

STATE OF HAWAII
LAND USE COMMISSION

2:00 P.M. Meeting
September 12, 1969

Honolulu, Hawaii

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CHAIRMAN CHOY:

The meeting will come to order of the State Land Use Commission.

On today's agenda, we have a public hearing, A69-225, Mililani Town request for 2,500 acres from agriculture to urban.

MR. DURAN:

Mr. Chairman, gentlemen of the Commission. We're here today holding a duly advertised public hearing. (The September 12, 1969 staff report re: A69-225 - Mililani Town, Inc., was read verbatim.)

Mr. Chairman, we've been over these maps all morning with the petitioner, and I don't know that there's any need to identify these areas unless Commissioner Tangen or Commissioner (inaudible) would . . . (inaudible) . . .

CHAIRMAN CHOY:

At this time, I would like to swear in anybody who would like to testify but who are not attorneys. Would you rise and be sworn in? To facilitate the giving of testimony from all of you, anyone who will testify can be sworn in at one time. Will you raise your right hand? Do you swear that the testimony you are about to give is the truth, the whole truth and nothing but the truth, so help you God?

RESPONSE:

I do.

CHAIRMAN CHOY:

Thank you. Commissioners, do you have any questions of my Executive Officer?

MR. DURAN:

We have a letter from the County regarding this matter, too, that we just received, Mr. Chairman.

CHAIRMAN CHOY:

Is there anybody from the County present? Would you like to come forward? State your name and title please.

FRANK:

I'm Frank (inaudible - something like Cassell) with the City and County Planning Department. I'm the Assistant Director.

This matter was referred to us by the Land Use Commission and on September 4, 1969, the Commission did act on this matter. However, the recommendations of the Director and the Commission are not exactly right.

At this time, I would like to bring a map up here to show you just what the recommendation of the Director was and for the Commission also.

Essentially, the recommendation to the Land Use Commission by the Planning Director was to approve urban for this area which is outlined as follows containing approximately 227 acres for urban zoning. The recommendation of the City Planning Commission was to approve an area . . . this area in here . . . which is slated for development between the years '71, '72 and '73, consisting of approximately 600 acres. So both the Commission and the Director are recommending approval for urban zone for a much smaller area than the applicant came in with.

COMMISSIONER:

What was the total applicant's request?

FRANK:

The total applicant's request was 2,500 acres.

CHAIRMAN CHOY:

Could you point it out on that map?

COMMISSIONER:

How about this other map here?

FRANK:

Let's see, the whole area requested by the applicant was in 4 parts . . . Section A in here and also Section B, Section C and Section D here, which amounted to 2,500 acres.

COMMISSIONER:

And what was the City's recommendation now?

FRANK:

The City's recommendation . . . I can't show you an exact outline on this map because we don't have . . .

MR. DURAN:

How about that one over there?

FRANK:

Oh, this is good. The Planning Director is recommending that this be approved for urban . . . this portion in here. The Planning Commission is recommending that this area here be approved for urban zoning. The area which the Planning Commission recommends go to urban consists of approximately 600 acres. The portion that the Planning Director recommends for urban is only 227 acres.

COMMISSIONER:

The present Commission?

FRANK:

The present Commission, yes, sir.

CHAIRMAN CHOY:

Any questions?

At the City level, don't you folks go on a 10-year basis? Question.

FRANK:

Yes.

CHAIRMAN CHOY:

In rezoning, we work on a 5-year basis. You work on a 10-year basis, don't you?

FRANK:

Actually, if you're talking about rezoning, we don't look into . . . We handle the applications as they come in. But if you're talking about a planning period, we're talking about, say, 20 years. But in this particular case . . . and I might pass this point . . . the Director added that that 227 acres that he's, you know, approving for urban, be subject to the following conditions: number one, that the petitioner increase the proportion of low-cost housing which was promised to the State Land Use Commission at the time of the original application. That's the first condition. The second condition is that the petitioner be advised that further extension of Mililani Town beyond the total of the 987 acres which is, I understand, 760 acres of urban, be zoned urban and this additional 227 acres . . . that 987 acres for urban use will be dependent upon its performance, say, in the next 5 years. In other words, we have talked to the staff of the State Land Use Commission, Mr. Duran's staff, and because up to now the Director feels that, you know, the applicant has not complied or has not lived up to expectations. So in this particular case, we're taking it by increments. He feels that the 227 acres is sufficient right now and when you reconsider the boundary again in the next 5 years, maybe at that time you can expand some more if the petitioner lives up to his promises.

CHAIRMAN CHOY:

Any questions?

COMMISSIONER:

You stated that you are holding the developer to the so-called housing

COMMISSIONER (Cont'd.)

(inaudible). Do you mean the \$15,000 or what is it?

FRANK:

Yes. Basically, the \$15,000 that he . . . We understand that this was one of the primary bases for converting this primary cultural land to urban use.

COMMISSIONER:

(Question inaudible) to be realistic.

FRANK:

Well, to be realistic, I don't think we can hold them to the exact \$15,000, but we would like to see some low-cost housing provided.

CHAIRMAN CHOY:

What would you call a realistic figure with fee simple property . . . fee simple land with 1,100 square feet of housing? We'd like to know the . . . (inaudible) . . .

FRANK:

Well, we did some estimating calculation and we figured about \$20,000 would be appropriate.

CHAIRMAN CHOY:

That's for a house, including fee simple land?

FRANK:

We can . . . (inaudible) . . . outside lot at \$20,000.

CHAIRMAN CHOY:

As an example?

FRANK:

As an example, yes.

Well, this, you know, you asked me if we can provide some figures to

FRANK (Cont'd.)

you and this was based on the original \$15,000, when they came in for the urban zoning before, and we're allowing for the inflationary, you know, increase, and since you wanted a figure, I say \$20,000.

COMMISSIONER:

The question is, can you find somebody that can do it for \$20,000?

FRANK:

Well, I think the other side of that coin is, could this have been done for \$15,000 when the application was made.

COMMISSIONER:

This is admittedly can be done. Now we're asking you if you can do it for \$20,000.

CHAIRMAN CHOY:

What is the cost of a site development, according to City standards today, per square foot?

FRANK:

I'm sorry. I don't have the answer to your question, Mr. Choy.

CHAIRMAN CHOY:

Thank you. Probably the petitioner could elaborate on this. Are there any other questions?

You must know by now what a site development costs and . . .

FRANK:

I'm sure we have that figure, but I don't have it right here.

CHAIRMAN CHOY:

And you must know approximately what the average per square foot to build a house costs . . . whether \$20 a square foot or \$18. You must have some sort of figures, and it would be very interesting if you could give

CHAIRMAN CHOY (Cont'd.)

us those figures or at least present them to our Executive Officer.

Any other questions? If not, thank you. And would the petitioner come forward?

PETITIONER: (MR. FALK)

Mr. Chairman and members of the Land Use Commission. We have filed our petition which is the subject of this public hearing. I do have a supplementary statement here that I'd like to read into the record. I have 9 copies for the members of the Commission and 2 for the staff.

I am going to refer to the exhibits here, A, B, C and D. These are blown-ups of our exhibits which were attached to our petition.

My name is Jack Falk, Vice President of Oceanic Properties.

On June 12, 1969, Mililani Town, Inc. filed a petition to the Land Use Commission to reclassify 2,500 acres at Waipio, Oahu, from agricultural district to urban district. The 2,500 acres are part of a 3,500 acre general plan which is shown as Exhibit A on the board. And the 2,500 acre plan is made up of 760 acres . . . I'm sorry; the 2,500 acres requested are shown as extensions A, B, C and D on Exhibit B. That's all the areas that are colored in yellow.

The major difference between the 3,500 acre general plan and the 2,500 acre plan is made up of the 760 acres of urban district lands previously adopted by the Land Use Commission and approximately 240 acres of agricultural district lands developed for golf courses and other open space uses.

In our petition, we stated that of the 760 acres approved for urban district by the Commission, approximately 410 acres have been developed for housing and other improvements. That 290 acres will be consumed for

MR. FALK (Cont'd.)

urban uses by October, 1970, and that the remaining 60 acres planned for the (inaudible) center would be developed at a later date when economic feasibility is established. We further stated that because Mililani Town is . . . (inaudible) . . . to a broad community market, there must be sufficient acreage to permit a continuous flow of urban process, which includes planning and engineering, governmental review and approvals, off-site and on-site construction starts, and finally, (inaudible) sale of housing units.

We also stated in our petition that Mililani Town has substantially performed on 760 acres approved for urban district classification and that its request for 2,500 additional acres for urban district classification is consistent with the housing demands and the population increase for the general Pearl City - Waipio - Waipahu area, and that there have been substantial changes in conditions and trends of development affecting Mililani Town which made this request reasonable, and that the 2,500 acres were useable and adaptable economically and otherwise for the urban uses shown on the 3,500 acre general plan.

With respect to substantial performance, I have related 2 promises made in 1964. We have sold and will continue to sell fee simple homes at Mililani Town. We have also performed the many amenities promises in 1964. However, we have been unable to perform on a \$15,000 house, and a public explanation is justified at this time.

We were before the Land Use Commission on Mililani Town since 1962 or 2 years prior to adoption of the firm's urban district (inaudible) for Mililani Town. As early as 1962, we did make representations of the

MR. FALK (Cont'd.)

need for housing for the income group of \$5,000 to \$10,000, and I think today that . . . (inaudible) . . . to \$13,500 or \$14,000. And that we were then confident of producing a \$15,000 home. That confidence was based on these considerations. First, Mililani Town lands would be purchased from the land owner at lower-than-market value, primarily because it's a tremendous off-site cost that was involved. Two, our inquiries made in 1962 and 1964 were optimistic in terms of bulk purchase of building materials. Three, we would operate a private utilities system under standards less excessive than those required by the governmental agencies. Four, we could achieve a breakthrough with the County on less costly standards for subdivision improvement. Five, we would be our own general contractor on house construction.

All of the foregoing considerations were designed to reduce the cost of this package to the consumer-purchaser. Therefore, when the \$15,000 house representation was made, it was done in good faith and with confidence in success. However, after the urban process began in 1964, we gradually became burdened with some insurmountable conditions which made it impossible to achieve the \$15,000 house package.

First, time worked against us under (inaudible) cost conditions. It took us nearly 4 years of detailed planning and engineering work, including processing of plans through the various governmental agencies. We actually started house construction in June, 1968 after spending substantial time in off-site development construction and other development in related facilities -- sewer plant, transmission lines, street systems and underground utilities. Two, construction costs have increased substantially

MR. FALK (Cont'd.)

since our first efforts before the Land Use Commission in 1962. For example, the Hawaii Construction Cost Index published by the Builders Report Pacific shows an increase in construction costs of some 30% to 45% between 1962 and 1968. This means that working with a \$15,000 house in 1962, it would have increased to \$19,575 in 1968. The State Tax Office's cost index survey shows an 8% increase in 1964, 10% in 1965, 10% in 1967 and 3% in 1968. The average yearly increase is higher at 7.7% than the Builders Report Index at 4.5%. Three, we have not been able to make any substantial breakthrough at the (inaudible) in the County subdivision standards. In fact, because of flood experience in recent years affecting Oahu's subdivisions, Mililani Town was required to construct extensive drainage facilities at an excess cost of approximately \$225,000. The cost of financing off-site and on-site improvements have increased substantially since 1964. In 1964, the prime interest rate for development loans was 4½% with no points involved. Today interest rates for development loans are in excess of 9%. This substantial cost increase was not anticipated back in 1962-64. In Mililani Town's case, it is saying interest in development loans above the prime rate today of 8½%.

Five, the cost of mortgage loans for housing has increased since 1964. Under our new F.H.A. approved program, the interest rate to purchasers is 7½% plus 7 points, which contributes to the final cost of the housing package.

Six, under the best advice, we have to withdraw our decision to start our own utility company because it would be imprudent over the long-term life of the project.

MR. FALK (Cont'd.)

