January 22, 2018

MEMORANDUM

TO: Kaiulani Sodaro, Chair
    and Members of the Planning Commission

FROM: Kathy K. Sokugawa
      Acting Director

SUBJECT: Resolution No. 17-303
Request for Amendments to Chapter 21, Revised Ordinances of
Honolulu 1990 (The Land Use Ordinance), Relating to Planned
Development-Resort and Planned Development-Apartment Projects

Transmitted for appropriate action is the Department of Planning and Permitting’s
(DPP) report and recommendation for the proposed amendments to the Land Use
Ordinance (LUO), relating to Planned Development-Resort (PD-R) and Planned
Development-Apartment (PD-A) projects.

Resolution No. 17-303, Relating to Planned Development-Resort (PD-R)
and Planned Development-Apartment (PD-A) Projects (attached) amends LUO
Section 21-9.80-4(d)(1) to expand the applicability provisions to allow various,
multiple owners of contiguous properties to become part of a PD-R or PD-A
project. The revision would also allow lots to be added to or removed from
existing PD-R or PD-A projects.

The DPP recommends revising the LUO as proposed by Resolution No. 17-303.
For the sake of consistency, the DPP also recommends revising the applicability
sections associated with Interim Planned Development – Transit Projects and
Conditional Use Permits. We would be happy to answer any questions that you may
have concerning this matter during the Public Hearing.

Attachments
LUO AMENDMENT – COUNCIL-INITIATED PROPOSAL
RELATING TO PLANNED DEVELOPMENT-RESORT AND
PLANNED DEVELOPMENT-APARTMENT PROJECTS
RESOLUTION NO. 17-303

Staff Report
January 10, 2018

I. BACKGROUND

On October 20, 2017, Resolution No. 17-303 introduced an amendment to Chapter 21, Revised Ordinances of Honolulu [Land Use Ordinance (LUA)], relating to Planned Development-Resort (PD-R) and Planned Development-Apartment (PD-A) projects (see attached). The purpose of the Resolution, as documented in the Zoning and Housing Committee Report No. 413, is to expand the LUA’s provisions relating to the applicability of PD-R and PD-A projects in order to allow multiple owners of contiguous properties to become part of a PD-R or PD-A project. The revision would also allow lots to be added to or removed from existing PD-R or PD-A projects.

Resolution No. 17-303 revised the text of LUA Section 21-9.80-4(d)(1)(B) as follows:

"The minimum project size is one acre. Multiple lots may be part of a single PD-R or PD-A project if [all lots are under a single owner and/or lessee holding leases with a minimum of 30 years remaining in their terms.] the owners, lessees, developers or other designated representatives, including but not limited to a board or association of homeowners, condominium owners, timeshare owners, or cooperative housing owners, in lieu of individual owners, consent. Lots may be added to or removed from existing PD-R or PD-A projects upon the application of the owners, lessees, developers or other designated representatives of the lots to be added or removed with the written consent of the original applicant for the existing PD-R or PD-A project, or its successor. Applications for the addition or removal of lots shall be processed in accordance with other applicable regulations contained in this Chapter. Lots to be removed shall be able to comply on their own with applicable zoning regulations as a separate project. Multiple lots in a single project must be contiguous, provided that lots that are not contiguous may be part of a single project if all of the following conditions are met: ...".

II. FINDINGS OF FACT

The fundamental purpose of PD-R and PD-A projects is to provide opportunities for development not possible under strict adherence to the development standards of
the Waikiki Special District. Under the current LUO provisions, multiple lots may be part of a single PD-R or PD-A project if all lots are under a single owner and/or lessee holding leases with a minimum of 30 years remaining in their terms.

In practice, we know that PD-R and PD-A projects are occasionally owned and operated by multiple, separate entities. The proposed amendment also recognizes, for example, that under existing State of Hawaii condominium laws, associations of owners act through their board of directors or other designated representatives. The revised text reduces the ambiguity as to whether homeowners associations are to provide their consent to PD-R or PD-A applications.

There is also no explicit guidance in the LUO for applicants seeking to add or remove lots from an existing PD-R or PD-A project. The amendment sets forth a process for adding and removing lots from an existing PD-R or PD-A project. More specifically:

- The owners or designated representatives of the lots to be added or removed must submit an application identifying the lots to be added or removed;
- The original applicant for the existing PD-R or PD-A project, or its successor, must consent to the proposal;
- The application must be processed in the same manner as the initial PD-R or PD-A application, including the requirements for a public hearing and City Council and Department of Planning and Permitting (DPP) approval; and
- If any lots be removed from an existing PD-R or PD-A project, then the lots removed and those remaining must comply on their own with application zoning regulations.

