**Voting Members:** 

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

Committee Meeting Held October 29, 2020

Honorable Ann H. Kobayashi Chair, City Council City and County of Honolulu

Madam Chair:

Your Committee on Zoning, Planning and Housing, which considered Resolution 20-270 entitled:

"RESOLUTION AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE RESIDENCES AT BISHOP PLACE AFFORDABLE HOUSING PROJECT AT HONOLULU, OAHU, HAWAII, TAX MAP KEYS 2-1-010: 015, 021 TO 024, AND 032,"

transmitted by Departmental Communication 676 (2020) from the Department of Planning and Permitting ("DPP"), dated October 14, 2020, reports as follows:

The purpose of the Resolution is to authorize, pursuant to Section 201-H38 of the Hawaii Revised Statutes ("HRS"), exemptions from certain City application fees, infrastructure or public works fees and charges, and development standards for the conversion of an existing 25-story office and commercial building in Downtown Honolulu, into a mixed-use multifamily rental project (the "Project").

The DPP processed the 201H application, and transmitted the requested exemptions to the Council by Departmental Communication 676 (2020). The DPP subsequently transmitted the Project's preliminary plans and specifications to the Council by D-691 (2020).

### CITY COUNCIL

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

COMMITTEE REPORT NO. 270

#### **Voting Members:**

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 2

#### PROJECT DESCRIPTION

The Project site consists of six zoning lots totaling approximately 50,680 square feet. The Applicant owns parcels 015, 021, 022, 023, and 024, but does not own parcel 032 (owned by Standard Sales Co.) The Project site is zoned BMX-4 Central Business Mixed Use District and is located in the Central Business District of Downtown Honolulu.

The existing 25-story office and commercial building was constructed in 1992, and consists of approximately 452,343 square feet of office space, commercial space (currently there are 29 commercial tenants), and five levels of underground parking.

The Project will include 252 affordable rental units available to households earning 80 percent to 120 percent of the AMI, 241 market-rate rental units, renovated lobby, existing underground vehicle parking, bicycle parking, commercial spaces, and recreational amenities. The affordable units will remain affordable for a minimum period of 30 years.

The Project will be developed in three phases. Phase 1 has already commenced, and consists of the conversion of 98 residential units, and renovation of the lobby and amenities on the first two levels. Phase 2 consists of the conversion of 71 units. Phase 3 consists of the conversion of the remaining 324, the timing of which will depend on the existing office tenants vacating their spaces as their lease expires.

### **REQUESTED EXEMPTIONS**

This Resolution authorizes exemptions from building permit fees; plan review fees; wastewater system facility charges; water system facility fees; park dedication requirements; and certain Land Use Ordinance ("LUO") development standards and requirements relating to height, density, off-street parking spaces, parking space size, and loading spaces.

#### **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

ADOPTED ON NOV 5 2020

#### **Voting Members:**

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 3

#### **TESTIMONY**

At your Committee's meeting on October 29, 2020, the Acting Director of the DPP testified in support of the Resolution. The Applicant's agent provided a brief presentation of the Project, and the Applicant answered questions and offered comments on the Project.

Unlimited Construction Services, Inc. and Hawaii Construction Alliance testified in support of the Resolution. The Board of Water Supply offered comments on the Resolution.

Your Committee received written testimony in support of the Resolution from the Fort Street Mall Business Improvement District Association; Hawaii Laborers-Employers Cooperation and Education Trust; Pacific Resource Partnership; and one individual. One individual submitted comments on the Resolution.

#### **DISCUSSION OF EXEMPTIONS**

Your Committee's members agreed that the Project would be important step towards meeting Honolulu's affordable housing goals.

