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Harrison Rue

Planner sees need for affordable rental housing around rail stations

By Vicki Viotti

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Considering how long the debate and planning for rail have gone on already, Harrison Rue could be seen as coming in at one of the later chapters of the saga.

But Rue, hired in July as administrator of the city's Transit Oriented Development (TOD) program, is also here at the climactic part of the story, where the plans for how Honolulu's elevated rail stops transform the city, actually come into play.

Rue, 64, came to Honolulu from his post as a principal with ICF International, a Virginia-based consulting firm where he worked in transportation planning. He's versed in the experiences of other transit developments, pointing to the Seattle project as a savvy realization of light rail through diverse neighborhoods.

In every community, though, TOD presents its own set of puzzle pieces, and Rue's job is to lay out the best strategy for assembling them neatly.

Drafts of the TOD plans were unveiled at the City Council in September (most documents are online, at www.todhonolulu.org), and more nuts and bolts of the implementation blueprint will be presented in the fall.

There are planning wrinkles to work out: At Aloha Stadium, Rue said, federal approval will be needed to use the property, earmarked decades ago for recreation, in the development of the rail stop. And while TOD means something different at each station, a common goal for development along the 20-mile alignment is the provision of more affordable housing, he said, especially for households at the lower end of the income scale.

In Kakaako, being planned by the state's Hawaii Community Development Authority, "you're seeing a lot of stuff being built for the higher end," he said, where what the city will want to promote are rentals. The market will take care of most of the affordable for-sale inventory, he said.

Married and the father of four, Rue enjoys music — he plays the mandolin, guitar and bass — in his increasingly rare hours off (his most recent composition: a rail theme song, titled "Get Unjammed").

"I play a lot less music in the last decade or so, doing this stuff, because it takes a lot of the creative energy," he said. "Working with people and trying to help realize their dreams is really a life well lived."

QUESTION: Do you see affordable rental development as a major part of TOD? Is it going to be hard to make that sellable?

ANSWER: The answer is yes to both. Yes, it's a major part, and B, yes, it's hard.

Within that context, the mayor is very clear, and one of the reasons I took the job, this is not just about TOD, it's not just about development. It's about enhancing our neighborhoods, using the investment that we're making in transit to make sure that all the neighborhoods have a chance to be enhanced, to grow appropriately.

The TOD, the development part of that ... improvements to existing housing is a piece of that. It's not just all about new tower development.

Q: How would it improve existing housing?

A: Each neighborhood is unique. In some neighborhoods there already is a lot of rental housing; in other neighborhoods there isn't enough. So, within the context that the solution for every neighborhood needs to be tailored to improving what's there, in some of the neighborhoods there is existing older rental housing stock that could use some improvements, whether it's energy or just upgrades ...

We think a part of the overall neighborhood TOD plan needs to have a strategy to help rehab some of those things.

Q: Where would the money for that come from?

A: Funny you should ask! That's something we actually have an answer for -- dollar figures! As part of a recent HUD (federal Housing and Urban Development) grant we got to help with TOD, we've reserved \$2 million of that grant to set up an affordable housing rehab loan. ... It is in the final stages of inking the deal. ... A nonprofit will be the funding entity of that. It will be matched with about \$2.5 million of other local funds. So it's going to start out as a \$4.5 million, roughly, revolving loan fund, targeted solely to rehab of existing properties. ...

The original HUD grant was written (such) that we would find a project and actually get a project built. That just seemed a little too hard, and too early. There was a stakeholder advisory committee of local folks on that. ... The determination was made, not quite ready to pick a project and build it, that it would be better to have the fund....

That's not the most important piece of the whole strategy. We're working on developing a set of both investments and policies and codes and zoning, and the financial resources that will be available for a range of strategies. ...

Q: Any examples to show what you mean?

A: I like the 680 Ala Moana project, because it was an older office building. It's well located. ... Not a tower, but there's a lot of units. It's not designated as affordable, but it's smaller units. ... It's in the right place, one person or persons working at home, doesn't have to have a car to live there, when transit comes in.

