HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. 26-273

RESOLUTION

AMENDING RESOLUTION 16-11, CD1, AS AMENDED BY RESOLUTION 17-320, AS FURTHER AMENDED BY RESOLUTION 24-273, CD1, TO EXTEND THE DEADLINE TO COMMENCE CONSTRUCTION OF THE HALE MOENA AFFORDABLE RENTAL HOUSING PROJECT IN KAPOLEI, O'AHU.

WHEREAS, on January 27, 2016, the City Council ("Council"), by adoption of Resolution 16-11, CD1, authorized certain exemptions and deferrals from planning, zoning, and construction requirements and standards for the subdivision, development and improvement of land, and the construction of units thereon, pursuant to §§ 46-15.1 and 201H-38, Hawai'i Revised Statutes, proposed by Coastal Rim Properties Inc. (the "Initial Applicant") for the Kapolei Mixed-Use Development Project, consisting of three phases, to be developed on approximately 3.036 acres of land zoned B-2 Community Business District, located at 1020 Wakea Street in Kapolei, O'ahu, and identified as Tax Map Key 9-1-088:021 (the "Initial Project"); and

WHEREAS, Phase 1 of the Initial Project ("Initial Phase 1") involved a 13-story affordable rental tower and parking podium (11-story residential tower above a two-story parking podium), 150 feet in height, with a total of 153 rental units rented to senior households (55 years of age or older) earning from 30 percent up to 60 percent of the area median income ("AMI") based on the U.S. Department of Housing and Urban Development ("HUD") annual income limits for the Honolulu metropolitan statistical area as adjusted for household size, and one manager's unit, 7,308 square feet of ground floor retail space, and 185 off-street parking spaces; Initial Phase 1 (Hale Moena Kupuna) was completed in 2020, and its senior affordable rental units are required to remain affordable for a minimum period of 61 years after March 11, 2020, which is the date a certificate of occupancy was issued for Initial Phase 1; and

WHEREAS, Phase 2 of the Initial Project ("Initial Phase 2") involved a 13-story multifamily for-sale condominium tower and parking podium (11-story residential tower above a two-story parking podium), 150 feet in height, with a total of 143 for-sale units (72 affordable units offered for-sale to households earning from 100 percent up to 120 percent of the AMI, and 71 for-sale market-rate units), 7,086 square feet of ground floor retail space, and 170 off-street parking spaces; and

WHEREAS, Phase 3 of the Initial Project ("Initial Phase 3") involved a single story building with 17,594 square feet of ground floor retail space, 1,249 square feet of associated services space, and 56 commercial off-street parking spaces; and

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WHEREAS, on December 6, 2017, the Council, by adoption of Resolution 17-320, approved certain amendments to Resolution 16-11, CD1, which included modifying Initial Phase 2 to a 13-story Low-Income Housing Tax Credit ("LIHTC") rental tower and parking podium (11-story residential tower above a two-story parking podium), 150 feet in height, with a total of 143 dwelling units (142 units rented to households earning from 30 percent up to 60 percent of the AMI, and one manager's unit), 3,003 square feet of ground floor retail space, and 146 off-street parking spaces ("Modified Phase 2"); Modified Phase 2 (Hale Moena Ohana) was completed in 2021, and its affordable rental units are required to remain affordable for a minimum period of 61 years after March 5, 2021, which is the date a certificate of occupancy was issued for Modified Phase 2; and

WHEREAS, on December 11, 2024, the Council, by adoption of Resolution 24-273, CD1, approved certain amendments to Resolution 16-11, CD1, as amended by Resolution 17-320, which included converting Initial Phase 3 into new Phases 3 and 4 ("New Phase 3" and "New Phase 4"), and converting the vacant retail space in Initial Phase 1 and Modified Phase 2 into recreational space, as proposed by Highridge Costa Development Company, LLC, with co-developer Form Partners, LLC (the "Applicant"), with the approval of the Hawai'i Housing Finance and Development Corporation ("HHFDC"); and

WHEREAS, New Phase 3 involves a 13-story affordable rental tower and parking podium (11-story residential tower above a two-story parking podium), 138 feet in height, with a total of 117 dwelling units (116 units rented to households earning from 30 percent up to 60 percent of the AMI, and one manager's unit), approximately 6,567 square feet of indoor and outdoor recreational spaces, 89 off-street parking spaces, and a minimum of six short-term and 20 long-term bicycle parking spaces; New Phase 3 will remain affordable for a minimum period of 62 years after the date a certificate of occupancy is issued for New Phase 3; and