Seven, in pursuing purchase of bulk materials directly from Mainland wholesalers, we found that we were forced to work through local franchises on national and standard materials, including lumber, hardware, appliances and fixtures. In other words, while we could have purchased off-brand construction materials from unknown wholesalers, it would have . . . (inaudible) . . . with large national companies with built-in maintenance and repair services established with local agents. A second set-back was the requirement of large volume purchases which could not be justified because of the financial risks involved. We are now buying building and construction materials and supplies from local franchises.

We admit we have failed to produce the \$15,000 house. Our . . . (inaudible) . . . were based upon the honest belief that all of the problems encountered were solvable. There was no attempt to deceive anyone and this is true after listening to the staff's report. And, in particular, this Commission to whom we would have to petition for future acreage. However, we have not given up our efforts and dedication to provide low-cost housing in Mililani Town. We have commissioned a \$50,000 research study to investigate new construction methods and materials to help stabilize the spiraling costs of house and site construction. A copy of this report has been turned over to the Governor's Committee on Housing Costs. We are redesigning single-family (inaudible) into cluster or planned unit development to receive savings in site development costs. We are processing for construction (inaudible) town houses and garden apartments to achieve higher density per acre and lower unit costs. We have volunteered to participate with the County to review and evaluate development and construction standards of present codes and ordinances, common trench for all

MR. FALK (Cont'd.)

utilities, elimination of duplication of (inaudible) requirements, and modifying the sidewalk, curbs and gutters requirements. These are but a few of the cost savings areas which could help reduce the cost of the housing package. We are opening an investigation of the Federal and State program for cost savings and (inaudible) housing package.

On a market report prepared by Economic Research Associated . . . this is the updated report which has been filed with our petition . . . indicates that Mililani Town's potential market absorption is 595 housing units per year which includes single-family detached housing, town houses, garden apartments for the years 1969 and 1970; 800 units per year for the years 1971 to 1975; 920 units per year for 1976 to 1980; and 895 units per year for 1981 through 1985. We hope to achieve perhaps 1,000 units per year, again to reduce the housing cost package.

Based on this market report, Mililani Town requested 2,500 acres in its petition. We further stated in our petition that we supported the Commission's concept of incremental zoning, based on performance, which has been made part of the new rules and regulations recently adopted by the Commission. In other words, as related to the 2,500 acres requested for urban district, we recognize that the Commission may adopt only a portion of the 2,500 acres for urban district classification at this time.

When our petition was before the Planning Commission of the City and County of Honolulu, the subject of incremental zoning was discussed at its meeting. We suggested to the Planning Commission that in order for us to have any orderly and continuous development expansion of Mililani Town during the period 1970-1974, we would need all the acreage located makai or on the Ewa side of Kam Highway. That would be all of Section A on

MR. FALK (Cont'd.)

Exhibit B, exclusive of that little gooseneck that sticks across here on the mauka side of Kam Highway. This area is roughly 720 acres of Section A shown in Exhibit B to our petition which is earmarked for single-family detached housing, garden apartments and townhouses as per our development schedules shown on Exhibit B to our petition. Our understanding is that the Planning Commission's final recommendation to the Land Use Commission was approximately 650 acres. The staff has mentioned 600 acres. We know what the area is. . . . which we have outlined in red color on separate Exhibit B attached to this supplementary statement.

We ask that this Commission favorably consider the Planning Commission's recommended (inaudible) increment for Mililani Town under its new rules and regulations. We further ask that assuming performance on Mililani Town under development schedules, Exhibit B, this Commission would also recognize the second increment which would consist of: first, all of the remainder acreage of Section A shown on a separate Exhibit B attached to this supplementary statement and comprising 700 . . . 170 acres. This area of 170 acres is outside of the Planning Commission's recommended 650 acres. Two, all of the acreage of Section B comprising 410 acres located makai of the proposed H-2 Freeway . . . (inaudible) . . . of Highway. And three, Section C, which is for 250 acres which has been earmarked for the industrial park or planning center in the County's general plan. Incidentally, all of the acreages that we are now talking about are within the general plan of the City and County except possibly a little (inaudible) like this as shown here and possibly this here which I think is one of the reasons why the Planning Commission didn't give us the neck sticking up mauka on the makai side of the area that's located within Section A.

We fully understand that the second increment is not an automatic

MR. FALK (Cont'd.)

process and that Mililani Town would have to file a proper petition for the second increment and be subject to the necessary public hearings and other requirements under the Commission's rules and regulations.

In conclusion, we reaffirm our dedication efforts to provide good shelter at the lowest possible price plus all the amenities which are necessary to make Mililani Town a socially desirable community for our citizens.

That's the end of my supplementary statement, Mr. Chairman, and I'm prepared to answer any questions at this time. If I can't answer them, we do have some resource people here that . . . (inaudible) . . . questions.

CHAIRMAN CHOY:

Do the Commissioners have any questions?

COMMISSIONER:

Mr. Falk, do you have any idea of what the cost of off-site development is?

MR. FALK

There are so many figures in my mind that to be . . . I would like to call our . . . George, can you help with that question? This is Mr. (inaudible), our Vice President of Mililani Town. Can you answer the question, George?

COMMISSIONER:

. . . (inaudible) . . . your particular, but just to get an idea for this other . . .

GEORGE:

I think the development depends on the terrain. I mean, I can assume . . . I think it's fair to say it's in excess . . . (inaudible) . . .

COMMISSIONER:

What was the question?

COMMISSIONER:

What would you say are fair off-site improvement costs?

CHAIRMAN CHOY:

Development.

COMMISSIONER:

Yes. Development costs.

GEORGE:

Well, what we call off-site -- sewer plant, water plant, reservoirs, wells, major transmission mains, major roads -- would run about 50¢ a square foot.

Now what we call on-site . . . that's the in-tract improvements. However, the in-tract runs depending on the amount of earth that has to be moved and ranges anywhere from 85¢ to \$1.00 a square foot.

CHAIRMAN CHOY:

So the site improvement costs could be \$1.50 per square foot?

GEORGE:

That's right, and that does not include overhead, (inaudible) interests, and does not include a number of other things necessary to . . .

CHAIRMAN CHOY:

. . (inaudible) . . can figure about \$1.75 a square foot.

GEORGE:

Yes. More than that.

CHAIRMAN CHOY:

Two dollars a square foot?

GEORGE:

That's close.

COMMISSIONER:

That's with your land costs.

GEORGE:

The land costs are . . . That's \$2.00 a square foot.

CHAIRMAN CHOY:

Two dollars a square foot.

GEORGE:

Two dollars a square foot for on-site and in-tract . . (inaudible)
. . approximately 50¢ a square foot for off-site and that's all the things
we have to build and (inaudible). Now the in-tract improvements . . .
the minor streets, the grading of the lots, the utilities, lights, fire
hydrants, all that business . . . roughly from 85¢ to \$1.00, depending on
how much earth you have to move. Alright then, on top of that you have
overhead, you have interest, you have land costs, and we haven't put a
house on this yet.

CHAIRMAN CHOY:

So somewhere around \$2.00. So on a 6,000 square foot lot, you have
\$12,000 in expenses, not making any profit on the land.

GEORGE:

That's correct.

COMMISSIONER:

What is the average cost per square foot of a house?

GEORGE:

There again, it depends on the size of the house and the amenities
within the house; that can range anywhere from \$15 to \$20 per square foot,

GEORGE (Cont'd.)

again depending on the house.

COMMISSIONER:

So if you have 1,000 square foot of living area, it's \$15,000.

GEORGE:

That's correct.

COMMISSIONER:

Now how can you produce the house and lot for \$15,000?

GEORGE:

You can't.

COMMISSIONER:

Like that's what the City is asking you to do.

GEORGE:

You cannot produce it.

CHAIRMAN CHOY:

Mr. (inaudible).

MR. (INAUDIBLE):

We're generally talking about \$15,000 and people . . . (inaudible) . . .

Mr. (inaudible) said that by now you're thinking in terms of either \$8,000 or \$13,000.

MR. FALK:

I would say that this is the gap growth in '62-'64 and my experience with the H.C.H.A., the Commission, the H.C.H.A. group with Dick Neal and all the other people involved . . . (inaudible) . . . is now \$8,000 to \$12,000. This is the standard that they've used for their federal housing programs.

MR. (INAUDIBLE):

Okay, assuming that that's correct and I won't argue with that. The

MR. (INAUDIBLE) (Cont'd.)

fact that the . . . (inaudible) . . . In relation to that, we're talking about low-cost housing. Now how much has the \$15,000 house on the fee lot increased? What do you contemplate that's going to cost?

MR. FALK:

Well, I think I gave a percentage in the public statement, that if you just took the plain construction cost index since 1962, that's 30.5%. . . . you take the \$15,000 package, you fix it by 130%, you're about to \$19,500, excluding the increase in cost of financing. So I would say that you're probably talking about almost a 75% to 100% increase since 1962.

If it's not . . . let me answer this way. It's a very elusive thing and, used improperly, you can come up with some distorted answers. Much of the program that we're thinking about in terms of trying to reduce costs . . . not necessarily the lowest costs or public housing, if I may, and I don't use that term derogatorily . . . it's a combination of many efforts. One of them is philosophy. If we can produce and sell, say, 1,000 units, we're spreading the cost burden properly over (inaudible) units for that particular year. But if you're only doing 500 units, then the burden, some of which is fixed, is chargeable to the 500 units. This is why in terms of asking for the increment, we want to be sure that we can generate the velocity that our market people say we should, and our share of the total housing market.

COMMISSIONER:

Well, I don't think it can be done because of figures and positions you took in 1962 and 1964. It's simply beyond your control. Now you propose . . . additionally, you're talking about velocity. Suppose the velocity doesn't occur and in another year or 2 years that you need more acreage.

COMMISSIONER (Cont'd.)

. . (inaudible) . . the velocity to cut it down. What sort of guarantee is there? You made some sort of guarantees several years ago and then you walked out for a number of reasons. Now, what sort of guarantees . . . in trying to go through this mistake that you just saw now, what has changed so that you can feel this can be more realistic? You can step out of here and say to somebody, because this Commission took a certain step, that there will be housing for people in low cost . . . although it's not as low as we thought before . . . What sort of guarantee? How can we say that?

MR. FALK:

Well, there are several ways I'd like to answer that question. First of all, in this variance . . (inaudible) . . we're talking about a variety of housing units. And one of the ways is to assure without guaranteeing -- because I sometimes shy from promises and guarantees -- is to increase densities. We are talking about single-family homes of about (inaudible) to an acre. We are talking about townhouses, perhaps 825 or 900 per acre. We are talking about garden apartments, increasing densities to perhaps 15 per acre plus or minus, but this means more housing units, more units to spread the same cost over. So one point of assurance or guarantee that we can perform is this. The other point I wanted to mention to answer that question is that we've learned from the experience. I think we know a little bit more than the 1963 and 1964 years. We've gone through the experience. I think it's a beautiful project. But we have learned from that experience that we can now move more cautiously because of some of our overhead, because . . (inaudible) . . and trying to work towards it. Your guarantee that we can't perform here . . . you're no better than us.

CHAIRMAN CHOY:

Any other questions?

MR. DURAN:

Mr. Falk, what are you saying you're going to build in terms of low cost housing in the future?

MR. FALK:

Shall I answer the question, Mr. Chairman? I mean . . .

MR. DURAN:

Going back to the concept that this originally was to be a low income community of houses with amenities unheard of before. And, guaranteed, you have provided these amenities, but you have talked about these increased costs over this \$15,000 home that you represented 4 years ago, and I'm curious to know what these different costs have been per unit. Obviously, some of the standards have changed and it's caused an increase in the process. The labor has gone up obviously . . . there is an increase there. But . . . (inaudible) . . . increases have been, and when you do put them all into the total package, what's the lowest you can build commensurate with this \$15,000 house?

UNIDENTIFIED:

Mr. Duran, are you going to attempt to do this in this development?

