STATE OF HAWAII
LAND USE COMMISSION

MEMORANDUM

February 14, 1974
2:30 p.m.

TO: Land Use Commission

FROM: Staff

SUBJECT: A73-370 - K. OUE, LTD.

A public hearing was held on November 29, 1973 on this request to reclassify 11.9 acres of land at Kanaueue, North Kona, Hawaii from Agricultural to Urban in order that the petitioner may construct housing for low and middle income families.

It was reported at the hearing that the Hawaii County Planning Commission recommended approval of the petition since the proposed medium density apartment development is in accord with the County's General Plan; the property abuts an existing urban district containing urban services and amenities; and since the completion of the new Kona Hospital will generate a demand for housing in the immediate area.

Mr. Hiroshi Kasamoto, petitioner's consultant, indicated at the public hearing that development of the extreme mauka area would be prohibitive at this time due to the requirement of a water tank if the mauka area is developed. Mr. Kasamoto informed that 6 one-bedroom units nearby are presently being rented by the petitioner for $150.00 per month. Petitioner will try to keep the rentals in the new apartment units within the $200.00 range.

Since the hearing, no evidence for or against the petition has been received.

Staff evaluation of this petition finds that:

1. The total area requested for reclassification from Agricultural to Urban encompasses 11.9 acres. The schematic development plan dated August 28, 1973 which was submitted by the petitioner shows that the proposed apartment structures will occupy only the central portion of the subject parcel containing approximately 2.8 acres. The 1.3 acre area immediately fronting the main highway contains several dwellings as well as a macadamia nut processing plant and accessory buildings. However, the development plan does not show any development proposed for a 1.5 acre area immediately makai of the proposed

apartments and a 6.3 acre area immediately mauka of the apartments.

2. The proposed apartment units will help to accommodate the housing needs of an expanded staff at the soon to be completed New Kona Hospital. The administrator of the hospital has indicated that 40 new employees will be hired. Twenty of the new hires will be nursing personnel who will most likely be recruited from outside the Kona area.

   The administrator further noted that Mr. Oue's rental policy for his existing apartment units is very reasonable and well within the range of his staff's income. The petitioner has indicated that he will try to keep rentals within a $200.00 per month range.

3. As noted by the Hawaii County Planning Commission, the site in question abuts an existing Urban District containing all the basic amenities. It is well within walking distance to principal employment and commercial centers.

4. Approximately 6.3 acres at the extreme mauka end of the subject property are either planted to macadamia nut trees or vacant. No developments are shown on the development plan for this area. Further, this mauka portion lies beyond the normal water service limits and requires added costs for water provision. Petitioner's consultant has indicated that a development of lesser density has been considered for this area but that the requirements for a water tank makes the undertaking prohibitive at this time.

RECOMMENDATION

Based on the findings enumerated above, the staff recommends that the Commission approve for reclassification from Agricultural to Urban only the 5.6 acre makai portion of the parcel containing the proposed apartment development and existing structures, but that the 6.3 acre mauka portion be retained in the Agricultural District.