You could see that kind of work happening. We've been kind of looking for similar properties. We're not waiting for somebody to come in. We're looking for potential places to see if property owners are interested and developers are interested, to have a target for that fund.

Q: Is there a potential for some tower building?

A: Absolutely. Again, within the context of, if you look from Ewa to Downtown, when we use the term "tower," that's more applicable to Downtown, Pearl Ridge. The height limits on the whole Ewa half are in the 60- to 90-foot range. ... So yes, absolutely. There's a tremendous opportunity for new structures.

About two-thirds of the (TOD area) plans are done -- draft, but not adopted by Council. ... All of those call for more residential and mixed-use, within the quarter-half-mile of the station area. We haven't done the (plan for the) airport yet; that's probably not going to be heavy residential. ... But the ones we've done largely call for a lot of new residential development. It will be private sector, but we'll have the public policies and new codes to make it work.

Q: What do you mean by new codes?

A: We've started on an update to the Land Use Ordinance. ... There will be something that applies to the whole area. And then there will be individual updated zoning maps around each one of the station areas, because the existing zoning often doesn't allow this kind of mixed use. ...

Q: What does the city mean by affordable housing in TOD? The upper end has been 140 percent of AMI (area median income).

A: That just seems a little high. There's a much greater need for affordable housing in the 60 to 80 to 100 percent of area median income. And there's a much greater need for rental housing than we currently have.

If we're able to put in any public money or, more likely, if we're able to allow increased density or additional height, there should be a tradeoff for what is the most needed. Currently, we're thinking at the more affordable end of rental housing is this big need. ...

If you look at a lot of places where this has been done before, affordable housing is not the only community benefit. There are a series of things, depending on the kind of neighborhood you're in and what is missing in that neighborhood. It may need more affordable housing. There may be enough affordable housing but they really need a great

park. ... There will be in each neighborhood a list of improvements the community has called out for, within the neighborhood plans.

Q: How big is the TOD zone?

A: Each one has actually been defined slightly differently. There's that quarter-to-half-mile, the classic TOD range, but they've kind of carved it out ... You might find there's a single-family neighborhood, people like it the way it is, no change needed, no change wanted, carved it out of the TOD zone so it's not encouraged to see more development.

It may be a light industrial area where we really need a light industrial area, particularly where it's fee simple. People own their shop, and that's not intended for major development as well.

So each one has been customized, but generally within that quarter-half-mile range.

Q: Within that zone, we're not talking about condemnation?

A: That's not the general intent at all. HART had to condemn, because of the alignment, they had to condemn certain buildings, just like any highway project. You plan, you try to avoid as much as you can. But there's key places, particularly where there's a curve or a bend, you can't follow the street. You follow the street in a lot of places, but you can't go like this (gestures in a sharp angle). ...

I don't want to make an absolute prohibition that there would be no condemnation, but in general that's not the intent.

Q: What sort of incentives are there? Are we talking tax credits? Streamlining permits? How do you encourage the landowner in a TOD zone to get with the program?

A: There's a whole list of potential strategies. ... Some of them might be financial. Some of them might be, there is public land ... if land is the issue there. If the public owns the land, additional affordable housing would definitely be on top of the list, in general. ...

So, the major incentives we have are transit access, access to water and sewer that will meet the appropriate density.

And the new one that our IT (information technology) guys have come up with is called hyper-broadband. You haven't seen much publicity about this, but we think that this is a major economic development and jobs potential. Within the concrete guideways is an opportunity to put in conduit to pull the fiber cable

Our IT guys are telling me we could pull cable to have something that is 40 to 50 times the capacity.

Q: So this is Internet capacity that could be tapped by anyone there?

A: They're working on the strategy for whether it would be public-sector cable or lease to private. But at each station ... there'd be an opportunity for developers to hook up. You know enough about storms here, and the liability of electric and things like that, having something that's encased in concrete and above ground sounds to me really pretty reliable.

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