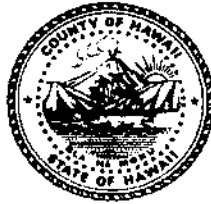


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County of Hawai'i

LEEWARD PLANNING COMMISSION

Aupuni Center • 101 Pauahi Street, Suite 3 • Hilo, Hawai'i 96720
Phone (808) 961-8288 • Fax (808) 961-8742

APR 1 3 2021

Mr. John Pipan
Land Planning Hawai'i, LLC
194 Wiwoole Street
Hilo, HI 96720

Dear Mr. Pipan:

SUBJECT; Use Permit No. USE-21-000085
Applicant: Arthur H. Arejian Trust
Approved Use: Operate a Four (4) Bedroom Bed and Breakfast in an
Existing Residence
Tax Map Key: 7-8-014:076

The Leeward Planning Commission, at its duly held public hearing on March 18, 2021 voted to approve the above-referenced request to operate a four (4) bedroom Bed and Breakfast in an existing residence. The property is located 78-6626 Ali'i Drive, approximately 0.5 miles south of the La'aloa Road intersection, Kahalu'u Beach Lots, North Kona, Hawai'i.

Approval of this amendment is subject to the following conditions:

1. The applicant(s), its successor(s) or assign(s) shall be responsible for complying with all stated conditions of approval.
2. Construction and operation of the bed and breakfast shall be conducted in a manner that is substantially representative of plans and details as contained within the Use Permit application received December 30, 2020 and representations made to the Leeward Planning Commission.

3. The applicant shall comply with all requirements of Section 25-4- 7 of the Zoning Code, Hawai'i County Code Chapter 25, as amended, relating to Bed and Breakfast Establishments.
4. Prior to commencement of the operation of the bed and breakfast, the applicant, successors, or assigns shall remove all encroachments from the Ali'i Drive Right-of-Way such as all bushes, trees, backflow preventor, irrigation systems, and the rock planter pursuant to Hawai'i County Code (HCC) Section 22-2.1 (Encroachments) and Section 22-2.4 (Impeding and Obstructing the Public). Any other improvements will require the approval of a Permit to Work Within the County Right-of-Way.
5. Prior to commencement of operation of the bed and breakfast, the applicant, successors, or assigns shall secure and finalize any building permits for the proposed use required by the Department of Public Works Building Division.
6. Prior to commencement of operation of the bed and breakfast, the applicant, successors, or assigns shall secure all approvals for water use from the Department of Water Supply, and shall install all necessary water use improvements, meters, or other necessary appurtenances.
7. Applicant shall make fair share contributions to any applicable sewer district if and when one is formed that serves the property. Prior to the implementation of a sewer district, the applicant shall convert the existing cesspool to an appropriate septic system within five (5) years of approval of this use permit if it is determined feasible considering the limitations of the lot and its existing structures.
8. The applicant shall comply with all applicable rules, regulations, and requirements of the affected agencies for the proposed development.
9. Should any of the conditions not be met or substantially complied with in a timely fashion, the Director may initiate procedures to revoke the permit.

This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

Approval of this permit is based on the reasons given in the attached Findings Report.

Mr. John Pipan
Land Planning Hawai'i, LLC
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Should you have any questions, please contact Alex Roy of the Planning Department at 961-8140.

Sincerely,



Michael Vitousek (Apr 13, 2021 14:17 HST)

Michael Vitousek, Chair
Leeward Planning Commission

LArejjanTrustUSE21-0851pc
Enclosure: PC Findings

cc: Arthur H. Arejian Trust
Department of Public Works
Department of Water Supply
County Real Property Tax Division
GIS Section (via email)
West Hawai'i Division

COUNTY OF HAWAI‘I
PLANNING COMMISSION FINDINGS

ARTHUR H. AREJIAN TRUST
USE PERMIT APPLICATION (USE-21-000085)

Based on the following findings, Use Permit No. 21-000085 is hereby approved to allow the operation of a four (4) bedroom Bed and Breakfast in an existing residence situated on a 14,530 square-foot lot within the Single-Family Residential zoning district be approved by the Leeward Planning Commission. The subject property is located at 78-6626 Ali‘i Drive, approximately 0.5 miles south of the La‘aloa Road intersection, Kahalu‘u Breach Lots, North Kona District, Hawai‘i Island, TMK: (3) 7-8-014: 076.

The applicant is requesting a Use Permit to operate a four-room bed and breakfast in the residence on the subject property. The home consists of five bedrooms and five bathrooms. The home is the residence of a full-time caretaker/operator. The proposed bed and breakfast will provide overnight accommodations to a maximum of ten (10) guests in four (4) bedrooms, for a period of less than thirty days. Breakfast may be provided to registered guests only; no other meals will be provided. Paved parking will include a 3-car garage and two (2) paved parking spaces located on the property. No exterior signage is proposed. A full-time caretaker will reside onsite in the room at the south end of the house on the lower level.

