Pahoia Ridge, a rental or for-sale high-rise project on an approximately 0.47-acre site located at 2779 Waialae Avenue in Honolulu, O'ahu, and identified as Tax Map Key (1) 2-7-028:025, as depicted in Exhibits _____, attached hereto and made a part hereof (the "Project"); and

WHEREAS, the Project is within the State of Hawai'i ("State") Urban District and City and County of Honolulu's ("City") Apartment Medium Density (A-2) Zoning District; and

WHEREAS, as proposed, the Project involves a 30-story residential tower with 211 dwelling units (consisting of 57 studio units, 98 one-bedroom units, and 56 two-bedroom units) and up to 281 parking spaces; and

WHEREAS, as proposed, the Project is an affordable rental or an affordable and market for-sale project (depending on the source of financing), with three scenarios proposed by the Applicant, in order of preference. Scenario 1 is an affordable rental apartment project that will be rented to households earning 60 percent or below the area median income for Honolulu, as determined by the U.S. Department of Housing and Urban Development (the "AMI") (22 units at 30 percent or below the AMI, 22 units at 50 percent or below the AMI, and 165 units at 60 percent or below the AMI), excluding two manager's units, utilizing Low-Income Housing Tax Credits and other HHFDC financing. Scenario 2 is an affordable rental apartment project that will be rented to households earning 100 percent or below the AMI (43 units at 80 percent or below the AMI, and 166 units at 100 percent or below the AMI), excluding two manager's units, proposing to utilize 501(c)3 bonds, Rental Housing Revolving Fund, and other financing. Scenario 3 is an affordable and market for-sale project with 60 percent of the units affordable to households earning 140 percent or below the AMI (7 units at 80 percent or below the AMI, 24 units at 100 percent or below the AMI, 48 units at 120 percent or below the AMI, and 48 units at 140 percent or below the AMI), with the remaining 84 units being market-rate units; and

WHEREAS, as proposed, if the Project is pursued as a rental project under Scenario 1 or Scenario 2, the units will remain affordable for the duration of 62 years. If the Project is pursued as a for-sale project under Scenario 3, the affordable for-sale units will be subject to HHFDC's Shared Appreciation Equity Program and 10-Year Buyback Restrictions; and

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WHEREAS, the Project will also provide a minimum of 16 short-term and 75 long-term bicycle parking spaces, recreational amenities for residents on level 9 and the roof, and common areas and circulation space; and

WHEREAS, the Project will help address the critical need for affordably priced rental housing within Honolulu's urban core in convenient proximity to a range of educational facilities, employment centers, and multiple shopping, dining, and family services opportunities; and

WHEREAS, the exemptions requested by the Applicant include exemptions or deferrals from City fees and charges; and

WHEREAS, on December 14, 2023, HHFDC's Board of Directors, by approval of a For Action, approved the Project with its proposed exemptions; 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 governmental agency relating to planning, zoning, construction standards for subdivision, development and improvement of land, and the construction of dwelling units thereon pursuant to Hawaii Revised Statutes ("HRS") § 201H-38; and

WHEREAS, the Council has reviewed the preliminary plans and specifications for the Project dated October 26, 2023, prepared by Lowney Architecture, and submitted to the Council by HHFDC on December 20, 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 requested exemptions meet minimum requirements of health and safety; and

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

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BE IT RESOLVED by the Council that it approves the Project, which approval includes exemptions from certain requirements for the Project, as follows:

Application Fees

1. Exemption from Revised Ordinances of Honolulu 2021, as amended ("ROH"), § 18-6.1, to allow an exemption from the payment of plan review fees, estimated at \$25,000.
2. Exemption from ROH § 18-6.2, to allow an exemption from the payment of building permit fees, estimated at \$411,820.
3. Exemption from ROH § 18A-2.4(a) to allow an exemption from the payment of grading permit fees, estimated at \$1,110.

Infrastructure and Public Works Fees and Charges

4. Exemption from ROH § 43-10.1, § 43-10.2, and § 43-10.3, to allow an exemption from the payment of wastewater system facility charges for:
 - a. Scenario 1 – Attributed to 209 affordable units rented to households earning no more than 60 percent of the AMI, estimated at \$200,138;
 - b. Scenario 2 – Attributed to 43 affordable units rented to households earning no more than 80 percent of the AMI, estimated at \$41,177; or
 - c. Scenario 3 – attributed to 7 affordable units offered for sale to households earning no more than 80 percent of the AMI, estimated at \$6,703.
5. Deferral from ROH § 43-10.1, § 43-10.2, and § 43-10.3, to allow a deferral from payment of wastewater system facility charges until the issuance of a certificate of occupancy for:
 - a. Scenario 1 – Attributed to 2 units reserved as managers' units, estimated at \$9,262;
 - b. Scenario 2 – Attributed to 166 units rented to households earning between 81 percent and 100 percent of the AMI, plus the 2 managers' units, estimated at \$778,042; or
 - c. Scenario 3 – Attributed to 204 units offered for sale to households earning more than 80 percent of the AMI, estimated at \$944,765.

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Fire Department Plan Review Fees

6. Exemption from ROH § 20-1.1, Item 3, and ROH § 20-1.12.8, to allow an exemption from the payment of Honolulu Fire Department fire plan review fee, estimated at \$41,182.

