STATE OF HAWAII
LAND USE COMMISSION

July 8, 1966
Honolulu, Hawaii

MEMORANDUM

TO: Land Use Commission

FROM: Staff

denied 7-1

SUBJECT: A65-107 - Ralph E. Allison, et al

A public hearing on this petition which requested a change in district boundary from an Agricultural District to an Urban or a Rural District was held on May 6, 1966. The subject area is known as the Panaewa Houselots Subdivision, located off the main highway to the Volcano area, approximately 4 miles from the Hilo Airport.

During this public hearing, the Land Use Commission staff recommended denial of the petition since:

1. The petitioners have failed to substantiate their claim that additional lands are needed for urban purposes in the Hilo area.

2. An estimated 2,400 acres of vacant urban lands occur within the Hilo District.

3. Approval of half-acre lots in the area can increase the number of lots nearly five-fold from 67 lots to 313 lots and thereby overtax the present facilities available.

4. Petitioners' arguments relating to their right to subdivide in accordance with Special Sales Agreement and Land Patent issued by the then Territory of Hawaii have been ruled upon negatively by the Land Use Commission during its deliberations on December 17, 1965. The Board of Water Supply of the County of Hawaii has reported that the existing water supply system in the Panaewa Houselots area can only meet the demands of the subdivision as presently platted, and any further subdivision would overtax the present system.

5. The Hawaii County Planning Commission has recommended against an Urban classification but recommended a Rural classification. The County Planning Commission also reported that they would not approve subdivisions in the area until improvement district projects are initiated for the water system, and until further studies are completed to determine densities in Agricultural-Rural areas.

During the public hearing held in Hilo, Hawaii, Mr. Curtis Carlsmith, attorney representing the petitioners, presented his arguments on the matter of the petition. These arguments with related Land Use staff comments are as follows:

2. Carlsmith - Insufficient urban lands are presently zoned in Hilo as substantiated by the grossly over-inflated price of urban houselots in the Hilo area. Mr. Carlsmith then called upon Mr. Kenneth Griffin, a real estate broker in Hilo, who submitted that there has been perhaps a 10% increase in land prices over the 5 years. He also indicated that the rise in land prices can be attributed to the increased interest in individual home ownership and upgraded County standards requiring curbs and sidewalks in new subdivisions.

LUC Staff Comments - It is noted that although Mr. Carlsmith has attributed the over-inflated price of urban houselots to insufficient urban lands zoned in Hilo, Mr. Griffin attributes the rise to interest in individual home ownership and upgraded County standards for new subdivisions. Therefore, Mr. Griffin has not substantiated Mr. Carlsmith's statement. Moreover, it is noted that the 10% increase in land price over the past 5 years would amount to approximately 2% per year. It appears that this increase is no more than the inflationary rise in all costs and not merely to land prices. This again does not substantiate Mr. Carlsmith's statement that insufficient urban lands presently zoned in Hilo is reflected in the grossly over-inflated price of houselots.

Further testimony was offered by Mr. Carlsmith during the course of the public hearing; including extensive testimony concerning Notice of Sale, Land Patent Grant, and Special Sales Agreement, between the State and the purchasers within the Panaewa Houselots Subdivision. The staff's comments on the matter are reflected in its original staff report; therefore, further comment is not offered at this time. Staff's comments on other testimony presented by Mr. Carlsmith at the public hearing are also reserved, in that it is not deemed applicable nor correct in justification of a boundary change.

In view of the discussion above, the original recommendation for denial of the petition is maintained.

1. Carlsmith - Population projections according to the Hilo General Plan show a 40,000 person estimate for the year 1980, or an increase of 15,000 in the next 14 years. 10 years from now there will be an increase of 10,000 people and a need for 4,000 additional homes. 2,400 acres for urban-residential uses will not provide for the 4,000 additional homes, plus lands for schools and roads that will be needed in 1976.

LUC Staff Comment - Latest population estimates for the South Hilo area as prepared by the Department of Planning & Economic Development indicate a population estimate of 30,800 for the year 1975, and 31,700 for the year 1980. This is considerably less than the 40,000 reported by Mr. Carlsmith.

Mr. Carlsmith's figures of 10,000 people and the need for 4,000 homes by 1976 are apparently based on 2.5 persons per household. Assuming that the 10,000 person estimate is realistic, the suggestion of 2½ persons per household cannot be substantiated. In fact, the 1960 census for the Island of Hawaii indicates 3.8 persons per household, and for the Island of Oahu 4.4 persons per household. Moreover, it can be said that future urban development in the City of Hilo would approach the 4.4 persons per household criteria as evident in Honolulu. However, applying the range of 3.8 persons per household and 4.4 persons per household, a projected increase in households on the basis of an increase of 10,000 persons, a range of from approximately 2,300 to 2,600 additional homes needed would be derived. These figures are considerably less than the 4,000 additional homes suggested by Mr. Carlsmith.

Mr. Carlsmith has stated, without substantiation, that 2,400 acres will not provide for 4,000 additional homes, plus lands for schools and roads that will be needed in 1976. Since the statement was made without substantiating data, the staff would not comment further on the matter. However, it is noted that the present developed acreage within the Hilo Urban District allocates approximately 65% of the total land area developed to residential purposes and the remaining 35% to commercial, industrial,* quasi public, schools and off-street parking facilities. Applying this same proportion to the 2,400 acres merely as a matter of comparison, it might be said that approximately 1,560 acres (65% of 2,400) would ordinarily be allocated for residential development. On the basis of a residential development of 4 units per acre, 1,560 acres can provide for 6,240 households. This would indicate that even Mr. Carlsmith's figures using 2½ persons per household to derive the need of 4,000 additional households can be met.

*Excludes airports, harbors, military, regional parks