MR. FALK:

We're going to attempt to do, with our best efforts, to try to put up homes for the lowest possible price. I stated that in my public statement. But I think what you're getting at is, given all of the favorable considerations, and I'm talking about some of the top standards that the City has, making some breakthrough there . . . given some breakthrough in the endless process in time from governmental agencies . . . given some

MR. FALK (Cont'd.)

effort on our own part . . . working with builders, working with ourselves, working with contractors . . . (inaudible) . . . I'm hoping that we can produce well below \$30,000. I won't tell you that we can produce 500 units at \$25,000 because I'm not that close to the technical operations yet, and we're still evaluating the process. But I can assure you to the extent that if we can produce 500 homes below \$30,000, we will do so. If we can't, let me (inaudible). We're talking about a cross section. It was never our intent to have the lowest cost housing for the whole town. What I'm saying is that we're talking about a cross section increments of housing for all that (inaudible). It isn't all \$100,000 homes. You can understand that in the planner. So, alright, we're going to do our best to develop maybe below \$30,000 per acre, . . . I mean, per house . . . but I'm not going to try to tell you how many or what that price will be.

MR. DURAN:

With the experiences you have thus far, is it possible for your engineers to give us some sort of an estimate prior to this Commission making the final decision on this request? And I would like to see it done on the basis of the total 14,000 foot units that you're talking about building over there.

MR. FALK:

Mr. Duran, the problem with that (inaudible) is . . .

CHAIRMAN CHOY:

You need not answer that. You have 15 days to present further evidence, and the Commission will have to act within 45 days. So if you prefer to leave that and answer our Executive Officer within the next 15 days, you may.

MR. FALK:

I only wanted to say that in 1964 . . (inaudible) . . we tried to (inaudible) for 5 years and you're asking me this whole acreage . . . 2,500 acres . . .

MR. DURAN:

Well, you indicated that without the assurances that you know what you're going to be able to build . . . the amount of volume. I'm asking you that if you had some assurances that you would be able to build the amount that you had anticipated as total plan, what do you think you could provide in the way of low-cost housing?

MR. FALK:

You're talking about . . .

MR. DURAN:

The whole 3,500 acres.

MR. FALK:

Mr. Duran, I will not . . . I don't think it's fair . . .

MR. DURAN:

Well, I thought that with the figures you might be able to come up with some figures.

MR. FALK:

We can but then they are for a 3 year period, if you can see that far down the line, but . . .

MR. DURAN:

Have you any idea what a house could be built for today at the lowest possible cost?

MR. FALK:

I would . . (inaudible) . . because that was the purpose of the meeting

MR. FALK (Cont'd.)

this morning, to answer many questions which in a public hearing, it's unfair for us to make statements. But I'll answer it privately with you. I'll do that.

MR. DURAN:

Well, I think that it's important that . . .

MR. FALK:

Then you'll have to have me violate . . . (inaudible) . . .

MR. DURAN:

(Comments inaudible.)

CHAIRMAN CHOY:

Any other questions? I think in all fairness to Mr. Falk with competitive developers being present, he need not answer such detailed questions.

MR. FALK:

Thank you, Mr. Chairman.

CHAIRMAN CHOY:

Is there anybody in the audience who would like to speak for or against this petition? Would you come forward and state your name please?

MR. TOMASU:

My name is David Tomasu. Mr. Chairman, members of the Commission, I'd like to speak in behalf of the residents of Mililani Town Association.

We have formed our association and estimate great potential growth in becoming the finest residential community in the State. We sincerely wish that Mililani Town Inc. be granted the opportunity to fully realize its potential plan. Thank you.

CHAIRMAN CHOY:

Any others that would like to come forward?

UNIDENTIFIED:

May I speak please?

CHAIRMAN CHOY:

Have you been sworn in?

UNIDENTIFIED:

I'm not testifying. I thought this was a public hearing, and I merely would like to ask a question or make a comment.

CHAIRMAN CHOY:

Would you state your name please?

MR. CLEAVER (?):

My name is (inaudible) Cleaver(?). In regards to the previous speaker's statement, I am a property owner in Mililani Town and he was not speaking for me. However, I am not testifying for or against the petitioner in this case. I'm here as an observer to attempt to find out what is going on and what the considerations are, and I intend to come to my own conclusions later. No one I don't believe in Mililani Town, so far as property owners are concerned, is yet authorized to speak for all of the Mililani Town property owners.

CHAIRMAN CHOY:

You mean that you don't have a community association. Is that what you mean?

MR. CLEAVER:

There is a community association under the Mililani Town covenant which was part of the development and which was a required portion of the signing of the mortgage. It appears to me, as a first-time observer, that

MR. CLEAVER (Cont'd.)

portions of the covenant are now being worked around and, therefore, the covenant itself may not be legally binding and neither would the association in that case.

COMMISSIONER (?):

Mr. Chairman, may I ask the gentleman who represented the association how many people you represent?

MR. TOMASU:

I was elected at a community association meeting as Director of the association, and we've been having our meetings.

MR. DURAN:

All of the property owners were invited?

MR. TOMASU:

Yes.

CHAIRMAN CHOY:

And there is just one and only community association?

MR. TOMASU:

That's right.

CHAIRMAN CHOY:

Thank you.

MR. CLEAVER:

Mr. Chairman, may I rebut that please?

CHAIRMAN CHOY:

I don't think this is quite pertinent.

MR. CLEAVER:

. . (inaudible) . . this meeting, I grant, was (inaudible) to take place. However, it took place at a time when 200 of the present 400 property

MR. CLEAVER (Cont'd.)

owners had not yet bought their houses. The association selected officers . . . (inaudible) . . . did not represent a majority vote of the present property owners of this project.

CHAIRMAN CHOY:

In other words, it's a very young organization. It's a growing thing so . . . we'll let you people settle this.

MR. CLEAVER:

Alright. Thank you.

CHAIRMAN CHOY:

Thank you. If there is no further testimony for the public hearing, then we'll have a short recess . . . about 10 minute recess . . . before we get into action.

(Recess.)

Let us continue the meeting. We're going into the action portion of our meeting now, and we have on the agenda as item one, A68-197, Robinson Trusts. Rom, are you ready?

MR. DURAN:

Gentlemen of the Commission. (The September 12, 1969 memorandum from the staff to the Land Use Commission re: A68-197 - Robinson Trusts, et al and H.S.M. Ventures, was read verbatim.)

CHAIRMAN CHOY:

Are there any questions from the Commissioners?

MR. DURAN:

Would the Commission like to be re-oriented to this area on the maps again?

CHAIRMAN CHOY:

I'm quite sure we're familiar with it.

COMMISSIONER:

We're familiar with it, Duran. Don't you think . . . (inaudible) . . .
on that lot over there?

MR. DURAN:

This red blob reflects the report that was submitted to the Commission shown on the General Land Use Plan posed by the Grosvenor Estate on Campbell Estate's property.

(Two people talking at one time for a few sentences so indistinguishable.)

CHAIRMAN CHOY:

. . . (inaudible) . . . on the 5-year boundary review.

COMMISSIONER:

Take the other area up there. We denied that first.

MR. DURAN:

But you've told them to file a petition.

COMMISSIONER:

May I ask Commissioner Tangen in regards to . . . (inaudible) . . .
prime agricultural lands.

COMMISSIONER TANGEN:

(Comments inaudible; static is beginning to be constantly present.)

COMMISSIONER:

Yes, well, I was waiting . . . Is somebody here from the sugar company to . . . (inaudible) . . . The Oahu or other sugar company or both could be annihilated.

MR. DURAN:

That's an analysis of the staff based on this type of development.

UNIDENTIFIED:

That wasn't my information at all and I . . . Is there anybody from

UNIDENTIFIED (Cont'd.)

Oahu Sugar saying . . .

COMMISSIONER:

Mr. Chairman, Mr. Tangen, Mr. Chairman . . . there's a letter on file from Oahu Sugar on the basis of part of the petition.

MR. DURAN:

We do have a letter on file from Mr. (inaudible) from Oahu Sugar stating that they endorse this request and any other zoning request . . . any future rezoning request.

CHAIRMAN CHOY:

Any other questions?

MR. DURAN:

In view of the statement made by . . (inaudible) . . regarding 1,200 acres . . (inaudible) . . Also, (inaudible) will show that Oahu Sugar testified that they now have more land under cultivation than they have ever had before in terms of total acreage and that they recently acquired 1,500 acres, of which 1,200 will go into cane cultivation, and this land was acquired from Robinson Estates when the Dole Pineapple leases expired and Oahu Sugar Company outbid Dole for the prime agricultural land. I'd like to . . .

CHAIRMAN CHOY:

Wait a minute. Before you proceed, Rom, I think it's quite improper that . . (inaudible) . . has gone to the trouble of posting lands that are . . . that will be requested in the future for rezoning but have not been rezoned. In other words, . . (inaudible) . . nothing up to date. We gave them a resort and nothing up to date. Nothing to (inaudible). All of those and nothing to Amfac. All of those shouldn't be (inaudible). We

CHAIRMAN CHOY (Cont'd.)

are talking today of only the petition that is being requested and only of what has been granted.

MR. DURAN:

These areas that I've illustrated on the board are not areas that have been rezoned.

CHAIRMAN CHOY:

Yes.

MR. DURAN:

I have stated that these areas have come to light as a result of our 5 year boundary review and that these people intend to urbanize these lands.

CHAIRMAN CHOY:

They intend to urbanize but they have nothing granted by the Commission.

MR. DURAN:

That is correct.

CHAIRMAN CHOY:

So on that basis . . .

MR. DURAN:

I'm not trying to represent to this Commission that these lands have been rezoned, merely that it is the intent of these landowners to urbanize their lands in the future.

CHAIRMAN CHOY:

But it may not give that impression to the Commission.

MR. DURAN:

Well, I hope it's clear now.

CHAIRMAN CHOY:

What I'm saying is that the audience present may feel that this is the case, in fact. Actually, that is not so. And also, I'd like to try to find my statement, which was quoted, that we do want to use the least productive lands and that is the intent of the Commission. However, we are not in the process now of giving out all of our best agricultural lands, but jealously guard it and release to the minimum requirement. And I still maintain that that is our . . . that is at least my (inaudible).

MR. DURAN:

To answer Mr. Tangen's question, this is the area that was in Dole pineapple production for which the lessees, (inaudible) and Oahu Sugar, outbid Dole for that area. And they are not putting it in sugar cultivation.

COMMISSIONER TANGEN:

Well, I don't suppose there's anyone here more interested than I am in what's going to happen as far as sugar land is concerned, but this one . . . I checked this one out. This was an important consideration of our people. We worked in sugar out in that area. . . that for the 300 acres, another 1,200 acres is going to be put into cane which is very important to them and to all of us. And that's why I got sort of shell-shocked when I saw that (inaudible).

MR. DURAN:

But you do realize that this could happen.

COMMISSIONER TANGEN:

Well, it could.

MR. DURAN:

Well, you're at the threshold now that . . .

COMMISSIONER TANGEN:

(Speaking at same time that Mr. Duran so that sentence was indistinguishable.)

MR. DURAN:

. . (inaudible) . . and I'm sure you're very concerned about what happens to the pineapple people, too.

COMMISSIONER TANGEN:

That's right. We are.

MR. DURAN:

When you transfer sugar to pineapple, it doesn't solve the problem.

COMMISSIONER TANGEN:

Well, it may not necessarily complicate it as much as it may appear on the surface either.

MR. DURAN:

Would it be with the exception of this area above the freeway . . . and probably this is not (inaudible) . . . although it's under cane cultivation.

COMMISSIONER TANGEN:

If this is not prime, what is it then?

MR. DURAN:

It's probably D or C.

COMMISSIONER:

You know in . . (inaudible).

MR. DURAN:

D. Yes, they're growing cane and (inaudible).

CHAIRMAN CHOY:

How do the Commissioners feel? Should we remove all that (inaudible).

COMMISSIONER:

Oh, yes. Definitely.

CHAIRMAN CHOY:

Okay.

