REPORT OF THE COMMITTEE ON ZONING & PLANNING

Voting Members:
Esther Kia'āina, Chair; Tyler Dos Santos-Tam, Vice-Chair;
Radiant Cordero, Val A. Okimoto, Matt Weyer

Committee Meeting Held
October 16, 2025

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

Mr. Chair:

Your Committee on Zoning & Planning, to which was referred Resolution 25-288 entitled:

"RESOLUTION AMENDING RESOLUTION 18-248, CD1, FD1, TO MODIFY THE AFFORDABLE HOUSING REQUIREMENTS FOR THE SKY ALA MOANA INTERIM PLANNED DEVELOPMENT-TRANSIT PROJECT,"

reports as follows:

The purpose of Resolution 25-288 is to amend Resolution 18-248, CD1, FD1, to modify the affordable housing requirements for the Sky Ala Moana Interim Planned Development-Transit ("IPD-T") project.

By adoption of Resolution 18-248, CD1, FD1, the Council approved the conceptual plan for an IPD-T project proposed by Avalon Group, LLC, to redevelop 70,000 square feet of land zoned BMX-3 Community Business Mixed Use District with a mixed-use, condominium-hotel, residential, and commercial project, located at 1388, 1400, and 1418 Kapi'olani Boulevard, and identified as Tax Map Keys 2-3-016:003, 004, and 008 (the "Project").

The Project is required to provide a total of 84 dwelling units in the Project as affordable for-sale units as follows.

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1. Under the affordable housing requirements of Chapter 29, Revised Ordinances of Honolulu 2021 ("ROH"), the Applicant elected to provide 10 percent of the total Project dwelling units (equal to 42 units) as for-sale affordable housing requirement units ("AHR Units"), with an affordability period of 30 years. Initially, 21 AHR Units were required to be offered to households earning 120 percent or below of the area median income ("AMI"), and 21 AHR Units were required to be offered to households earning 100 percent or below of the AMI.

2. The Applicant is also required to provide 42 for-sale affordable community benefit units ("ACB Units") to offset Project height and density bonuses, with an affordability period of 30 years. Initially, all 42 of these ACB Units were required to be offered for sale to households earning 120 percent or below of the AMI.

Both the AHR Units and the ACB Units were subject to marketing periods. As the marketing periods progressed, the AHR Units could be offered to higher household income groups, not to exceed households earning 140 percent of the AMI, but at prices affordable to households earning the percentage of AMI originally required. As the marketing periods progressed, the affordability period for the ACB Units was reduced but could not be less than 10 years.

All marketing periods have expired, and currently 38 AHR Units (30 studio units and 8 two-bedroom units) remain unsold, all of which must be sold to households earning 140 percent of the AMI, at prices affordable to households earning the percentage of AMI originally required, for an affordability period of 30 years.

Twenty-four ACB Units (23 studio units and one two-bedroom unit) remain unsold, all of which must be sold to households earning 120 percent of the AMI for an affordability period of 10 years.

Beginning on May 8, 2024, the Director of Planning and Permitting ("DPP Director") temporarily allowed Project developer JL Capital (the "Developer") to rent unsold AHR Units and ACB Units to households earning 100 percent or below of the AMI, but this ability to rent unsold affordable units will expire on December 31, 2027.

The Developer now requests, and the Resolution would allow the rental of unsold AHR Units and ACB Units to households earning 80 percent or below of the AMI, unless and until the units are sold under the same terms applicable to the units after expiration of the last marketing periods.

At your Committee's meeting on October 16, 2025, the Developer provided a brief presentation of the request to modify the Project's affordable housing requirements and responded to questions from Councilmembers.

The DPP Director testified in support the Resolution and responded to questions from Councilmembers.

Community Advocacy Research Education Services (CARES) testified in support of the Resolution.

Your Committee received written testimony in support of the Resolution from CARES.

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Your Committee on Zoning & Planning is in accord with the intent and purpose of Resolution 25-288 and recommends its adoption. (Ayes: Cordero, Kia'āina, Okimoto, Tupola, Waters – 5; Noes: None.)

Respectfully submitted,

Committee Chair

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

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