WHEREAS, New Phase 4 involves a 14-story affordable rental tower and parking podium (10-story residential tower above a four-story parking podium), 148 feet in height, with a total of 130 dwelling units (129 units rented to households earning from 30 percent up to 60 percent of the AMI, and one manager's unit), 552 square feet of indoor recreational space, 136 off-street parking spaces, and a minimum of six short-term and 22 long-term bicycle parking spaces; New Phase 4 will remain affordable for a minimum period of 62 years after the date a certificate of occupancy is issued for New Phase 4; and

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WHEREAS, a total of 10,311 square feet of existing retail space in Initial Phase 1 and Modified Phase 2 (7,308 square feet in Initial Phase 1 and 3,003 square feet in Modified Phase 2) will be converted into recreational space; conversion will occur concurrently with the construction of New Phase 3 and New Phase 4; and

WHEREAS, the scope of the current project consists of Initial Phase 1, Modified Phase 2, New Phase 3, and New Phase 4; and

WHEREAS, Resolution 24-273, CD1, required that construction of the Modified Project (defined in the resolution as the Project approved under Resolution 17-320, as modified under Resolution 24-273, CD1), commence no later than 24 months after December 11, 2024 (the date of adoption of the resolution), resulting in a deadline of December 11, 2026; and

WHEREAS, the Applicant requests a 60-month extension of the December 11, 2026, deadline to commence construction of the Modified Project (as required in Resolution 24-273, CD1); the Applicant also seeks to make this construction commencement deadline applicable to New Phase 3 or New Phase 4, whichever phase is constructed first, due to the following delays and unanticipated situations:

1. For calendar year 2025, the sites for New Phase 3 and New Phase 4 were not located within a HUD-designated Difficult Development Area, and therefore did not qualify for an increase of up to 30 percent in eligible basis for purposes of the 4 percent LIHTC program, which delayed preparation of design documents for New Phase 3 and New Phase 4. Effective January 1, 2027, HUD has designated the sites for New Phase 3 and New Phase 4 as within a Difficult Development Area. With the redesignation, the Applicant has been preparing plans for New Phase 3 and New Phase 4, and anticipates applying with the HHFDC for financing (New Phases 3 and 4 will be financed separately) through the LIHTC, Hula Mae Multifamily Bonds, and the Rental Housing Revolving Fund programs; and

2. New Phase 3 and New Phase 4 will be included under the existing executed and recorded Declaration of Land Use Restrictive Covenants and a Development Agreement with the HHFDC, but will require an amendment prior to the closing of financing for New Phase 3 and New Phase 4; and

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WHEREAS, the Council believes that due to the difficulty and uncertainty in obtaining Project financing, a 60-month extension of the construction commencement deadline from December 11, 2026, to December 11, 2031, and clarification that the extended construction commencement deadline applies to New Phase 3 or New Phase 4, whichever phase is constructed first, is appropriate; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that Resolution 16-11, CD1, as amended by Resolution 17-320, as further amended by Resolution 24-273, CD1, is further amended to extend the construction commencement deadline by 60 months, to December 11, 2031, and clarify that the extended construction commencement deadline applies to New Phase 3 or New Phase 4 of the Project, whichever phase is constructed first; and

BE IT FURTHER RESOLVED that all other conditions and provisions of Resolution 16-11, CD1, as amended by Resolution 17-320, as further amended by Resolution 24-273, CD1, are ratified and confirmed, and remain in full force and effect; and

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RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Hawai'i Housing Finance and Development Corporation, 677 Queen Street, Suite 300, Honolulu, Hawai'i 96813; Highridge Costa Development Company, LLC, 330 W. Victoria Street, Gardena, California 90248; and Dawn Takeuchi Apuna, Director of Planning and Permitting, 650 South King Street, 7th Floor, Honolulu, Hawai'i 96813.

INTRODUCED BY:

Esther Kiaaina (br)

DATE OF INTRODUCTION:

NOV 12 2026

Honolulu, Hawai'i

Councilmembers