COMMISSIONER TANGEN:

I would like to ask one question. There was a statement about the recommended denial. Could you tell me why they recommended denial with that and then recommended 1,500 or 2,500 acres to Mililani?

CHAIRMAN CHOY:

Howard, would you like to . . . ?

MR. ALTMAN:

The consultants' recommendation, Mr. Chairman, was on the fact that the existing plan shows the area that the consultants favor in urban, and the existing General Plan shows the area for H.S.M. as in agriculture.

COMMISSIONER TANGEN:

No. My question is, they're both . . (inaudible) . . of land, yet you're recommending one section and not the other section.

MR. ALTMAN:

It's true, but the fact is that where the consultants were concerned, that the existing County and General Plans from 1964 express this area as urban, and it isn't shown here, and the consultants felt that . . (inaudible) . . But it also said that you should consider only that area that is on the existing County General Plan and that's all. The County has said to approve a portion of that area is within the existing County General Plan. It didn't say all of it, but it said a portion of it at this time. Is that clear?

CHAIRMAN CHOY:

In other words, you went on the basis of County recommendations?

MR. ALTMAN:

That is correct.

CHAIRMAN CHOY:

You made no recommendation of your own?

MR. ALTMAN:

For which part.

CHAIRMAN CHOY:

I mean, on the basis that you took the stand not to rezone this area but rezone the other . . . it was on the basis of the County recommendations?

MR. ALTMAN:

Not at all. No. That is a portion of it but as it is said, it is our concern that in the absence of a County General Plan for showing other urban areas that it is the Commission's response to zone only those areas for urbanization that have been part of an existing General Plan, and that without that plan, the urban areas should be held as shown and without that plan, it should be held at this time to this freeway. If this plan occurs in the future, then I would seriously consider zoning other areas urban, but without that, it's only a piece by piece plan.

COMMISSIONER:

Okay, this is the area now . . . the subject area under consideration.

MR. DURAN:

That's right.

COMMISSIONER:

How long has it been in existence?

MR. DURAN:

It's just about . . .

COMMISSIONER:

A year?

MR. DURAN:

Yes. About that. They harvested the last cane crop about a year ago.

COMMISSIONER:

Is there a possibility that . . . (inaudible) . . . ?

MR. DURAN:

I believe so. Very much of a possibility.

COMMISSIONER:

Have you . . . (inaudible due to continuous static) . . . I mean, negotiated for the release of this subject area for sugar production?

MR. DURAN:

Well, Robinson's position on their lands is to develop those lands below the golf course so that when the lease expired for Oahu Sugar, they withdrew this 340 acres or 316 acres and reissued new leases on the land up above, with a 50-acre per year withdrawal condition. So to say, have they considered continuing the cane on it . . . no, because their intent is to urbanize the area. I'm sure that if they offered it to Oahu Sugar that Oahu Sugar would be glad to accept it. It's one of the highest yields in their total field (inaudible).

COMMISSIONER:

Yes. I recognize that. On the other hand, is it possible that by virtue of Robinson's Estate . . . (inaudible) . . . other, more extensive use, that they would . . . (inaudible) . . . Can you logically foresee agriculture production? There's no point in . . . (inaudible) . . .

CHAIRMAN CHOY:

What is the . . . I understand it's to be an agricultural subdivision.

COMMISSIONER:

Well, this was my second question, that if the developers . . . (inaudible) . . . what could we expect of the productivity of the land should the developers go ahead and develop an agricultural subdivision? . . . (inaudible) . . . agricultural potential.

MR. DURAN:

Well, that is correct. It would really not be an agricultural subdivision per se. None of the agricultural subdivisions that have been developed on Oahu are agricultural. They're just large estate lots. But then this also applies to any agricultural zone in which that velocity then . . . one might assume that if you just eliminate the agricultural zone . . . because the land owner is either going to leave it fallow or subdivide it into agricultural lots. I think that's . . . (inaudible) . . . of the Land Use Law.

COMMISSIONER:

Possibly. The other question that I had . . . (inaudible) . . . we've always used the H-1 Freeway as a logical . . . I put it in quotes . . . logical possibility to urbanize (inaudible). I'm just wondering whether or not it's equally true that the . . . (inaudible) . . . for the separation between a . . . (inaudible) . . .

MR. DURAN:

No, because the (inaudible) zone doesn't provide that type of a buffer. It's a circular type zone and only affects about 25 acres of this area in a half moon type shape. The next logical barrier going mauka from the freeway would be the golf course.

COMMISSIONER:

How about using a cane haul road as . . . (inaudible) . . .

MR. DURAN:

There is no major cane haul road that actually serves as a buffer, certainly not comparable to the existing H-1 Freeway.

COMMISSIONER:

I have another question on this. You mentioned the comprehensive plan for that area there. Is there any comprehensive plan in the planning stage or who does this comprehensive planning?

MR. DURAN:

There isn't one at the present time. The Planning Commission has been talking about one. This is one of the reasons why I thought it would be in order, due to the time that has lapsed between their original recommendation to this Commission on this request and the present time, to re-evaluate or determine what their new position is because shortly after they made a recommendation to this Commission to rezone this land, the Commission made another statement and that wasn't with regard to this request but a rezoning request in the Waipahu area, and that was that the area is probably the most illogically planned of any community on Oahu and henceforth we will stop all zoning in this area until we get a new plan. That plan isn't available yet. It's a year ago that the statement was made. And our concern is that if we continue to nibble away on a piecemeal basis that the area will end up being urbanized without a plan and it will be very costly to government to provide the necessary public facilities. So that if it's the Commission's feelings to move in this area and zone the land for urban use, first of all there should be a plan prepared by the County.

COMMISSIONER:

There was a representation made that an excess of how many thousand vacant . . . 44,000 acres of vacant . . .

MR. DURAN:

On Oahu. . . (sentence inaudible) . .

COMMISSIONER:

What is the occupancy . . . or rather vacancy pattern as far as the Waipahu area . . (inaudible) . . removed from the Waipahu area. I think the Waipahu . . (inaudible) . .

MR. DURAN:

It's on such a small area that Oahu Sugar is growing cane on their lands and that's right in the Waipahu urban area, probably about 160 or 140 acres, something like that. Within the Waipahu (inaudible) area and a few small areas . . . 10 or 15 acres . . . that have marginal topography. Of course, nearby, in just a matter of minutes on the freeway, we do have Mililani Town and we also have Makakilo with over 1,000 acres that are in the urban district. Again, you did mention the 900 plus acres of . . .

COMMISSIONER:

What I was wondering, on the . . (inaudible) . . the proximity of . . (inaudible) . . because I realize that . . .

MR. DURAN:

Mr. Horita. Mr. Horita has no land in Waipahu that has been developed at this time.

COMMISSIONER:

Duran, do you include the military area as also urban areas, too?

MR. DURAN:

We've added a lot of military land since that 24,000 figure was presented to you, and we don't consider that as available for urban uses, but

. . .

COMMISSIONER:

But the 24,000 is . . .

MR. DURAN:

The 24,000 is less military uses. It's either vacant or in agricultural use.

COMMISSIONER:

Let me ask . . . I think I have it cleared up but I just want to be real sure. In response to some questions that Oahu Sugar wanted to plant cane in that area, and to save time, it's a fact, right, that Oahu Sugar is giving 1,200 acres to go into cane, giving up this 300 acres which is already out of cane? And is Oahu Sugar saying that they don't want that 300 acres to be taken out of ag and to remain in cane?

MR. DURAN:

They have no choice in the matter. I am sure that if it were offered to them, they would keep it in cane.

COMMISSIONER:

As I understand, they were satisfied with the arrangement to get the 1,200 acres and lose 300. Now they made . . . I'm new here . . . they made new representations to this Commission that they don't want this 300 acres to be taken out of ag.

MR. DURAN:

They have submitted a letter to us and it's on record that they support this rezoning request. I say that because it's a fact . . . it's in the records, but I also still contend that . . .

COMMISSIONER:

. . . (inaudible) . . . they should if they hire our people.

MR. DURAN:

But if this land were offered to them, I'm sure they wouldn't refuse it.

CHAIRMAN CHOY:

Well, they'd like to have 1,200 acres plus 300 acres, I'm sure.

MR. DURAN:

They are now moving up into the slopes of the Waianae Ranges . . . and I'm sure you've seen some of the land that they're working with. It's not prime agricultural land, and it's expensive to work in that area. But this is necessary for survival.

CHAIRMAN CHOY:

If there's no other questions, let me hear from the petitioner. Are you ready?

PETITIONER: (MR. MUKAI)

Yes, Mr. Chairman. My name is Stanley Mukai. I'm one of the attorneys for the petitioners.

This petition was filed July 16, 1968. The petitioners have presented the actual testimony in the past . . . five hearings. I wanted to take a few minutes of the Commissioners' time in capsuling the prior factual testimony.

As the petitioners view it, there are basically 4 significant oppositions which came out in prior testimony, and we've presented . . . (inaudible) . . . the testimony of Mr. Horita, H.S.M. Ventures, Mr. Gibson representing the Robinson Trust, and Mr. Matsuo who represented (inaudible), the engineers for the project.

There are basically 4 significant propositions that came out of that testimony. First, and the most significant, and one which no one seems to quarrel with, is the desperate need for moderate cost housing in the area. Enough said on that.

The second proposition was the . . . (inaudible) . . . ability of (inaudible)

MR. MUKAI (Cont'd.)

or Mr. Horita to develop the property . . . Coogan's experience in the area.

The third basic proposition, again without quarrel, was the favorable position that every one of the concerned community organizations took with respect to this petition. The I.L.W.U., more specifically the unit closest to the Waipahu area, has written testimony in favor of the petition. On the other side of the spectrum, Oahu Sugar has written testimony in favor of the petition. If you will, right in between, the Waipahu Community Association, the Waipahu Businessmen's Association has testified in favor of the petition. So all the concerned associations have expressly come on record in favor of this particular petition. In addition, so far as governmental agencies are concerned, the City Planning Commission has met the question on 3 separate occasions and on 3 separate occasions has made a favorable recommendation with respect to the petition, so the City Planning Commission has on 3 separate occasions, recommended approval of the petition.

The fourth significant proposition coming out of the described testimony . . . (inaudible) . . . something accomplished between the staff and the petitioners, the question of whether or not there was sufficient (inaudible) lands in the area. To me, this admitted need.

The staff position is basically that which they took today . . . a visual attempt to prove that there was sufficient urban lands.

The petitioner on the other hand . . . (inaudible) . . . at the last hearing of the Land Commission . . . (inaudible) . . . specifically and looked . . . actually looked . . . beyond the (inaudible) for actual intended and practical uses of the property in question, irrespective of the fact that it was urban. And I believe he clearly indicates two

MR. MUKAI (Cont'd.)

propositions . . . one, the (inaudible) of developable urban lands, and secondly, the lack of any real present intention on the part of the present holders of the lands to actually develop those lands. Now he made the same presentation before the City Planning Commission last week and is prepared to do so to this Commission today, but I thought that was perhaps the most impressive part of the petitioner's testimony.

Mr. Chairman, I got your . . . we received your staff memorandum yesterday. I'd like to . . . Mr. Horita will discuss the petition where it seems to be inconsistent with the petitioner's positioning.

. . . (inaudible) . . . I'd like to make one comment with respect to one of the statements he's been credited for and it's on page 3 of the memorandum. He has indicated to a representative of the City Planning Commission that he will build \$21,000 homes in this area. Well, that isn't true. There's no such statement made by (inaudible).

CHAIRMAN CHOY:

Any questions? If not, then Mr. Horita, would you like to come forward?

MR. HORITA:

Mr. Chairman, my name is Harry Horita. I represent the petitioners of H.M.S. Ventures.