The applicants believe that alternative visitor experiences are in high demand in Hawai‘i, especially since the implementation of Bill 108 which limited short term vacation rental opportunities. They believe that many visitors to Hawai‘i are looking for accommodations and experiences outside of the typical resort environment. Bed and breakfast accommodations, like the proposed use, provide alternative lodging sites for visitors seeking a more personal experience in Hawai‘i.

In considering a Use Permit for any proposed use, Rule 7 of the Planning Commission relating to Use Permit, requires that such action conform to the following guidelines:

A. The granting of the proposed use shall be consistent with the general purpose of the zoned district, the intent and purpose of the Zoning Code and the County General Plan.

B. The granting of the proposed use shall not be materially detrimental to the public welfare nor cause substantial adverse impact to the community's character or to surrounding properties; and

C. The granting of the proposed use shall not unreasonably burden public agencies to provide roads and streets, sewers, water, drainage, school improvements, police and fire protection and other related infrastructure.

The proposed request to operate a Bed and Breakfast establishment within an existing residential dwelling meets the guidelines for approval of a Use Permit, for the reasons listed below:

The granting of the proposed use shall be consistent with the general purpose of the zoning district, the intent and purpose of the Zoning Code and the County General Plan. The Use Permit process provides an avenue to review and analyze a proposed project on a case-by-case basis relative to infrastructure and impacts on surrounding properties and existing uses,

as well as consistency with the goals and policies of the General Plan.

The Land Use Pattern Allocation Guide (LUPAG) Map component of the General Plan is a representation of the document's goals and policies to guide the coordinated growth and development of the County. It reflects a graphic depiction of the physical relationship among the various land uses. The LUPAG Map establishes the basic urban and non-urban form for areas within the County. The General Plan designation for this property is Open, which is intended for parks and other recreational area, historic sites, and open shoreline areas. The Open designation between the sea and Ali'i Drive represents an area that should be kept open from development of structures; however, the subject parcel was created in 1961 prior to this designation being implemented and therefore a residence was built on the property in 1964. The request is consistent with the Land Use and Economic elements of the General Plan. Relative to these designations, Hawai'i County Code Chapter 25-5-3 allows for the establishment of a bed and breakfast on residentially zoned lands provided a use permit is issued for the request, and that the request meet certain criteria.

The applicant believes that even with the unprecedented downturn in tourism due to the pandemic, alternative visitor experiences are in high demand. When coupled with the implementation of Bill 108 which reduced the number of short-term vacation rentals on Hawai'i Island, this proposed use would contribute to the economic recovery of Kona, while maintaining the unique small-town character of the site and surrounding area.

Goals within the Economic element of the General Plan state a project should provide residents with opportunities to improve their quality of life through economic development that enhances the County's natural and social environments, and that those developments shall be in balance with the physical, social, and cultural environments of the island of Hawai'i. Additionally, the project should strive for diversification of the economy by strengthening existing industries and attracting new endeavors.

The property is in the vicinity of a number of residential type properties and therefore this project aligns with the Land Use policy which encourages the development and maintenance of communities meeting the needs of its residents in balance with the physical and social environment. The coastline makai of Ali'i Drive is predominately developed with residential structures, small scale condominiums and single-family dwellings; the proposed use is for a bed and breakfast establishment in an existing residence that requires primarily interior renovations to accommodate the use. Furthermore, the General Plan also encourages the development of small-scale accommodations which enable visitors to take advantage of natural and cultural resources throughout the County versus large resorts that often focus on coastal or resort-type recreational activities.

The proposed use aligns with the Kona Community Development Plan (KCDP) and is within the Kona Urban Area and more specifically, the Kahalu'u Makai Village Neighborhood TOD which is a secondary, mixed-use, and mixed density area. The proposed use would establish visitor accommodations in an area identified as desirable for future development with the adjacent Kahalu'u Makai Village center as the higher-density urban core. The related policy maintains the majority of future growth in Kona shall be directed to the Kona Urban Area, which spans from the Kona International Airport to Keauhou. The proposed bed and breakfast is within the Kona Urban Area as defined by the KCDP and as such would further the policy of concentrating growth in this area.