While such requests are not made often, in practice, DPP processes such requests as minor modifications. Again, the intention of the PD-R and PD-A regulations is to provide flexibility, and codifying the means by which to add and remove lots will contribute to flexibility and facilitate (re)development.

III. ANALYSIS

The proposed amendment to LUO Section 21-9.80-4 revises and clarifies who may apply for PD-R or PD-A permits. Given that ownership regimes change and new ones are regularly created, the proposed list is more inclusive and easier to administer.

The proposed amendment includes language that describes how lots may be added and removed from PD-R and PD-A projects. The new text reflects how lots are currently added or removed from joint developments. It codifies procedures that are practiced, but not currently articulated in the LUO. Revising the zoning code, as proposed, may facilitate development and redevelopment.

The proposed revision addresses only PD-R and PD-A applications; however, the Interim Planned Development-Transit (IPD-T) Permit and Conditional Use Permit
sections use similar eligibility requirements. In order to maintain consistency throughout the LUF, it would be appropriate to revise the IPD-T and Conditional Use Permit processing sections in the LUF at this time.

IV. RECOMMENDATION

The DPP recommends revising the LUF as proposed by Resolution No. 17-303. For the sake of consistency, the DPP also recommends that two other sections, involving IPD-T Projects and Conditional Use Permits, be revised as follows:

Sec. 21-9.100-5(a) Eligible zoning lots. IPD-T projects may be permitted on zoning lots that meet the following standards:

(2) The minimum project size shall be 20,000 square feet. Multiple lots may be part of a single IPD-T project if [all of the lots are under single-owner and/or lessee holding leases with a minimum of 30 years remaining in their terms:] the owners, lessees, developers or other designated representatives, including but not limited to a board or association of homeowners, condominium owners, timeshare owners, or cooperative housing owners, in lieu of individual owners, consent. Lots may be added to or removed from existing IPD-T projects upon the application of the owners, lessees, developers or other designated representatives of the lots to be added or removed with the written consent of the original applicant for the existing IPD-T project, or its successor. Applications for the addition or removal of lots shall be processed in accordance with other applicable regulations contained in this Chapter. Lots to be removed shall be able to comply on their own with applicable zoning regulations as a separate project. Multiple lots in a single project must be contiguous, provided that lots that are not contiguous may be part of a single project if all the following conditions are met: ...

Sec. 21-2.90-1 Application requirements.

(a) [A developer, owner, or lessee] Owners, lessees, developers or other designated representatives, including but not limited to a board or association of homeowners, condominium owners, timeshare owners, or cooperative housing owners, may file an application for a conditional use permit with the director, provided that the conditional use sought is permitted in the particular district.

Attachment
RESOLUTION

PROPOSING AN AMENDMENT TO CHAPTER 21, REVISED ORDINANCES OF HONOLULU 1990 (THE LAND USE ORDINANCE), RELATING TO PLANNED DEVELOPMENT-RESORT (PD-R) AND PLANNED DEVELOPMENT-APARTMENT (PD-A) PROJECTS.

WHEREAS, Section 21-9.80-4(d)(1) of the City's Land Use Ordinance ("LUO") allows certain projects in the Waikiki Special District to apply for a Planned Development-Resort ("PD-R") or Planned Development-Apartment ("PD-A") permit, which provides opportunities for creative redevelopment not possible under a strict adherence to the development standards of the Special District; and

WHEREAS, the Council desires to expand the LUO's provisions relating to the applicability of PD-R and PD-A projects in order to allow multiple owners of contiguous properties to become part of a PD-R or PD-A project; and

WHEREAS, Section 6-1513 of the Revised Charter of the City and County of Honolulu 1973 (2017 Edition) ("Charter"), provides that "[a]ny revision of or amendment to the zoning ordinances may be proposed by the council and shall be processed in the same manner as if proposed by the director [of planning and permitting];" and

WHEREAS, the term "zoning ordinances," as used in RCH Section 6-1513 includes both amendments to the LUO and to ordinances designating particular parcels of property in terms of the LUO; and