I'd like to at this time cover some of the information that the staff has presented in the report to the Commissioners. It is stated on page 3, paragraph 1 . . . it says that the number of units sold in 18 months is 360 units. We have sold in that same period -- in 18 months -- 526 units. It also states on the same page in paragraph 2 that we represented to the Planning Commission that \$21,000 was the sales price, and this was just the last hearing. One of the Planning Commissioners asked me that

MR. HORITA (Cont'd.)

if we will sell the houses at the same price as we sold previously which was lower than \$21,000. I indicated that the price would be a little higher than that but we will keep all our houses below \$30,000, and I'm sure that we'll have housing in the low \$20,000's.

On page 3, paragraph 2, it is stated that our lowest priced home in 1968 was \$24,650. Our lowest price of our homes in December, 1968, was \$21,500. Even after February, 1969, our last year's price was \$24,600 because we eliminated \$21,600 homes at that time.

On page 3, paragraph 2, our lowest price in Seaview Village is \$31,950. Our lowest price is \$30,600. Now the price is not an indication of really the product we're selling because the houses, as I said, cost a little more and have more amenities than the houses that we originally sold in the area in Waipahu.

On page 4, paragraph 1, it says the Waipahu Community Association opposed the first rezoning petition. The Waipahu Community Association took a neutral position in the first rezoning petition. I filed a letter 90 days ago with the Land Use Commission of their endorsement on the petition. What has happened is that a reporter got ahold of one of the representatives of the Community Association and misquoted his position which was not the idea of the Community Association.

On page 4, paragraph 1, it says there that the I.L.W.U. did not return to the Commission at the last hearing of the Planning Commission to explain the endorsement of our petition. Mr. Villanueva who is the president of . . . or chairman of Local 142, Waipahu Chapter, was present and ready to testify on our behalf, and he waited 3 hours and 45 minutes but had to leave. Instead, a letter of his endorsement was filed with the . . . this past hearing.

MR. HORITA (Cont'd.)

It says here on page 4, paragraph 2, the staff reported that there are 3,500 acres in the urban district. Instead, there are 4,000 plus.

In my last presentation to the Land Use Commission and the recent one that I have made to the Planning Commission, I gave a thorough explanation of the land zoning classification of residential use and the availability of public purchases of land in lots that are presently urban . . . Moanaloa, Salt Lake, Mililani, Makakilo, which is all of the land in the Waipahu urban district, and I had (inaudible) on the map and myself covering it with its improved price range of homes, lot sizes, the qualification and the amount of estimated available acreages.

Of the 3,500 acres which is an explanation . . . a further explanation of this 3,500 urban land . . . I estimate that there is approximately 1,476 acres of land that could be used for single family residences of which only 73% of that land will be able to sell above a sales price of \$30,000. This means approximately 400 acres of the land would be available for housing below \$30,000. And the only land I'm talking about as of this time is Makakilo. And even though Makakilo has 1,000 acres, approximately 500 acres is the estimated useable area of development. And out of this 500 acres, they have one model that represents a higher price than \$30,000. And so I've taken 25% which should come out to 400 acres.

It says here also in the report that there are 912 acres of recent rezoned to urban in Austin Estate, 572 acres in Bishop Estate, Waiiau . . . a total of 912 acres recently rezoned to urban . . . in Austin Estate, 572, and in Bishop Estate, Waiiau, 340. I had checked with the Austin Estate people and as of this time, the land will be sold in bulk. They

MR. HORITA (Cont'd.)

have not found a developer but if it is sold in bulk, it won't be developed for another 3 years and . . . (inaudible) . . .

The Bishop Estate development would be a residential and townhouse development and approximately one-third of this land would be used for single-family residences. The land also won't be available for individual purchase for another one to one and one-half years. Now if the Kahunui Ridge land was the Waikiki of the Bishop Estate-Waipahu land . . . it's an indication of the similar kind of development . . . (inaudible) . . . off the Waiiau Ridge should be from a price of \$30,000 to \$42,000 because of the same ownership and the same developers. They might have a few houses . . . (inaudible) . . .

Now in the Land Use Boundary Review which you just had recently in August, 1969, the only urban . . . additional urban area urbanized in the Waipahu urban district is 117 acres above Momilani in Pearl City. The land is to be used for the Pearl City complex which is the elementary-intermediate-high school land. Twenty acres below Waimalu homes for their own use. Two hundred thirty acres for the federal and state government known as the Pearl City Peninsula. I think they might have a few parcels or a few acreages of urban land for public use. Twenty-three acres of interchange (inaudible) land between Kam Highway and H-1 Highway which is near (inaudible). Two hundred thirty-eight acres of which approximately 100 acres, which is Leeward Community College, some federal land and state lands. There are a few pockets of urban land. This shows that the urban district reserve does not have the adequate low-price single-family residential land nor does it have added medium-price single-family land below \$30,000.

MR. HORITA (Cont'd,)

I would like . . if there's any questions, I would be more than happy to answer them.

COMMISSIONER:

I see that there's a water tank in that cane area. What is the cost of that . . (inaudible) . .

MR. HORITA:

. . (inaudible) . . I think the water reservoir was a 2½ million gallon reservoir and, including our charges, the overall cost is a little over \$1,000,000. I represented in the last information I had given to the Land Use Commission that it was \$868,000, but I forgot to add the interest, the lease rental that we have had, the damages that we paid for the cane, the points that we pay. All of that comes up to a little over \$1,000,000. Now we have had to put in that reservoir system in order to, number one, develop the land below that. As far as the sizing of it, they were requirements set up by the City Board of Water Supply.

COMMISSIONER:

In other words, the City . . . it would be okay to go ahead and develop that area or . . . (sentence inaudible) . . .

MR. HORITA:

I suppose that they have certain criterias of development of any kind of reservoir system and the assumption is that when you're going to develop a certain development, they just have you get a certain size, and this is why, after reviewing what we were doing below and the development that we have above, not necessarily the minimum size.

COMMISSIONER:

What was the rationale of the County to exist on an oversize? Is it

COMMISSIONER (Cont'd.)

dissipation of urbanizing the mauka lands? Otherwise, there wouldn't be any necessity for oversize, would there?

MR. HORITA:

I think I'd like to have Larry answer that question because he's the engineer on the project, and if Larry can just get up and answer it.

LARRY:

Well, this is (inaudible). This whole area was planned for residential development prior . . . way back in the '50's, so the . . . (inaudible) . . . to take care of the ultimate . . . (inaudible) . . . is up to just about what we requested. It was the original intent back in the '50s. We were not the engineers at that time but there are plans and records for that that go back. So that is the reason why the . . . (inaudible) . . . to take care of this area.

COMMISSIONER:

Doesn't this water tank serve part of the lower development?

LARRY:

Yes. It's part of the lower development below the H-1. This is the thing I think should be given consideration in your determination of the boundaries. To put in the size of a facility like that just to serve maybe 300 lots below the H-1, I don't think it's agreeable as . . . (inaudible) . . . I think consideration should be given in determining a boundary as to facilities that would be required to develop that area.

CHAIRMAN CHOY:

Larry, when you were asked to put in this size well and tank, was it designed for that contour as . . . ?

LARRY:

Yes . . . a 120 foot contour line.

CHAIRMAN CHOY:

If you wanted to subdivide above that contour line now, you would have to . . .

LARRY:

You'd have to put in another (inaudible) pump and reservoir transmission main.

CHAIRMAN CHOY:

So in other words, even if we granted you more land, you couldn't develop it because your water resource is only useable up to the point as you requested.

LARRY:

The existing facility that's being built . . . yes, that's right.

CHAIRMAN CHOY:

Any other questions? Yes.

COMMISSIONER:

You know that (inaudible) land. If you were to . . . (inaudible) . . .
(question inaudible due to continuous static on tape)

LARRY:

Well . . .

COMMISSIONER:

You do not have to answer this if you don't want to.

LARRY:

No, I . . . let me explain the point of Makakilo which is a very difficult problem for a developer. Number one, as of now, I may be too

LARRY (Cont'd.)

(inaudible) in the kind of facilities they have there. . . they have a school and I know they just built a park. I don't know whether it's completed. And I don't think they have any other services for those people. I think they have over 500 residents in that area. They have no doctors, no shopping center, no services for all the people in that area. They have a distance problem that whenever they have to shop, they have to drive to Waipahu. This causes an extreme hardship for a lot of people. Also, their price of homes are not any cheaper than the houses we build. In fact, our houses were in sale price much lower than theirs. They had problems in difficulty of development and topography and, as you know, that they . . . (inaudible) . . . for some time. And it has caused an extreme cost because of the condition of the land. Even though their land has been available to the public, they had difficulty trying to market it because even if you have land available, people don't buy it. And this is their other problem. So they had to put a lot of improvements in and they have not gained the full benefit of the urbanization of the area.

COMMISSIONER:

(Comment inaudible.)

LARRY:

Now when you ask me that statement, are you saying no low-cost housing anywhere or no low-cost housing . . .

COMMISSIONER:

No. In that area there, to be offered to the public to alleviate some of this . . . (inaudible) . . .

LARRY:

It would be much more difficult to produce a product of this nature

LARRY (Cont'd.)

of low-cost modern housing in that area than other areas.

CHAIRMAN CHOY:

You're referring to . . . (inaudible) . . .

LARRY:

We're talking about Makakilo.

CHAIRMAN CHOY:

Now if you were granted the area that you are seeking, would you continue to build in that moderate type of homes that you've been building below that highway?

LARRY:

Yes. I have been studying and listening to the previous petitioner . . . the same question that you've asked. I, on my own, have been trying to solve the problem that is with all of us in the whole State of Hawaii. I do not profess that I will solve it, but I have plans to do it in this area. In general, a statement that in order to accomplish this, I think I'm going to give you a little background. In order to accomplish this purpose, everyone, like the previous petitioner had indicated, that their house is 1,100 square feet. Now I'm sure that if they want to build a certain package of (inaudible) homes, one way to beat cost it to lower your size of the house down. Everyone is looking at 1,000 square feet as a means of building a house. I feel that the gap housing, as we call it, is the difference between public housing and people who can qualify for modern housing of any type. Presently, the income category, as Mr. Duran has indicated, that there are housing over and above \$10,000, I think people can qualify. But between the qualifications of income of

LARRY (Cont'd.)

\$5,000 to \$10,000, I think there's a gap. This gap housing is caused because, number one, everybody wants quality, and number two, there are certain standards of improvements that one must foot. My plan is to lower the size of a house down because it does not matter to an individual whether a house is 1,000 square feet or 2,000 square feet, because if you have no home, even a 750 square feet or 800 square feet is a castle. And the form of my plan is to produce a house that gives the amenity of living, . . . (inaudible) . . . construction, remove certain of the luxury items, produce a house that is smaller, use some of the amenities of planned unit development and lower the cost of the improvements, using the F.H.A. financing that will allow a certain amount of government subsidy, and a combination of all of these things could be accomplished. I do not know the exact price, but I think it will be in the realm of what people can afford.

I could further explain this thing because someone might ask then what would be the qualification standard of these cheaper homes. There is a particular program known as the F.H.A. 235 that will allow anybody who buys a home in fee below \$25,350 or in leasehold below that price that they would pay not more than 1% in interest and not more than 20% of their adjusted gross income in monthly payments. The rest of it is subsidized by the government. This would allow a person who would have a difficult time qualifying for a home because the subsidy would be somewhere in a monthly payment of about \$180 or \$190 a month. The government would subsidize somewhere around 50% of that. And the financial institutions in town would qualify them based on, number one, the government subsidy, number two, the balance of the income. And this program, I think

LARRY (Cont'd.)

right now is being considered being used by one developer and might be more. And could accomplish more in leasehold than in fee, because leasehold prices are lesser than fee simple.

CHAIRMAN CHOY:

Sunao, you had a question.

COMMISSIONER KIDO:

Well, I just had one question. If the previous petitioners . . . (inaudible) . . . the phrase of low-cost housing and moderate-cost housing, in your own mind, what constitutes . . . what is the minimum dollar value that you would give to low-cost housing or moderate-cost housing and high-cost housing?

LARRY:

Anything below \$20,000 is non-existent today.

COMMISSIONER KIDO:

I beg your pardon.