Board of Water Supply Rules and Regulations

7. Deferral from § 1-102, § 2-202(2), and § 2-202(3) of the Board of Water Supply Rules and Regulations, to allow a deferral from the payment water system facility charges and installation of water service fees until the installation of the water meter, estimated at;
 - a. Scenarios 1 and 2 – \$639,916 for all 209 affordable rental units under both Scenarios 1 and 2; or
 - b. Scenario 3 – \$388,849 for the 127 units offered for sale to households earning up to 140 percent of the AMI.

Park Dedication Ordinance Requirements

8. Exemption from ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements (based on 10 percent of the maximum permitted floor area with allowance for areas provided in the Project), resulting in a requested exemption of either:
 - a. Scenario 1 and 2 – Attributed to 211 affordable units rented to households earning 60 percent and below of the AMI, representing 10,515 square feet of park space or payment of an equivalent in-lieu fee estimated at \$1,703,000;
 - b. Scenario 2 – Attributed to 211 affordable units rented to households earning between 80 percent and 100 percent of the AMI, representing 10,515 square feet of park space or payment of an equivalent in-lieu fee estimated at \$1,703,000; or
 - c. Scenario 3 – Attributed to 127 affordable units offered for sale to households earning no more than 140 percent of the AMI, totaling 10,515 square feet of park space or payment of an equivalent in-lieu fee estimated at \$1,140,000.

Land Use Ordinance

9. Exemption from Land Use Ordinance (“LUO”) § 21-3.80-1(b) and Table 21-3.3, relating to maximum density, to allow a Project floor area ratio (“FAR”) of up to 9.4 (instead of an FAR of 1.5).

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10. Exemption from LUO § 21-3.80-1(b) and Table 21-3.3, relating to maximum building area, to allow a maximum building area of up to 85 percent of the total zoning lot area (approximately 20,295 square feet) (instead of 40 percent of the total zoning lot area).
11. Exemption from LUO § 21-3.80-1(b) and Table 21-3.3, relating to yard setbacks, to allow side and rear yard setbacks varying from 0 to 15 feet (instead of 10 feet).
12. Exemption from LUO § 21-3.80-1(c)(2) and Table 21-3.3, relating to height setbacks, to allow for no height setbacks – the Project will encroach into all required setbacks (instead of above 40 feet, an additional 1-foot setback for each additional 10 feet of height).
13. Exemption from LUO § 21-3.80-1(b) and Table 21-3.3, and the applicable zoning map, to allow a building height of up to 270 feet instead of 150 feet. Rooftop structures must conform to LUO § 21-4.60(c).
14. Exemption from LUO § 21-6.40, relating to bicycle parking, to allow the Project to provide a minimum of 16 short-term and 75 long-term bicycle parking spaces (instead of 21 short-term and 106 long-term spaces).

City and County of Honolulu's Affordable Housing Requirements

15. Exemption from ROH Chapter 32, to allow an exemption from City's affordable rental housing requirements. The Project will follow the affordable rental housing requirements of HHFDC for § 201H-38, HRS projects and is designed so that it may be developed either as:
 - a. Scenario 1 – A 100 percent affordable rental project, with all rental units targeted at households earning no more than 60 percent of the AMI;
 - b. Scenario 2 – A 100 percent affordable rental project, with all rental units targeted at households earning between 80 percent to 100 percent of the AMI; or
 - c. Scenario 3 – An affordable and market for-sale project with at least 127 units, or 60 percent of units, offered to households earning between 80 percent and 140 percent of the AMI, and the balance of the units sold at market prices.
16. If the Project is developed as a for-sale project, an exemption from ROH Chapter 29, relating to the City's affordable housing requirements, to allow the for-sale project to be developed, marketed, and sold in accordance with HHFDC's affordable housing requirements, including but not limited to those pursuant to HRS § 201H-47, § 201H-49, and § 201H-50; and

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BE IT FURTHER RESOLVED that except for the exemptions provided herein and listed in the For Action approved by HHFDC's Board of Directors, the Project must comply with all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon;

BE IT FURTHER RESOLVED that as used in this resolution:

- i. References to HHFDC include any successor agency; and
- ii. References to specific statutes, ordinances, or regulations include any respective successor statutes, ordinances, or regulations; 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 effective date of this resolution; and

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

BE IT FURTHER RESOLVED that the final plans and specifications for the Project constitute the zoning, building, construction, and subdivision standards for the Project, and are approved if those plans and specifications do not substantially deviate from the preliminary plans and specifications submitted to the Council; provided that minor modifications to the design character or specifications of the building or landscaping may be approved by HHFDC 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, its officials, or its employees, on account of the actions taken by them in reviewing or approving the plans and specifications, or in granting the exemptions listed herein; and

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Hawaii Housing Finance and Development Corporation, 677 Queen Street, Suite 300, Honolulu, Hawai'i 96813, and Highridge Costa Development Company, LLC, 330 W. Victoria Street, Gardena, CA 90248.

INTRODUCED BY:

Tommy Waters

Tommy Waters (br)
By Request of
Hawaii Housing and
Finance Development
Corporation -

DATE OF INTRODUCTION:

JAN 4 2024

Honolulu, Hawai'i

Councilmembers