STATE OF HAWAII
LAND USE COMMISSION

MEMORANDUM

November 30, 1972
10:00 a.m.

TO: Land Use Commission

FROM: Staff

SUBJECT: A72-327 - First Hawaiian Bank, Managing Trustee for Liliuokalani Trust, and Palani Development Company

A public hearing was held on September 20, 1972 on this petition by the First Hawaiian Bank, Managing Trustee for the Liliuokalani Trust, and the Palani Development Company to reclassify approximately 100 acres of land described as Tax Map Key 7-4-08: portion of 12, from an Agricultural District to an Urban District at Keahuolu, North Kona, Hawaii.

The petitioner states that "Palani Development Company, in cooperation with the landowner, the Liliuokalani Trust, plans to develop as the third increment of Queen Liliuokalani Village, a leasehold, residential subdivision consisting of about 216 homes and lots. Lots will be a minimum of 15,000 square feet and will be leased directly from the landowner".

Since the public hearing, the petitioner has submitted a DOE memo of August 15, 1972, from Mr. Koichi H. Tokushige, Assistant Superintendent, Office of Business Services, Honolulu, to Mr. Harry Chuck, Hawaii District Superintendent. The memo recommends that:

1. "Hawaii School District concur in the Palani Development Corporation request for an urban land use designation for acreage needed to construct an additional 216 housing unit.

2. "Hawaii School District determine the most suitable temporary measures to accommodate the projected enrollment increases at Kealakehe Elementary through 1974.

3. "Hawaii County's subsequent approval of the 216 unit housing development be conditional to Palani Development Corporation agreement to pay an appropriate share of student transportation or temporary classroom costs that will be incurred due to continual development in the Kailua-Kona area."

Additionally, the memo amends previous comments the DOE Office of Business Services, Honolulu, made on this petition in their letter of August 7, 1972. Generally, the DOE Office of Business Services states that, based on a review of survey data provided by the petitioner on 50 families who will move into the first increment of the subject development, their enrollment factor for Kealakehe School was not as high as previously estimated.

At its September 14, 1972 meeting, the Hawaii County Planning Commission voted to recommend approval of the request on the basis of the following findings:

"1. That the request will ultimately result in the provision of housing for the area. This will diversify the housing type and choice in the Kealakehe area;

"2. That the subject area is within reasonable proximity to centers of employment. The village of Kailua is located nearby;

"3. That the area is adequately served with basic utilities and public facilities. While there is the educational facilities concern at Kealakehe School, it is nevertheless felt that the planned and programmed facility together with the County's incremental zoning and housing performance requirement will be able to accommodate the demand. Water will also become available with the impending Palani Trunk Line development funded by HUD;

"4. That the area has no adverse terrain and drainage problems which would render the land unusable for the proposed use; and

"5. That it would be, for all practical purposes, contiguous to existing urban areas, and would tend to further the concentration of the Kealakehe area."

The Planning Commission also recommended that this request be approved, subject to the condition that the owner or lessee of the subject area be responsible for submitting rezoning application before the County of Hawaii within one year from the date of approval of this boundary amendment request. The County further advised that, should this request be approved, incremental zoning with housing performance requirements on the subject area, during the time of the rezoning request at the County level, will be applied.

Staff evaluation of this request finds that:

1. The matter concerning the adequacy of Kealakehe School to accommodate the increase in student enrollment that the proposed development will generate has not been fully resolved. The latest correspondence from Mr. Tokushige to Mr. Chuck states that the Hawaii School District concurs with the Palani Development Corporation's request for an urban designation of the subject land and production of 216 housing units for the area. However, Mr. Chuck's reaction to this recommendation has not been expressed.

   Mr. Chuck has stated in previous letters to the County Planning Commission that the 216 homes proposed to be constructed by the Palani Development Company have not been projected in their 1973-75 biennium year, and that a change in zoning from Agricultural to Urban would ultimately have a tremendous impact upon Kealakehe School. Mr. Chuck expressed further concern over the adequacy of the physical plant and increased need for necessary operational funding and staffing of the school to meet the projected student increase. Pursuant to Mr. Tokushige's memo, Mr. Chuck has not, to our knowledge, indicated a change of his initial views on this matter.

2. An evaluation of the petitioner's survey of the number of students that will be moving into the first increment of the Queen Liliuokalani Village and attend the Kealakehe School includes but 50 of the potential 398 families that may be housed in the subject development. The potential housing for the above-mentioned 398 families includes development proposed under the immediate request.

   According to the petitioner, all of these units are scheduled for completion by 1975. Mr. Chuck has stated that current plans call for the planning and construction of 12 classrooms within the 1973-1975 biennium for Kealakehe School. Funds for the construction of 12 classroom addition will have to be requested during the 1973 Legislative Session.

   The concerns that arise here are the adequacy of the 12 additional classrooms to meet the increase in

student enrollment and whether the Lesiglature will appropriate funds for the requested classrooms.

3. The Hawaii County Planning Department pointed out that other developments occurring inthe North Kona area include 300 to 350 units that are scheduled to be developed in the Kilohana project by 1975, and 660 multiple family residential units will be constructed in the area bounded by the Kona Hilton and Kuakani Highway and the Kaloko Mauka area at the end of 1972. If the proposed residential units of the Queen Liliuokalani Village development were added to this sum, approximately 1,500 units will be delivered in the area by the end of 1975. It is questionable whether the DOE has considered the total increase of all these residential developments in its analysis for additional facilities at Kealakehe School.

4. In the 1970 Hawaii County Housing Study, it is reported that the projected population for North Kona in 1975 will be approximately 12,400 people. This report further indicated that as of 1970, there were 1,722 residential structures in North Kona and that 86 of these were dilapidated and need to be replaced. In order to accommodate the estimated increase in population for North Kona, the study states that 1,865 new dwelling units must be constructed. Adding this figure to the 86 units that need replacement produces a total housing requirement of 1,951 units by 1975 for North Kona.

   The report further states that many subdivisions in North Kona, especially the non-conforming subdivisions in the Agricultural District along the Kona to Waimea Belt Highway are vacant. The 1971 Hawaii County Land Use Report, Volume II, states that there are approximately 570 acres of vacant residential single-family and 294 acres of vacant residential multi-family zoned lands in the North Kona area. At a conservative average of three homes per acre, approximately 2,457 residential units could be constructed on these vacant residential zoned lands. Based on Hawaii County's projected housing needs, the total amount of housing units that can be developed on these vacant lands could accommodate North Kona's projected housing needs for 1975.

5. The Kealakehe Urban District alone contains approximately 350 acres of vacant lands proposed for moderate income housing. However, a majority of these lands are presently vacant.

Based on the above findings, the staff recommends that this petition be disapproved at this time. Additionally, it is recommended that the Land Use Commission consider further evaluation of the Kealakehe Urban District area during the 1974 Five-Year Boundary and Regulations Review.