LARRY:

Any housing below \$20,000 is non-existent. It's not available.

COMMISSIONER KIDO:

So it can't be considered as low-cost housing.

LARRY:

No. You can't even consider that. I would assume that low-cost housing would be somewhere between \$21,000, \$25,000, \$26,000, and moderate-income housing would be from \$27,000 to \$30,000, just about that and plus. Remember, when I'm giving this idea of this F.H.A. 235 program?

COMMISSIONER KIDO:

Yes.

LARRY:

One can bring the price of a home in leasehold down within the range of what is fundable. An individual purchaser, if he falls in a certain income category, may only make a payment which is 50% of what a normal person would do. So this would allow people who have difficulty in qualifying for a loan and making payments . . . these are much lower rentals than anywhere else they can get. It doesn't matter the size of the house. The main thing is that the building would be much better than an apartment. It would be their own private home. They can have a start somewhere. I do not profess that this development would be exclusively in that because (inaudible) has created a public (inaudible) of urban development. This should be a combination of that and other kinds of development. I intend to pursue this and I have met with the (inaudible) and other agencies and I think we can do it. If I have been able to build a house a year and a half ago . . . a year ago . . . for \$21,000 with the existing standards, I think that I could arrange to put something up.

COMMISSIONER:

Do you intend the houses you construct to qualify for the federal 235 program?

LARRY:

Yes, I expect they will because I have met with the administrators yesterday and previously before then. Their standards of houses is as long as . . . (inaudible) . . . it's acceptable to their basic standards and ground conditions and structure of the house conforms to it.

COMMISSIONER:

And that's the kind you're going to construct?

LARRY:

Yes.

COMMISSIONER:

They will qualify for the 235.

CHAIRMAN CHOY:

Any other questions?

COMMISSIONER NAPIER:

Horita, you've developed all over the place. I've seen your name . . . (inaudible) . . . but just to give me an idea, what is the off-site cost . . . what is the development cost? What's an average? Dollar; dollar and a half?

LARRY:

Well, that is kind of a loaded question because . . .

COMMISSIONER NAPIER:

I realize that if you went up to Makakilo and down there to (inaudible), it would be different, but what would you say a good average would be for good land and then for urban?

LARRY:

Well, \$1.30 a square foot.

COMMISSIONER NAPIER:

A dollar thirty.

CHAIRMAN CHOY:

Does that include interest?

LARRY:

Oh, let me give you interest and everything . . . \$1.35. Because you see, you have to understand that our operating cost is . . . (inaudible) . . . that allows the company an overhead. Our overhead cost is much lower in size.

COMMISSIONER NAPIER:

Is it a fair question to ask what is an average cost per square foot, not for . . . let's say for homes between \$25,000 and \$30,000 or \$35,000? Is that too far range?

LARRY:

Yes, that's too far a range. I would say that the houses built in Mililani would be \$10 or \$15 a square foot.

COMMISSIONER NAPIER:

Fifteen dollars?

LARRY:

Yes. And because they have (inaudible) appliances and everything else inside. There's a difference in square footage in normal house costs even if it was less than standard . . . 50¢ a square foot. That's about all.

COMMISSIONER:

If you were to qualify under the F.H.A. 235, will you contend that all houses . . . (inaudible) . . . ?

LARRY:

No.

COMMISSIONER:

At the present time . . . (inaudible) . . . perhaps low-cost housing up to moderate-cost housing?

LARRY:

As of now, I have 3 plans of 3 different kinds of housing in that area. The one is a 235. This would have to go on a 2 basis, and on this . . . all of this depends upon one . . . the County. The idea why is to go on the planned unit development, and the planned unit development, as

LARRY (Cont'd.)

you know and as everybody professed to say, that the improvement costs are less than a standard subdivision. Naturally, if you can get the planned unit development, it is more likely that your costs are going to be lower. That's one. The second approach I'm using which then would be a single-family lot is to get the lot sizes down from 6,000 square feet, which is our present minimum, to 5,000 square feet in order to bring your overall improvement costs down per lot. That's the plan. And the other plan is to, in planned units, also to create (inaudible). Now in this planned unit concept of these houses, I will most likely have single-family clusters which is individual units within this 5 acre planned unit area, for 4 units stuck together in order to accomplish a low cost, because any time you stick 3 units together, it's cheaper than building one by itself, because you can have a common roof, common walls. You save on the land. You save on the electrical lines. And your costs drop. And this is one of them.

I intend to, again if the County allows this form of development in here, to build something very similar to Mililani has and the only thing adjusted to that is a much lower price instead of going to . . . (inaudible) . . . There will be multiples of this.

CHAIRMAN CHOY:

When you . . . (inaudible due to someone coughing the entire time) . . .

LARRY:

You have to be accurate.

CHAIRMAN CHOY:

Yes, I know. I just wanted to know why the County doesn't know what

CHAIRMAN CHOY (Cont'd.)

the cost . . . (inaudible) . . .

LARRY:

Well, I don't know that the gentleman who was here previously is involved in the cost of units but he might be involved in planning and have no idea of cost because the planning department people are regimented to only one kind of work and perhaps he will never know what cost is, no matter how long he works there. I do not know the gentleman's position that came in but I think this is the problem when you work for a large governmental agency or large private industry that the problem you have is you know only one segment of whatever the job . . .

COMMISSIONER:

(All comments totally inaudible).

LARRY:

Most definitely. The people in the building department have most accurate information costs.

CHAIRMAN CHOY:

Do you have anybody else you would like to have testify for you?

COMMISSIONER WUNG:

I have one more question. In a minimum, your lowest house cost is \$30,600. I was under the impression that these houses . . . (inaudible) . . . At \$30,000 . . . can a plantation employee afford a \$30,000 house?

LARRY:

That's really stretching.

UNIDENTIFIED:

I was going to ask if the people at Ewa-Oahu Sugar are going to be able to buy these houses. We're involved in housing all over the State. Some of these old figures are out of date . . . there's no way to do it

UNIDENTIFIED (Cont'd.)

now but if you switch a planned unit development to the kind of thing that would be satisfactory to our people, you can cut down these costs down to the area where they can afford it, and most particularly, if he's going to build houses that are going to qualify under 235 or the old 221D3, then our people can afford these houses. And that's who should be living there . . . our people or other employees that are out in there that are getting about the same money. If he builds the way he's been talking about here, our people will be able to afford to get in there.

COMMISSIONER:

One more question. . . (inaudible) . . . , is there any definite plan going on for this area?

LARRY:

Yes, there is a plan going on there now, the one that was mentioned by Duran . . . (inaudible) . . .

UNIDENTIFIED:

Okay, there are two things. The staff recommended . . . the Director recommended denial. Now the Commission has voted approval.

MR. DURAN:

Mr. Chairman, I'm still not sure what we're talking about in terms of low-cost housing in this area. Mr. Horita indicated that he did not represent there would be \$21,000 homes in this area, but he did tell us today that there would be some in the lower \$20,000's. And talking about the F.H.A. 235 and other projects, he communicated that this is what he intends to do but he also said that there needs to be a balance in the community because there needs to be high-priced houses or higher than the lower \$20,000's. And I'm just wondering if we're not falling back

MR. DURAN: (Cont'd.)

into this same situation with the Mililani representation where they represented initially as a basically . . . substantially the area would be developed with \$15,000 to \$20,000 homes. And they're saying now with the 70 units that they propose to build, this will suffice in their commitment of this total 14,000 they're talking about building in the total project. I'm wondering now if . . .

COMMISSIONER:

Fourteen hundred.

MR. DURAN:

In their 3,500 acres.

COMMISSIONER:

Are you talking about Mililani?

MR. DURAN:

No. (inaudible), not Mililani. But what I'm getting at is that when you speak of the balance, percentage-wise generally speaking, how much do you intend to build in the low-cost, below \$25,000, in this area if you were given that permission.

MR. HORITA:

One-third.

MR. DURAN:

One third, and two-thirds will be above. . .

MR. HORITA:

No. When you said high-priced . . .

MR. DURAN:

I'm using \$25,000 as the mid-twenties, you said you would build in the lower twenties, so I'm assuming that you will endeavor to build below

MR. DURAN (Cont'd.)

that \$25,000 but also provide some higher priced houses. What's the percentage breakdown that you envision providing in that low-cost area?

MR. HORITA:

You see, the County is going to be the determining factor on this because this has a lot to do with density and the kind of controls that they put on the development. I always refer to the County because as of yet, they have not really approved one development plan and they have not worked on this criteria of development, even though the agencies allow funding for it. . . . even if they . . . if F.H.A. allows . . . (inaudible) . . . on this basis . . . even if the lenders are willing to lend money on this. I just have to get (inaudible) that we are here to meet a particular housing gap. Now as far as balancing the housing, I intend to keep it in the twenties . . . all in twenties, if possible . . . but if the County sets certain regulations and they make it difficult, I'm going to . . . (inaudible) . . . I'm here to comply. The problem I have with Mililani and (inaudible) are entirely different because we sold in fee. We have already a \$5,000 possible differentiation in price because of the value of land.

MR. DURAN:

That was lease?

MR. HORITA:

It's lease. Because of that, it'll be much easier to comply with it.

MR. DURAN:

But again, when you say in the twenties, this could be \$29,995, and Mr. Hanson says it's going to be difficult for his people to qualify if

MR. DURAN (Cont'd.)

it's in the twenties but at that figure. This is why I'm trying to see if you're talking on the high end of this scale or the low end of this scale and assuming that the County is going to cooperate with you. Are you going to try to concentrate your development in that low end . . . 25%, 50%, 75% . . .

COMMISSIONER:

Mr. Chairman, I think . . . (inaudible) . .

CHAIRMAN CHOY:

I beg your pardon.

COMMISSIONER TANGEN:

Oh, I'm not so sure. No, I think that's a pretty fair question, assuming that the County doesn't place such restrictions that make it economically impossible or not feasible. Would you say that 50% of these houses that you'll construct would be in that mid-twenty so let's take the \$25,000 figure, for example, assuming that the County doesn't make it impossible by what they put on it.

MR. HORITA:

In our past development, 50% of our houses average at \$24,500 . . . the whole development. Since that time, costs have gone a little higher. It might be an average of \$25,500, but we're looking forward to figures like that.

COMMISSIONER:

Mr. Horita, we have no objection to a housing area also including some more expensive houses. We're not for segregated housing. You know, as a matter of fact, that in some areas where there are higher cost houses that the other amenities around also are better than what we can get in a

COMMISSIONER (Cont'd.)

particular neighborhood or a particular area. But if that's what your intention is, then I think it's a fair question if that's what it is and satisfies some of our needs.

MR. HORITA:

(Comments inaudible due to continuous static.)

MR. DURAN:

You've got to start out with an objective now.

MR. HORITA:

(Comments inaudible . . . only a few words out of each sentence distinguishable.)

UNIDENTIFIED:

I think that's right, and if he's granted this petition, I'm going to report to Oahu Sugar that he's going to do everything he can to make it possible for them to buy those houses. But if he doesn't, he can put up with the Oahu Sugar and the other sugar guys.

MR. DURAN:

Can I ask another question? Mr. Horita, you've represented that the City has required you to oversize your utilities in anticipation of your total development, and this also applies to the additional water facilities that were constructed. I think the records will show that this well was not designed to serve 300 units makai of the freeway. Wasn't it just that last increment of about 30 or 60 units?

MR. HORITA:

No.

MR. DURAN:

Or Larry . . . You said 300, Larry. Is that the right figure?

LARRY:

(Comments inaudible.)

MR. DURAN:

And that's 300 units?

LARRY:

Yes.

MR. DURAN:

Then if your utilities were oversized for your total development plan, what you're saying is that these utilities were oversized for the total Robinson lands and not just for the 316 acres?

MR. HORITA:

No, that's for . . . (inaudible) . . . acres.

MR. DURAN:

This for 316 acres . . . the drainage facilities and sewers and . . .