WHEREAS, Chapter 2, Article 24, Part A, Revised Ordinances of Honolulu 1990 ("ROH"), establishes procedures and deadlines for the processing of Council proposals to revise or amend the general plan, the development plans, the zoning ordinances, and the subdivision ordinance, and clarifies the responsibility of the Director of Planning and Permitting to assist the Council in adequately preparing its proposals for processing; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Director of Planning and Permitting and the Planning Commission are directed, pursuant to Charter Section 6-1513, and ROH Chapter 2, Article 24, Part A, to process the proposed amendment to ROH Chapter 21 ("Land Use Ordinance"), attached hereto as Exhibit A, in the same manner as if the proposal had been proposed by the Director; and
RESOLUTION

BE IT FURTHER RESOLVED that the Director of Planning and Permitting is directed to inform the Council upon the transmittal of the Director’s report and the proposed Land Use Ordinance amendment to the Planning Commission; and

BE IT FINALLY RESOLVED that, pursuant to ROH Chapter 2, Article 24, Part A, the Clerk shall transmit copies of this Resolution and the Exhibit attached hereto to the Director of Planning and Permitting and the Planning Commission of the City and County of Honolulu, and shall advise them in writing of the date by which the Director’s report and accompanying proposed ordinance are required to be submitted to the Planning Commission.

DATED OF INTRODUCTION:

OCT 20, 2017

Honolulu, Hawaii

Councilmembers
EXHIBIT A
A BILL FOR AN ORDINANCE

RELATING TO PLANNED DEVELOPMENT-RESORT AND PLANNED DEVELOPMENT-APARTMENT PROJECTS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend certain provisions of the Land Use Ordinance relating to the applicability of Planned Development-Resort ("PD-R") and Planned Development-Apartment ("PD-A") projects.

SECTION 2. Section 21-9.80-4, Revised Ordinances Honolulu 1990 ("General requirements and design controls"), is amended by amending subsection (d) to read as follows:

"(d) Planned Development-Resort (PD-R) and Planned Development-Apartment (PD-A) Projects. The purpose of the PD-R and PD-A options is to provide opportunities for creative redevelopment not possible under a strict adherence to the development standards of the special district. Flexibility may be provided for project density, height, precinct transitional height setbacks, yards, open space and landscaping when timely, demonstrable contributions benefiting the community and the stability, function, and overall ambiance and appearance of Waikiki are produced.

Reflective of the significance of the flexibility represented by this option, it is appropriate to approve projects conceptually by legislative review and approval prior to more detailed review and approval by the department. PD-R and PD-A projects will be subject to the following:

(1) PD-R and PD-A Applicability.

(A) PD-R projects are only permitted in the resort mixed use precinct, and PD-A projects are only permitted in the apartment precinct.

(B) The minimum project size is one acre. Multiple lots may be part of a single PD-R or PD-A project if all lots are under a single owner and/or lessee holding leases with a minimum of 30 years remaining in their terms; the owners, lessees, developers or other designated representatives, including but not limited to a board or association of homeowners, condominium owners, timeshare owners, or cooperative housing owners, in lieu of Individual owners, consent. Lots may be added to or removed from existing PD-R or PD-A projects upon the application of the owners, lessees, developers or
other designated representatives of the lots to be added or removed with the written consent of the original applicant for the existing PD-R or PD-A project, or its successor. Applications for the addition or removal of lots shall be processed in accordance with other applicable regulations contained in this Chapter. Lots to be removed shall be able to comply on their own with applicable zoning regulations as a separate project. Multiple lots in a single project must be contiguous, provided that lots that are not contiguous may be part of a single project if all of the following conditions are met:

(i) The lots are not contiguous solely because they are separated by a street or right-of-way that is not a major street as shown on Exhibit 21-9.15; and

(ii) Each noncontiguous portion of the project, whether comprised of a single lot or multiple contiguous lots, must have a minimum area of 20,000 square feet, but subject to the minimum overall project size of one acre.

When a project consists of noncontiguous lots as provided above, bridges or other design features connecting the separated lots are strongly encouraged, to unify the project site. Multiple lots that are part of an approved single PD-R or PD-A project will be considered and treated as one zoning lot for purposes of the project, provided that no conditional use permit-minor for a joint development will be required therefor.