### **COMMITTEE AMENDMENTS**

Your Committee considered a CD1 version of the Resolution that makes the following amendments:

A. In the first six WHEREAS clauses, clarifies the Project description.

### **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

NOV 5 2020 ADOPTED ON

#### **Voting Members:**

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 4

- B. In the ninth WHEREAS clause, provides that the Council has reviewed the preliminary plans and specifications for the Project dated August 2019, and June 12, 2020, prepared by Solomon Cordwell Buenz and R.M. Towill Corporation, and submitted to the Council by the DPP on October 22, 2020, by D-691 (2020).
- C. In the BE IT RESOLVED clause:
  - 1. Formats the exemptions to conform to the standard format for 201H resolutions.
  - 2. Moves former Exemption 9 (relating to an exemption from payment of wastewater system facility charges) to the "Application Fees and Infrastructure and Public Works Fees and Charges" category, as new Exemption 3. Renumbers subsequent exemptions.
  - 3. In renumbered Exemption 5, allows the Project to provide a minimum of 467 parking spaces (rather than the required 493 parking spaces); provided that the DPP may, upon request of the Applicant, approve further reductions in the number of minimum required parking spaces, but not below a minimum of 124 parking spaces.
  - 4. In renumbered Exemption 6, clarifies that the Project will provide one of the required five loading spaces with dimensions of 8.5 feet by 19 feet with a vertical clearance of 6.83 feet (instead of 8.5 feet by 19 feet with a vertical clearance of 10 feet).

#### CITY COUNCIL

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

NOV 5 2020 ADOPTED ON

### **Voting Members:**

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 5

- 5. Separates renumbered Exemption 7 into two separate exemptions:
  - In Exemption 7, allows a Project maximum building height of a. 387 feet (instead of a maximum building height of 350 feet); and
  - In new Exemption 8, allows a maximum density of a floor area ratio b. ("FAR") of 7.66 (instead of a maximum FAR of 7.5 with an open space bonus). Clarifies that the calculation of the FAR is based on a total joint development lot area of 68,975 square feet (73,444 square feet minus easement areas), a floor area of 528,383 square feet for the six Project site zoning lots, and a floor area of 7,653 square feet for structures on the other six zoning lots in the joint development lot.

Renumbers subsequent exemptions.

- 6. In renumbered Exemption 9, provides that the Project's park dedication requirements, which are being waived, total approximately 54,230 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$17.950.130.
- 7. In renumbered Exemption 11, provides for a deferral of water system facility fees until installation of a water meter (instead of until issuance of a certificate of occupancy for the Project).

### **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

**Voting Members:** 

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 6

#### D. In the first BE IT FURTHER RESOLVED clause:

- 1. Deletes former Condition 1, which required the Applicant to obtain and record an access easement (to Project parking, loading, and refuse areas) on, over, and across TMK 2-1-010:032, in favor of TMK 2-1-010:024.
- 2. Alphabetizes subsequent conditions (instead of numbering) and reformats subdivisions and paragraphs accordingly (to conform to standard formatting of conditions in 201H resolutions).
- 3. Clarifies Condition A.4 relating to the Project's traffic impact report recommendations.
- 4. In Condition B, requires the Applicant to execute a development agreement prior to the issuance of any certificate of occupancy for the Project's affordable rental units (instead of prior to the issuance of any building permits for Project Phases 2 or 3).
- 5. In Condition C, requires the Applicant to execute an affordable housing agreement, and record a declaration of restrictive covenant prior to the issuance of any certificate of occupancy for the Project's affordable rental units (instead of prior to the issuance of any building permits for Project Phases 2 or 3).
- E. In the fourth BE IT FURTHER RESOLVED clause, provides 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 preliminary plans and specifications submitted to the Council, except to comply with Condition A.4.

#### CITY COUNCIL

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

5 2020 NOV ADOPTED ON

**Voting Members:** 

Ron Menor, Chair; Tommy Waters, Vice-Chair; Brandon J.C. Elefante, Joey Manahan, Alan Kekoa Texeira

> Committee Meeting Held October 29, 2020 Page 7

F. Makes miscellaneous technical and nonsubstantive amendments for purposes of formatting, grammar, clarity, and style.

#### 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, Planning and Housing is in accord with the intent and purpose of Resolution 20-270, as amended herein and recommends its adoption in the form attached hereto as Resolution 20-270, CD1. (Ayes: Elefante, Manahan, Menor, Texeira, Waters – 5; Ayes with reservations: None; Noes: None.)

Respectfully submitted,

Committee Chair

**CITY COUNCIL** 

CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII

### RESOLUTION

AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE RESIDENCES AT BISHOP PLACE AFFORDABLE HOUSING PROJECT AT HONOLULU, OAHU, HAWAII, TAX MAP KEYS 2-1-010: 015, 021, 022, 023, 024, AND 032.