MR. HORITA:

Sewers, yes, and the water . . . (inaudible) . . .

MR. DURAN:

So that you could not go on beyond this area economically?

MR. HORITA:

Right.

MR. DURAN:

The water maps . . . the Board of Water Supply . . . (inaudible) . . . but the area we're talking about is represented by this map here . . . this representing the 316, so that you could actually develop this area in here below the 340 line and still use this source. So there is the possibility of servicing perhaps another 100 acres.

MR. HORITA:

I don't know what the area is.

MR. DURAN:

Well, this represents 300 . . . this certainly represents 100 acres.

CHAIRMAN CHOY:

But that's the (inaudible) line there where the red is.

MR. DURAN:

No. This red line really represents . . .

CHAIRMAN CHOY:

Oh, no. You're right. Where they're holding the boundary.

MR. DURAN:

Is there a fixed line on the ground right now or is that the irrigation line?

CHAIRMAN CHOY:

Irrigation.

MR. DURAN:

But this is what I was referring to, Larry, as a service area for that new well, and it just doesn't seem like . . .

COMMISSIONER NAPIER:

(Comments inaudible.)

CHAIRMAN CHOY:

Any other discussion? If not, the chair will entertain a motion.

COMMISSIONER:

I move that the petition be granted.

COMMISSIONER:

I second the motion.

COMMISSIONER TANGEN:

Mr. Chairman, before we do it, I'd like to hear the grounds on the motion and what (inaudible).

CHAIRMAN CHOY:

Alex.

COMMISSIONER NAPIER:

On the testimony presented.

CHAIRMAN CHOY:

Are you satisfied?

COMMISSIONER TANGEN:

Well, no. I was thinking about our consultant's preliminary . . .

CHAIRMAN CHOY:

Well, we don't have to worry about that.

COMMISSIONER TANGEN:

Well, some of those recommendations that came in . . . some of the public opinions of . . . (inaudible) . . . are usually made without, say, . . . when they make a motion . . . (inaudible) . . .

MR. DURAN:

Would it be fair, Mr. Chairman, to go through our Land Use criteria . . . our regulations?

CHAIRMAN CHOY:

I think with all the evidence that's been presented by the staff and by the petitioners, we've covered the ground amply.

COMMISSIONER TANGEN:

I'm just thinking of this (inaudible) we've been getting.

MR. DURAN:

If we go on the basis of Mr. Napier's recommendation instead of on the basis of the evidence presented . . . (inaudible) . . .

CHAIRMAN CHOY:

The motion is . . . and it's been seconded that the . . . Alex, you made a motion that all the evidence presented by the petitioners . . .

COMMISSIONER NAPIER:

It was (inaudible) in 16 acres.

CHAIRMAN CHOY:

And it's been seconded.

MR. DURAN:

Mr. Chairman, would it be in order to introduce the County's recommendations to the Commission . . . we just received this today and although we know what their position is, we do have recommendations from the Planning Director that are quite specific as well as from the Commission.

CHAIRMAN CHOY:

That's a conflicting report, isn't it? One is for and one is against?

MR. DURAN:

The Planning Director has made specific recommendations for denial and the Planning Commission . . . the Commission did not enter into a full-scale discussion on its reasons for approval. However, the pressing need for housing, specifically low-cost housing, was mentioned. Therefore, the Commission's recommendation for the following reasons . . . (inaudible) . . . last year when the subject petition was being discussed. Well, that has been . . . (inaudible) . . . and the old recommendations. But I wonder, Mr. Chairman, if we could comment a little bit on what the Commissioners had stated. One point in particular concerned me and that was that the I.L.W.U. has submitted a written statement to us. We have nothing in our records that indicates their position on this, and I raise this question because when they originally appeared in opposition to this request, they had about 5 or 6 significant points . . .

COMMISSIONER:

Mr. Chairman, there's a motion before the floor.

MR. DURAN:

. . . and then . . (inaudible) . .

CHAIRMAN CHOY:

Although bringing up that point, we have Mr. Tangen here, I'm sure that the testimony stating that the I.L.W.U. was in favor rebuts anything that you bring out.

MR. HORITA:

We were under the impression that this letter is a matter of record with the Land Use Commission, but I have a copy of the November 22, 1968 letter from Mr. Villanueva of Local 142 advising Mr. Burns, Chairman of the Land Use Commission, that the I.L.W.U. is withdrawing its suggestions with respect to the petition.

MR. DURAN:

But there wasn't any discussion other than (inaudible).

CHAIRMAN CHOY:

Does that answer your question?

COMMISSIONER:

. . . (inaudible) . . . since I seconded the motion.

MR. DURAN:

Would you be willing to comment on the original comments of the I.L.W.U.?

COMMISSIONER TANGEN:

I will comment on the position of the I.L.W.U. right now.

MR. DURAN:

There's a lot of confusion.

COMMISSIONER:

As a matter of fact, there's some here today in some of the statements that were made in this staff recommendation. Nothing else came out

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COMMISSIONER (Cont'd.)

of that. I'm not so sure that all this is correct. And maybe our people weren't . . . didn't have all the correct information to begin with. But as far as the I.L.W.U. people are concerned, I find that there's no jeopardy as far as that land out there is concerned because it's not going to have any effect on agricultural workers or the general public in adverse effects. On the other hand, we can get housing of the kind that Mr. Horita's said that he's going to have and our people out in that area believe him. I'm inclined to believe him, too, based on what he's said here today, that he not only won't have an adverse effect agriculturally but that he'll have a good effect in terms of solving some of these housing problems in that area. That's my position now and that's the position of the I.L.W.U.

MR. DURAN:

I think this is fine if we have housing for the people. . . (inaudible) . . workers of the sugar cane industry . . (inaudible) . . continue to provide low-cost housing on prime agricultural lands. I'm wondering if we're going to have any workers if the sugar industry goes out.

COMMISSIONER:

There's no showing here, and I raised that from the beginning, that there's 12 hard acres going into cane, 300 acres that is now not in cane, and this is one of our prime considerations. Our agricultural workers in order to get a house are going to be put out of a job. And there has been no showing here that that's going to happen and I don't share any feeling that this is going to wipe out the sugar cane industry or the pine industry or have any adverse effect not only on the agricultural workers but anybody else in the area.

MR. DURAN:

Even if Bishop Estate or Campbell Estate come in to rezone their property on the same basis that the testimony is here today?

COMMISSIONER:

. . (inaudible) . . deny it?

COMMISSIONER TANGEN:

Sure. I will. I'm not bound for Campbell or Bishop or anybody else by what happens anyhow. My position is only on what . . . this petition that's before us today. And if somebody else comes in with one tomorrow on the same basis, if I don't feel that it's going to serve that need or it's going to have an adverse effect on agriculture, I'm going to be against it.

CHAIRMAN CHOY:

I believe we all feel like that.

COMMISSIONER:

Shouldn't there be a (inaudible) set . . . I mean one that . . (inaudible) . .

CHAIRMAN CHOY:

In order for them to go another contour, they'd have to go and develop another water system.

COMMISSIONER:

Well, we can't . . .

CHAIRMAN CHOY:

Yes, but I mean, we're concerned now with the present water system and our criteria has been met for this subdivision . . . has been met and this cannot be expended to take in more land, so we'll not be concerned with going all the way up to the (inaudible) at the present time.

CHAIRMAN CHOY (Cont'd.)

I think we're restricted to the blast area and the area that water can be serviced.

COMMISSIONER:

I'm afraid I don't agree with you.

CHAIRMAN CHOY:

Unless you put a (inaudible) pump on it.

COMMISSIONER:

Well, either way . . . you have to put another tank or . . .

CHAIRMAN CHOY:

But they still have to pass the Land Use Commission. I think that's why we're here . . . to decide today. Are you ready for the question? Poll the Commissioners.

MR. DURAN:

Commissioner Yamamura.

COMM. YAMAMURA:

Aye.

MR. DURAN:

Wung.

COMM. WUNG:

(Inaudible.)

MR. DURAN:

Tangen.

COMM. TANGEN:

Aye.

MR. DURAN:

Kido.

COMM. KIDO:

Aye.

MR. DURAN:

Nishimura.

COMM. NISHIMURA:

Aye.

MR. DURAN:

Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

Aye.

MR. DURAN:

Chairman Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

Motion is carried, Mr. Chairman.

CHAIRMAN CHOY:

Thank you. We go on to . . . Thank you very much, Commissioners,
and we're sorry to have kept you folks delayed for so long . . (inaudible)
. . have a full Commission. Thank you for your patience.

A68-204, Bulldozing Services for 2.7 acres. Is there a representative
here today? Rom, what's . . (inaudible) . .

UNIDENTIFIED:

(It was not Mr. Duran speaking, and whoever was, was totally drowned out by the continuous static from the tape along with what was apparently a mass exit by some of the people in the room.)

MR. LEONG:

This is a district map of the area. This is a new map of the increased urbanization of the Kahaluu ag lands. This is the Likelike Highway going from Honolulu toward Kaneohe. This is the cut-off road leading to the parcel in question. This is Heeia fish pond here. The urban districts are denoted by the pink and the conservation districts in green.

Coming over to the tax maps, we have the urban boundaries which are sketched in through this line right now, and it swings around in an indirect line. The subject parcel is indicated in yellow and the existing homes are indicated in blue. This is Ahuimanu Road leading out to the main highway. And this is a copy of the County-approved grading plan showing the slopes ranging from 65% to 70% up to the top of the ridge which also forms a real part of the boundary. The existing conservation line is here, and the homes are located in these approximately locations. . . (inaudible) . . field investigation, five homes are occupied in the conservation areas and 3 homes were under construction.

CHAIRMAN CHOY:

(Comments inaudible due to static.)

MR. LEONG:

However, this is not under petition right now. This actually follows the rear portion of the parcels and . . (inaudible) . .

MR. TANEGUCHI:

Yes. Just a base statement. My name is Roy Taneguchi. I'm appearing

MR. TANEGUCHI (Cont'd.)

for Bulldozing Services. I'd like to make one comment on this line. I think if you would extend it to the adjoining subdivision, you're going to find that you're still not . . . you're going to run into the homes on the subdivision . . .

COMMISSIONER:

You have to stay up somewhat . . . maybe about 50 feet up.

MR. TANEGUCHI:

I see. I just wanted to state briefly that when the petitioners bought the property in 1964, this lot that they bought was within an approved residential subdivision. They, therefore, acted very reasonably in believing that they could use it for residential purposes. And when they applied for their initial building permits, the land use boundaries at that time were not clearly delineated and although they started to build, they were subject to some financial problems, and unfortunately for them, they could not complete the construction. In January of this year, the Planning Commission recommended to your Commission that the change of classification of the entire parcel to urban use be granted. This communication is in your file. So it is requested that the Commission at this time grant the change to urban use with a suggestion that the petitioners be allowed to build on the existing (inaudible). This means that under the Planning Department regulations, no more than one house can be built for each 10,000 feet in this particular parcel. To utilize the (inaudible) would therefore mean that the petitioners would have to have 130,000 square feet included within the urban district. This takes the line a little further back but as a practical matter, they could not build more than . . . (tape was stopped and reversed at this point) . . .

CHAIRMAN CHOY:

Now you're asking that we extend the boundary so you could put up more houses now.

MR. TANEGUCHI:

Well, according to the . . . As I said, this is a situation where they bought a residential lot. No one knew at the time that it wasn't and for the practical matter, they can build only what their topography allows and what the grading requirements of the City allows. And to extend the line does not mean that they can put houses all over the lot. They still have to comply with the grading requirements. And to just lay the line back there does not mean that you're allowing them an unlimited area within which to build.

CHAIRMAN CHOY:

Any questions?

COMMISSIONER:

I don't think it makes any difference, huh?

CHAIRMAN CHOY:

No, it makes a difference because he . . .

COMMISSIONER:

He wants to have more houses now.

COMMISSIONER:

No. It makes a difference in calculating the area for construction purposes that you have 10,000 square feet per house. And that 10,000 square feet, according to the Planning Department, has to be within the urban zone.