(2) PD-R and PD-A Use Regulations. Permitted uses and structures will be as enumerated for the underlying precinct in Table 21-9.6(A).

(3) PD-R and PD-A Site Development and Design Standards. The standards set forth by this subdivision are general requirements for PD-R and PD-A projects. When, in the paragraphs below, the standards are stated to be subject to modification or reduction, the modification or reduction must be for the purpose of accomplishing a project design consistent with the goals and objectives of the Waikiki special district and this subsection.

(A) In PD-R projects, the maximum project floor area cannot exceed an FAR of 4.0, except:
A BILL FOR AN ORDINANCE

(i) If the existing FAR is greater than 3.33, then an increase in maximum density by up to 20 percent may be allowed, up to but not exceeding a maximum FAR of 5.0; or

(ii) If the existing FAR is greater than 5.0, then the existing FAR may be the maximum density.

In computing project floor area, the FAR may be applied to the zoning lot area, plus one-half the abutting right-of-way area of any public street or alley. Floor area devoted to acceptable public uses within the project, such as a museum or performance area (e.g., stage or rehearsal area), may be exempt from floor area calculations.

The foregoing maximum densities may be reduced.

(B) In PD-A projects, the maximum project floor area cannot exceed an FAR of 3.0, except:

(i) If the existing FAR is greater than 3.0, then an increase in maximum density by up to 20 percent may be allowed, up to but not exceeding a maximum FAR of 4.0; or

(ii) If the existing FAR is greater than 4.0, then the existing FAR may be the maximum density.

In computing project floor area, the FAR may be applied to the zoning lot area, plus one-half the abutting right-of-way area of any public street or alley. Floor area devoted to acceptable public uses within the project, such as a museum or performance area (e.g., stage or rehearsal area), may be exempt from floor area calculations.

The foregoing maximum densities may be reduced.

(C) The maximum building height is 350 feet, but this standard may be reduced.

(D) The precinct transitional height setbacks will be as set forth in Table 21-9.6(B), but these standards may be modified.
(E)  The minimum for yards is 15 feet, but this standard may be modified.

(F)  The minimum open space is at least 50 percent of the zoning lot area, but this standard may be modified when beneficial public open spaces and related amenities are provided.

(G)  The landscaping requirements will be as set forth in subsection (f), but these standards may be modified.

(H)  Except as otherwise provided in this subdivision, all development and design standards applicable to the precinct in which the project is located will apply.

(4)  Approval of PD-R or PD-A Projects.

(A)  Application Requirements.  An application for approval of a PD-R or PD-A project must contain:

   (i)  A project name;

   (ii) A location map showing the project in relation to the surrounding area;

   (iii) A site plan showing the locations of buildings and other major structures, proposed open space and landscaping system, and other major activities. The site plan must also note property lines, the shoreline, shoreline setback lines, beach access and other public and private access, when applicable;

   (iv) A narrative description of the overall development and design concept; the general mix of uses; the basic form and number of structures; the estimated number of proposed hotel and other dwelling or lodging units; general building height and density; how the project achieves and positively contributes to a Hawaiian sense of place; proposed public amenities, development of open space and landscaping; how the project achieves a pedestrian orientation; and potential impacts on, but not necessarily limited to, traffic circulation, parking and loading, security, sewers, potable water, and public utilities;
A BILL FOR AN ORDINANCE

(v) An open space plan and integrated pedestrian circulation system;

(vi) A narrative explanation of the project's architectural design relating the various design elements to a Hawaiian sense of place and the requirements of the Waikiki special district; and

(vii) A parking and loading management plan.

(B) Procedures. Applications for approval of PD-R or PD-A projects will be processed in accordance with Section 21-2.110-2.

(C) No project will be eligible for PD-R or PD-A status unless the council has first approved a conceptual plan for the project.

(D) Guidelines for Review and Approval of the Conceptual Plan for a Project. Prior to its approval of a conceptual plan for a PD-R or PD-A project, the council shall find that the project concept, as a unified plan, is in the general interest of the public, and that:

(i) Requested project boundaries and design flexibility with respect to standards relating to density (floor area), height, precinct transitional height setbacks, yards, open space and landscaping are consistent with the Waikiki special district objectives and the provisions of this subsection;

(ii) Requested flexibility with respect to standards relating to density (floor area), height, precinct transitional height setbacks, yards, open space, and landscaping is commensurate with the public amenities proposed; and

(iii) When applicable, there is no conflict with any visitor unit limits for Waikiki as set forth under Chapter 24.