WHEREAS, DEG LLC (the "Applicant") proposes to convert an existing 25-story office and commercial building into an affordable and market-rate multifamily rental housing project, referred to as The Residences at Bishop Place, on six adjacent zoning lots totaling approximately 50,680 square feet, zoned BMX-4 Central Business Mixed Use District, located at 1132 Bishop Street in the Central Business District of Downtown Honolulu, and identified as Tax Map Keys 2-1-010: 015, 021, 022, 023, and 024 (owned by the Applicant) and Tax Map Key 2-1-010:032 (owned by Standard Sales Co.), as shown generally on the attached Exhibits A through U (the "Project"); and

WHEREAS, Conditional Use Permit No. 89/CUP1-19 and a joint development agreement allowed for the joint development of the existing office and commercial building as a part of the development of 12 zoning lots (Tax Map Keys 2-1-010: 011, 013, 015, 017, 021, 022, 023, 024, 032, 039, 041, and 047); and

WHEREAS, Zoning Variance No. 96/VAR-53 allowed the existing office and commercial building to exceed density and height limits under the Land Use Ordinance ("LUO") for the BMX-4 Central Business Mixed Use District, to a maximum floor area ratio of 7.5 (with open space bonus) and a maximum building height of 387 feet; and

WHEREAS, as proposed, the Project includes 252 affordable rental units, 241 market-rate rental units, renovated lobby, existing underground vehicle parking areas, bicycle parking, commercial spaces, and recreational amenities; and

WHEREAS, the Project will be developed in three phases: Phase 1 has already commenced, and consists of the conversion of 98 residential units, and renovation of the lobby and amenities on the first two levels; Phase 2 consists of the conversion of 71 residential units; and Phase 3 consists of the conversion of the remaining 324 residential units, the timing of which will depend on the existing office tenants vacating their spaces as their leases expire; and

WHEREAS, the Project's affordable rental units consist of studio, one-bedroom, and two-bedroom units available to households earning between 80 percent and 120 percent of the area median income ("AMI") for Honolulu; and

### RESOLUTION

WHEREAS, the Project is eligible to receive consideration under the City's rules implementing Section 201H-38 of the Hawaii Revised Statutes ("HRS"), which require that at least 51 percent of a project's total units must be available to households earning at or below 120 percent of the AMI; and

WHEREAS, the City Council is empowered and authorized to approve the Project, including exemptions from statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivision, development and improvement of land, and the construction of units thereon pursuant to HRS Sections 46-15.1 and 201H-38; and

WHEREAS, the City Council has reviewed the preliminary plans and specifications for the Project, dated August 2019, and June 12, 2020, prepared by Solomon Cordwell Buenz and R. M. Towill Corporation, and submitted to the Council by the Department of Planning and Permitting ("DPP") on October 22, 2020, by Departmental Communication 691 (2020); 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, or rates and 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 the minimum requirements of health and safety; now, therefore,

BE IT RESOLVED by the City 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 preliminary plans and specifications referenced above, and as generally identified below, as follows:

### Application Fees and Infrastructure and Public Works Fees and Charges:

1. Exemption from Section 18-6.1 of the Revised Ordinances of Honolulu 1990 ("ROH"), to allow an exemption from payment of plan review fees for Project Phases 2 and 3, estimated at \$37,000.

### RESOLUTION

- 2. Exemption from ROH Section 18-6.2, to allow an exemption from payment of building permit fees for Project Phases 2 and 3, estimated at \$186,000.
- 3. Exemption from ROH Sections 14-10.1 and 14-10.3, to allow the deferral of payment of wastewater system facility charges until issuance of a certificate of occupancy for the Project, estimated at \$1,191,385.