CHAIRMAN CHOY:

. . . (inaudible) . . . if you were granted all of this upper portion?

MR. TANEGUCHI:

No. There's only 2 more homes.

COMMISSIONER:

You're already in the urban zone now.

MR. TANEGUCHI:

No. This is the urban zone right here.

COMMISSIONER:

Unless the new line there . . . (inaudible) . . .

CHAIRMAN CHOY:

But he wants more so that he could build 2 more houses.

MR. DURAN:

Is that clear? Do you intend to build 2 more?

MR. TANEGUCHI:

No. What I'm saying is that . . . I'd just like to explain the other side of this. The department requirements are that when you take 10,000 square feet for a home, you can't go beyond the urban line. Now, if we move the urban line doesn't mean that it will give us more area above that contour area that we can build on. It just means that in calculating the square footage that they do consider only that area within the urban district.

MR. DURAN:

But you have the same number of homes that you contemplated before?

MR. TANEGUCHI:

Yes.

CHAIRMAN CHOY:

You said you'd add 2 more.

MR. TANEGUCHI:

No. I said the same number of homes that . . . (inaudible) . . .

CHAIRMAN CHOY:

Yes, that's right. They're not all built but . . .

MR. TANEGUCHI:

No. They're not all built. We're not insisting on anything. We realize the position we're in and actually, we have no right to ask for it, but I felt that the intention of the petitioners when they purchased the land was . . . it's unfortunate that the respective date of the boundaries came at a time when they . . . just after they had purchased the property. In 1964, when they purchased the property, I don't believe the boundaries were delineated at all, at least to the extent that you could put it on this lot, let's put it that way.

COMMISSIONER:

(Comments totally inaudible.)

MR. DURAN:

I believe so . . . on how they work their lot areas and . . . (inaudible) . . .

CHAIRMAN CHOY:

Now this is not a subdivision.

MR. TANEGUCHI:

No, this is not a subdivision. These homes are being rented to the . . . a few of the homes are being rented to the Hawaiian Homes Commission and they're just on a rental basis.

MR. DURAN:

They would not have to subdivide.

CHAIRMAN CHOY:

If we gave you this urban line, we would give you the rights to compete

CHAIRMAN CHOY (Cont'd.)

with homes that are . . .

MR. TANEGUCHI:

I would have to calculate the area but it doesn't seem that there is . . .

CHAIRMAN CHOY:

Do you mean they would ask you to remove . . .

MR. TANEGUCHI:

I don't know what action the Building Department would take because our . . . (inaudible) . . . I think one of them has expired, but they're in . . . There is a violation or an expiration of the date that was on this petition pending, although we asked them not to take any official action. I wanted the staff to calculate the area within that line to allow us to complete the 3 incomplete homes that we now have.

COMMISSIONER:

The extension of the line there mauka . . . (inaudible) . . . restrict the developers. Would the developers . . . (inaudible) . . . I mean, say you moved that line above. Does it mean that you're going to build the house on that slope area?

CHAIRMAN CHOY:

They cannot.

MR. TANEGUCHI:

No. No, you can't. It's just physically impossible.

CHAIRMAN CHOY:

Now this is not a stable area and there could be a landslide and kill a bunch of people so I would be in total disagreement of adding any more homes than you have there now.

MR. TANEGUCHI:

Well, I'm referring to the 3 . . . the incomplete homes that we have

MR. TANEGUCHI (Cont'd.)

there now.

CHAIRMAN CHOY:

But do you . . . by accepting this urban line as denoted there, you can get those homes finished?

MR. TANEGUCHI:

This is the first time I've seen that line and I don't know whether we have the area to finish . . . In other words, we have 3 . . . 7 homes that are completed and that are not occupied.

CHAIRMAN CHOY:

. . . (inaudible) . . . down to here that's all urban land.

MR. TANEGUCHI:

Well, I don't know whether it's . . .

CHAIRMAN CHOY:

Because we've all been to the site.

MR. TANEGUCHI:

No, but we're not . . .

COMMISSIONER:

With that drawing over there . . . whether or not the Building Department will allow them to complete their homes.

CHAIRMAN CHOY:

But what I'm saying is that it could be all added to.

COMMISSIONER:

Yes, it could be added to, but we're talking about . . . (inaudible) . . .

MR. TANEGUCHI:

The area . . . this 164,000 square feet here . . . there's 7 completed homes and 3 that are partially complete, so there are 10 homes that are

MR. TANEGUCHI (Cont'd.)

either completed or are under construction.

CHAIRMAN CHOY:

And you won't have to move?

MR. TANEGUCHI:

No. In order to have one home, we need 10,000 square feet. Whether you take the line back here or not, you only allow us to build on existing paths, but in order to get the first (inaudible), we'd have to have 100,000 square feet of . . . (inaudible) . . . A lot depends on where you draw this line. In fact, if you look at this map, it indicates where . . . (inaudible) . . . the homesites, but if you draw the line just in back of these homes, these lots are all on substandard lots.

MR. DURAN:

You basically need 100,000?

MR. TANEGUCHI:

That's right.

MR. DURAN:

Or just on a 10,000 square foot basis?

MR. TANEGUCHI:

That's right.

MR. DURAN:

But because of the slope, you're going to have greater lot area per unit.

MR. TANEGUCHI:

Right.

COMMISSIONER:

Now who owns the rest of this land over here then?

(Several people talking at one time so that no sentences are distinguishable.)

MR. DURAN:

No, the new County regulations require that the lot area be increased per unit as the slope of the land increases.

COMMISSIONER:

Let me get one thing clear. What is done here will allow you to complete the other 3 houses that are now incomplete and will also provide that the 7 completed houses will (inaudible), whatever legal.

MR. TANEGUCHI:

That's right.

COMMISSIONER:

You're not talking about building additional houses beyond this line?

MR. TANEGUCHI:

Well, . . . (inaudible) . . . We have (inaudible) for about 13 homes, but the Commission is reluctant to allow additional homes here. The minimum to complete the 10 homes is 100,000 plus whatever the new requirements are.

COMMISSIONER:

(Comments totally inaudible.)

MR. DURAN:

If we have 7 completed houses and there are no permits on the 3 houses under construction, which I think is the case . . .

MR. TANEGUCHI:

No, we have . . .

MR. DURAN:

They didn't approve the last 3 permits. They were in the process of . . .

MR. TANEGUCHI:

No. We have the permits.

MR. DURAN:

Oh, you have them?

MR. TANEGUCHI:

We have 10 permits.

MR. DURAN:

So that you have permits for all these 10 houses?

MR. TANEGUCHI:

Right.

MR. DURAN:

Well, in that case, I think they fall into the non-conforming category. But you would be permitted 3 more units, that's all.

MR. TANEGUCHI:

Right. This is the reason why . . . if the line is drawn there . . . the way it is right now . . . right there . . .

CHAIRMAN CHOY:

And let's finish the 3 houses. We'd like to see the hardship of having the 3 incompleted houses to be completed, but we don't want to see any more houses in there. Is that the feeling of the Commission? If we gave you that line . . . that urban line . . . would you be satisfied on that basis?

MR. TANEGUCHI:

Yes, sir. I'm assuming we can work it out.

MR. DURAN:

Would that be your understanding of . . . that all 10 houses would be non-conforming since they have valid permits on all of them?

CHAIRMAN CHOY:

The chair will entertain a motion.

COMMISSIONER:

(Comments inaudible.)

CHAIRMAN CHOY:

Any second?

RESPONSE:

(inaudible)

CHAIRMAN CHOY:

Are you ready for the question?

MR. DURAN:

Commissioner Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Yamamura.

COMM. YAMAMURA:

Aye.

MR. DURAN:

Wung.

COMM. WUNG:

Aye.

MR. DURAN:

Nishimura.

COMM. NISHIMURA:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

Aye.

MR. DURAN:

Kido.

COMM. KIDO:

Aye.

MR. DURAN:

Tangen.

COMM. TANGEN:

Aye.

MR. DURAN:

Chairman Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

Motion is carried, Mr. Chairman.

CHAIRMAN CHOY:

Thank you.

MR. TANEGUCHI:

Thank you very much.

COMMISSIONER:

What was the consultant's recommendation as of . . .

CHAIRMAN CHOY:

Oh, go home.

CHAIRMAN CHOY (Cont'd.)

Let's go to Kauai . . . A69-213. Who's going to present this?

MR. LEONG:

This is the map of the area. The pink represents the Wailua urban area in this case. On our detailed map, Kawaihao Road is here and the access is here. The blue represents ag lands which are dedicated for a 10-year period and the urban district is here. These areas were recently added in the 5-year boundary review.

COMMISSIONER:

Presently, what is the . . . (inaudible) . . . ?

MR. LEONG:

I believe this area is vacant and this area is vacant. It seems to be in pasture. (The September 12, 1969 memorandum from the staff to the Land Use Commission re: A69-213 - Alfred & Elsie Victorino, was read verbatim.)

CHAIRMAN CHOY:

Is the petitioners' representative here? Are there any questions?

Are you ready . . . The chair is ready for a motion.

COMMISSIONER:

. . . (inaudible) . . . a motion.

CHAIRMAN CHOY:

Any second.

COMMISSIONER:

Second.

CHAIRMAN CHOY:

Any discussion? Ready for the question? Poll the Commissioners.

MR. DURAN:

Commissioner Wung.

COMM. WUNG:

(inaudible.)

MR. DURAN:

Nishimura.

COMM. NISHIMURA:

No.

MR. DURAN:

Inaba.

COMM. INABA:

Aye.

MR. DURAN:

Yamamura.

COMM. YAMAMURA:

Aye.

MR. DURAN:

Kido.

COMM. KIDO:

Aye.

MR. DURAN:

Napier.

COMM. NAPIER:

(Inaudible.)

MR. DURAN:

Tangen.

COMM. TANGEN:

(Inaudible.)

MR. DURAN:

Chairman Choy.

CHAIRMAN CHOY:

Aye.

MR. DURAN:

The motion is carried, Mr. Chairman.

CHAIRMAN CHOY:

I guess that request is denied. Do we have A69-217, Wakabayashi?

MR. DURAN:

Mr. Chairman, you have a letter in your file. Roy Takayama, attorney-in-fact, representing the landowner, Harriet R. Moody, has submitted a statement that the right to represent the petitioner has been changed from Wakabayashi to Enomoto . . . Mr. Enomoto, Robert M. . . . and you'll recall at our last meeting, there was some question as to who had the power of attorney for the property owner, and the request was continued to this day or actually the 19th of September. We anticipated going to Kauai on the 19th, and it was continued until that next meeting. In the meantime, we received their letter from the attorney representing the new petitioner as well as the old petitioner representative, that is, and they weren't able to resolve the power of attorney situation. I did write them a letter and he wrote me and said he couldn't resolve it because the conditions on which the Commission based its . . . (inaudible) . . . But since that time, we have received this letter from attorney Roy Takeyama and he's requesting that we hold a meeting on this matter on the 20th of . . . is that the 26th?

MR. LEONG:

The 26th, yes.

MR. DURAN:

. . . the 26th of this month because they have an option that will expire early in December and they need an action on this request. We won't be meeting between this time and the 19th at which time an action will have expired. So what he's requesting now is that we fix a new date for a public hearing on this matter and . . .

CHAIRMAN CHOY:

We've never had a hearing on this case?

MR. DURAN:

Well, no, we didn't.

COMMISSIONER:

They requested a continuance because there was a question on who was representing them.

CHAIRMAN CHOY:

Yes, I understand, but I mean, we never went into it?

MR. DURAN:

So, as you know, we're scheduled to go to Molokai on October 3rd which would be the week after the 26th, and then we have a lull in our schedule for a while. This would mean a break next week and a meeting on the 26th.

CHAIRMAN CHOY:

Friday, the 26th, is Kauai. Well, let's poll . . . The meeting . . . will (inaudible) be alright?

MR. DURAN:

That's okay with me.

* * *