(E) Deadline for Obtaining Building Permit for Project.

(i) A council resolution of approval for a conceptual plan for a PD-R or PD-A project must establish a deadline within which the building permit for the project must be obtained. For multiphase projects, deadlines must be established for
obtaining building permits for each phase of the project. The resolution must provide that the failure to obtain any building permit within the prescribed period will render null and void the council's approval of the conceptual plan and all approvals issued thereunder; provided that in multiphase projects, any prior phase that has complied with the deadline applicable to that phase will not be affected. A revocation of a building permit pursuant to Section 18-5.4 after the deadline will be deemed a failure to comply with the deadline.

(ii) The resolution must further provide that a deadline may be extended as follows: The director may extend the deadline if the applicant demonstrates good cause, but the deadline cannot be extended beyond one year from the initial deadline without the approval of the council, which may grant or deny the approval in its complete discretion. If the applicant requests an extension beyond one year from the initial deadline and the director finds that the applicant has demonstrated good cause for the extension, the director shall prepare and submit to the council a report on the proposed extension, which report must include the director's findings and recommendations thereon and a proposed resolution approving the extension. The council may approve the proposed extension or an extension for a shorter or longer period, or deny the proposed extension, by resolution. If the council fails to take final action on the proposed extension within the first to occur of:

(a) 60 days after the receipt of the director's report; or

(b) the applicant's then-existing deadline for obtaining a building permit, the extension will be deemed denied. The director shall notify the council in writing of any extensions granted by the director that do not require council approval.

(F) Approval by Director. Upon council approval of the conceptual plan for the PD-R or PD-A project, the application for the project, as approved in concept by the council, will continue to be processed by the director as provided under Section 21-2.110-2. Additional
documentation may be required by the director as necessary. The following criteria will be used by the director to review applications:

(i) The project must conform to the approved conceptual plan and any conditions established by the council in its resolution of approval;

(ii) The project also must implement the objectives, guidelines, and standards of the Waikiki special district and this subsection;

(iii) The project must exhibit a Hawaiian sense of place. The document "Restoring Hawaiianaess to Waikiki" (July 1994) and the supplemental design guidebook to be prepared by the director should be consulted by applicants as a guide for the types of features that may fulfill this requirement;

(iv) The project must demonstrate a high level of compliance with the design guidelines of this special district and this subsection;

(v) The project must contribute significantly to the overall desired urban design of Waikiki;

(vi) The project must reflect appropriate "contextual architecture";

(vii) The project must demonstrate a pedestrian system, open spaces, and landscaping and water features (such as water gardens and ponds) that must be integrated and prominently conspicuous throughout the project site at ground level;

(viii) The open space plan must provide useable open spaces, green spaces, water features, public places and other related amenities that reflect a strong appreciation for the tropical environmental setting reflective of Hawaii;

(ix) The system of proposed pedestrian elements must contribute to a strong pedestrian orientation that must be integrated into the overall design of the project, and must enhance the pedestrian experience between the project and surrounding Waikiki areas; and
The parking management plan must minimize impacts upon public streets where possible, must enhance local traffic circulation patterns, and must make appropriate accommodations for all anticipated parking and loading demands. The approved parking management plan will constitute the off-street parking and loading requirements for the project."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.
SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____________, 20__.

Mayor
City and County of Honolulu
CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

INTRODUCED: 10/20/17 BY: IKAIKA ANDERSON - BY REQUEST

COMMITTEE: ZONING AND HOUSING

TITLE: RESOLUTION PROPOSING AN AMENDMENT TO CHAPTER 21, REVISED ORDINANCES OF HONOLULU 1990 (THE LAND USE ORDINANCE), RELATING TO PLANNED DEVELOPMENT-RESORT (PD-R) AND PLANNED DEVELOPMENT-APARTMENT (PD-A) PROJECTS.

VOTING LEGEND: * = Aye w/Reservations

10/26/17 ZONING AND HOUSING CR-413 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.

11/01/17 COUNCIL CR-413 AND RESOLUTION 17-303 WERE ADOPTED.
7 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE.
2 ABSENT: MARTIN, OZAWA.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

GLEN TAKASHII, CITY CLERK

RON MENOR, CHAIR AND PRESIDING OFFICER