The granting of the proposed use shall not be materially detrimental to the public welfare nor cause substantial, adverse impact to the community's character or to surrounding properties. The property is currently improved with a single-family dwelling, parking area, garage, pool and landscaping. There are similar residential properties in proximity to the subject parcel, with landscaping to screen views and keep with the character of the area. The Zoning Code requires a minimum of five (5) parking stalls on-site for the four-bedroom Bed and Breakfast. All patrons will park on site in three parking stalls in the garage and two parking stalls between the residence and Ali'i Drive or utilize the bike racks provided on the property. Though the bed and breakfast will be available for overnight accommodation, good neighbor policies implemented by the on-site caretaker will be adhered to, including quiet hours, to minimize impacts to neighboring properties.

The majority of the properties surrounding the subject parcel are zoned single family residential RS-7.5 or multi-family residential RM-3.5 with the Kahalu'u Resort Node (i.e., resort zoning, V-1 .25) located approximately 500-feet south of the property. The proposed bed and breakfast will offer four (4) rooms for rent in an existing home within an urban neighborhood. The proposed alterations to the property will be designed to align with the existing community character. Furthermore, the subject property is presently used and will continue to be used residentially.

Visual impacts will be minimal and mitigated using existing landscaping that is consistent with the surrounding residential neighborhood. The full-time on-site caretaker will also monitor guests to ensure potential noise and light impacts are minimized to the extent practicable. The proposed renovations will aim to improve the property, and no coastal views will be altered or impaired due to the proposed use. Additionally, the applicant works to maintain a public shoreline access on the southern boundary of the subject parcel which provides clear public access to the shoreline.

It is anticipated that the approval of the bed and breakfast establishment will be in character with the community and provide a use that is typical in this area. Improvements to the structure and improved landscaping will ensure the site remains attractive. Finally, the new use aligns with the objectives of the Kona Urban Area and in support of the nearby Kahalu'u Resort Node. Therefore, based on the preceding, the proposed use shall not be materially detrimental to the public welfare nor cause substantial, adverse impact to the community's character or to surrounding properties.

The granting of the proposed use will not unreasonably burden public agencies to provide roads and streets, sewer, water, drainage, school improvements, police and fire protection and other related infrastructure. The property is currently served by all required utilities, while private wastewater is handled by a permitted cesspool located on the parcel. Currently the property has one (1) allotted water unit according to the Department of Water Supply (DWS), and therefore the applicant will be required to submit estimated maximum daily water usage calculations to estimate the appropriate water usage for the proposed use. From that estimate the DWS will determine the appropriate service lateral, meter size and additional appurtenances to be installed by the applicant prior to the use of the proposed bed and breakfast. Access to the property is from Ali'i Drive, a heavily traveled and paved County maintained roadway. According to the Department of Public Works, Ali'i Drive is under the jurisdiction of the County and encroachments into the County Right of Way (ROW) such as: bushes, trees,

backflow preventer, irrigation systems and rock planter are required to be removed. Only grass planting will be permitted in the ROW. Any other improvements will require the approval of a Permit to Work within the County Right-of-Way. Public shoreline access is via a path on the south end of the parcel and will remain open and accessible with no change or modification from current use. It should be noted that according to the Department of Environmental Management (DEM) the property will be considered a commercial operation, and as such may not use transfer stations for disposal of solid waste. A solid waste management plan will be required according to DEM guidelines.

In addition to the criteria for granting a Use Permit, the request is not contrary to Chapter 205A, Hawai'i Revised Statutes, relating to Coastal Zone Management Area. The subject property is located adjacent to the shoreline and is therefore a shoreline parcel within the Special Management Area (SMA). No proposed activities will occur outside of the current footprint of the existing development, and the use of the property will not impact coastal processes or shoreline activities. Since there is a public access point adjacent to the property, the shoreline fronting the subject property is already heavily used and accessed daily. Typical coastal recreational resources, coastal scenic and open space resources, coastal ecosystems, and beach or marine resources will be preserved at their current level with no changes or modifications. Thus, the proposed request will not adversely impact coastal resources.

Construction will be limited to areas within the existing building outline and a small section of existing rock wall, therefore archeological resources are not anticipated to be encountered. While the subject parcel is adjacent to the shoreline, no changes to shoreline access will occur. Therefore, it is not anticipated that the proposed use as a bed and breakfast will have any negative impact on archaeological, historic or cultural resources.

Finally, this approval is made with the understanding that the applicant remains responsible for complying with all other applicable governmental requirements in connection with the approved use, prior to its commencement or establishment upon the subject property. Additional governmental requirements may include the issuance of building permits, the installation of approved water systems, compliance with the Fire Code, installation of improvements required by the American with Disabilities Act (ADA), among many others. Compliance with all applicable governmental requirements is a condition of this approval; failure to comply with such requirements will be considered a violation that may result in enforcement action by the Planning Department and/or the affected agencies.