### Land Use Ordinance ("LUO):

- 4. Exemption from LUO Section 21-6.30(d), relating to parking space dimensions, to allow the Project to provide a maximum of 85 percent of the total parking spaces as compact parking spaces (instead of a maximum of 50 percent of the total parking spaces as compact parking spaces).
- 5. Exemption from LUO Section 21-6.30(a) and Table 21-6.2, relating to off-street parking requirements for multifamily dwellings, to allow the Project to provide a minimum of 467 parking spaces (rather than the required 493 parking spaces); provided that the DPP may, upon request of the Applicant, approve further reductions in the number of minimum required parking spaces, but not below a minimum of 124 parking spaces.
- 6. Exemption from LUO Section 21-6.120(b), relating to loading space dimensions, to allow the Project to provide one of the required five loading spaces with dimensions of 8.5 feet by 19 feet with a vertical clearance of 6.83 feet (instead of 8.5 feet by 19 feet with a vertical clearance of 10 feet).
- 7. Exemption from LUO Section 21-3.120-2(b) and Table 21-3.4, relating to maximum building height, to allow a Project maximum building height of 387 feet (instead of a maximum building height of 350 feet).
- 8. Exemption from LUO Section 21-3.120-2(b) and Table 21-3.4, relating to maximum density, to allow a maximum floor area ratio ("FAR") of 7.66 (instead of a maximum FAR of 7.5 with an open space bonus). The calculation of the FAR is based on a total joint development lot area of 68,975 square feet (73,444 square feet minus easement areas), a floor area of 528,383 for the six Project site zoning lots, and a floor area of 7,653 square feet for structures on the other six zoning lots that comprise the joint development lot.

### RESOLUTION

### Park Dedication:

9. Exemption from ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements, totaling approximately 54,230 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$17,950,130.

#### Fire Department Plan Review Fees:

10. Exemption from ROH Sections 20-1.1, Item 3, to allow an exemption from payment of Honolulu Fire Department plan review fees, estimated at \$19,000.

#### Board of Water Supply ("BWS") Rules and Regulations:

11. Exemption from Sections 1-102, 2-202(2) and 2-202(3) of the Board of Water Supply Rules and Regulations, to allow the deferral of payment of water system facility fees until installation of a water meter, estimated at \$112,380.

BE IT FURTHER RESOLVED that approval of the foregoing exemptions is subject to the following conditions:

- A. Prior to the issuance of any building permit for Project Phases 2 or 3, the Applicant shall submit the following for review and approval:
  - 1. To the DPP and the Department of Transportation Services ("DTS"), a timeline or phasing plan of the anticipated dates to obtain development permits for construction work, including the projected date of occupancy, in a format acceptable to the DPP. The timeline must identify when the construction management plan ("CMP") and the traffic management plan ("TMP") will be submitted for review and approval.
  - 2. To the DPP and the DTS, a CMP that identifies the type, frequency and routing of heavy trucks and construction-related vehicles. The Applicant shall make every effort to minimize impacts from construction vehicles and construction-related activities. The CMP must identify and limit construction-related vehicular activity to periods outside of the peak traffic hours using alternative routes for heavy trucks, provisions for either onsite or offsite staging areas for construction-related workers and vehicles to limit the use of on-street parking around the Project site, and other mitigation measures related to traffic and potential neighborhood impacts. The Applicant shall document the condition of roadways prior to the start of construction activities and provide remedial measures, as necessary,

### RESOLUTION

such as restriping, road resurfacing, or roadway reconstruction if the condition of the roadways deteriorates as a result of the construction-related activities.

- 3. To the DPP and DTS and the DPP, a TMP that includes traffic demand management ("TDM") strategies to minimize the amount of vehicular trips for daily activities and large events, if any. TDM strategies may include carpooling, ride-hailing, car-sharing, and ride sharing programs; transit, bicycle, and pedestrian incentives; and other similar TDM strategies. The TMP must include a pedestrian circulation plan that provides accessibility and connectivity to the surrounding public sidewalks, including Union Mall, Hotel Street, and Fort Street Mall, and nearby bus stops. A post TMP will be required approximately one year after the issuance of a certificate of occupancy ("CO") for the Project to validate the relative effectiveness of the various TDM strategies identified in the initial TMP.
- 4. To the DPP, in accordance with the Project's Traffic Impact Report recommendations, plans that show:
  - Adequate sight distance for vehicles to safely enter and exit all Project driveways;
  - b. Adequate onsite loading and unloading service areas; and
  - c. Adequate maneuvering and turnaround areas for service, delivery, and refuse collection vehicles, so vehicles are able to enter and exit the Project site in a forward-facing manner.
- B. Prior to the issuance of any certificate of occupancy for the Project's affordable rental units, the Applicant shall execute a development agreement with the Director of Planning and Permitting 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.
- C. Prior to the issuance of any certificate of occupancy for the Project's affordable rental units, the Applicant shall execute an affordable housing agreement with the Director of Planning and Permitting, to ensure compliance with the City's affordable housing requirements, and execute and record a declaration of restrictive covenant that encumbers the Project site.

### RESOLUTION

D. Subsequent to Council adoption of this resolution, the Applicant shall request rescission of Zoning Variance No. 96/VAR-53; 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 the Project are not transferable to any other real property; 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 preliminary plans and specifications submitted to the City Council, except to comply with Condition A.4; provided that minor modifications to the design character or specifications of the building or landscaping 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 plans and specifications, or in granting the exemptions listed herein; and

BE IT FURTHER RESOLVED that the Director of Planning and Permitting is authorized to execute and record the development agreement and affordable housing agreement referenced above, 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 Director of Planning and Permitting is authorized to execute any incidental or related documents to carry out the transactions described above, so long as said documents do not increase either directly or indirectly the financial obligations of the City; and

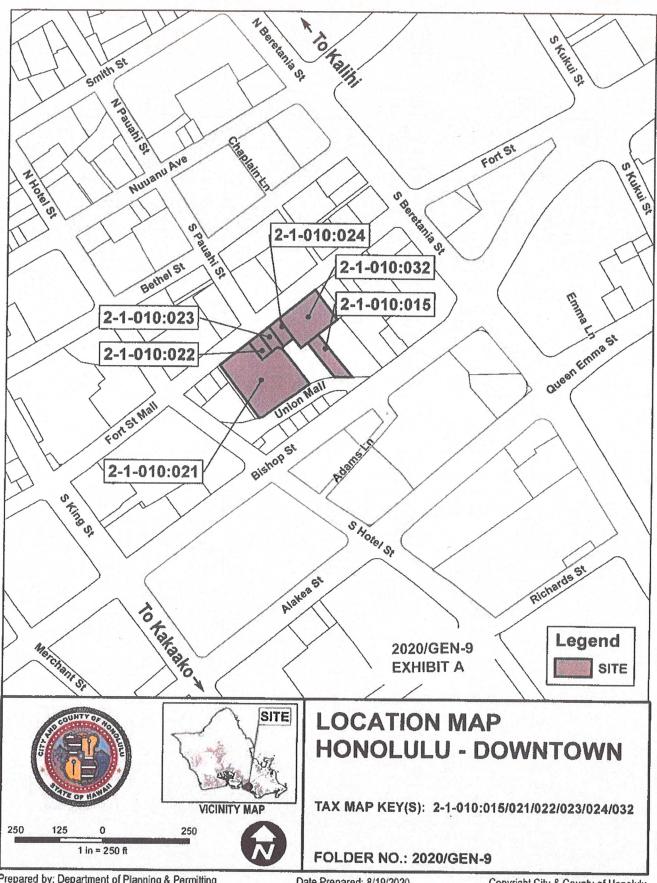


### RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to: Kathy K. Sokugawa, Acting Director of Planning and Permitting, 650 South King Street, 7th Floor, Honolulu, Hawaii 96813; DEG LLC, c/o Douglas Emmett Management LLC, 1299 Ocean Avenue, Suite 1000, Santa Monica, California 90401-1063; Standard Sales Co., 1254 Center Street, Honolulu, Hawaii 96816; Keith Kurahashi, R. M. Towill Corporation, 2024 North King Street, Suite 200, Honolulu, Hawaii 96819; Bishop Creative, 6264 Seadrift CV, Malibu, California 90265; Muriel Damon, 134 Hotel Street, Honolulu, Hawaii 96813; 1111 FSM Partners, 3435 Waialae Avenue, Room 203, Honolulu, Hawaii 96816; Sea Landing LLC, 531 Stanford Avenue, Palo Alto, California 94306; Downtown KT LLC, 1199 Bishop Street, Unit 21B, Honolulu, Hawaii 96813; Michele Nekota, Director of Parks and Recreation, 1000 Uluohia Street, Suite 309, Kapolei, Hawaii 96707.

INTRODUCED DV

	INTRODUCED BY:
	Ann Kobayashi (br)
	· · · · · · · · · · · · · · · · · · ·
DATE OF INTRODUCTION:	· .
October 19, 2020	
Honolulu, Hawaii	Councilmembers



Prepared by: Department of Planning & Permitting City and County of Honolulu

