

STATE OF HAWAII  
LAND USE COMMISSION

*Approved 12/20/68*

Minutes of Meeting

Land Use Commission Hearing Room  
Honolulu, Hawaii

November 1, 1968 - 2:00 p.m.

Commissioners Present: Wilbert Choi, Chairman Pro Tempore  
Shelley Mark  
Sunao Kido  
Alexander Napier  
Goro Inaba  
Leslie Wung  
Shiro Nishimura  
Keigo Murakami

Commissioner Absent: C. E. S. Burns, Jr.

Staff Present: Ramon Duran, Executive Officer  
Ah Sung Leong, Planner  
George Pai, Legal Counsel  
Dora Horikawa, Stenographer

Chairman Choi swore in persons planning to testify before the Commission today.

HEARING

PETITION BY ROBINSON TRUSTS, ET AL AND HSM VENTURES (A68-197) TO RECLASSIFY APPROXIMATELY 316 ACRES FROM AGRICULTURAL TO URBAN AT HOAEAE, EWA, OAHU

Prior to the presentation of the staff report, Mr. Duran indicated on maps significant areas, highways, land use districts, vacant urban lands, subdivisions, etc., surrounding the subject parcel under petition.

On the basis that the petitioners had not submitted "proof that the area is needed for a use other than that for which the district in which it is situated is classified" and that the purpose and intent of the Land Use Law is to "prevent the shifting of prime agricultural land into non-revenue producing residential uses when other lands are available" and also since a comprehensive study of the boundaries will soon be completed, it was again recommended by staff that the petition be denied.

November 1, 1968

Mr. Stanley Mukai of the law firm of Wooddell, Mukai & Wirtz, representing HSM Ventures, submitted that the following people will present testimonies in behalf of the petition:

Mr. Frank Gibson - Law firm of Henshaw, Conroy & Hamilton  
representing Robinson Trusts

Mr. Larry Matsuo - Partner with Park Engineering, Inc.

Mr. John Humme - Vice President of Oahu Sugar Company

Mr. Herbert Horita - Partner with HSM Ventures, developers

MR. FRANK GIBSON:

Mr. Gibson gave an account of the various trusteeships involved in the Robinson Trust. Background information of the subject property brought out the fact that the Robinson family owned for many years approximately 5,000 acres at Waipahu, almost all of which were under lease for either cane or pineapple. During the early 1950's the Trustees had considerable studies conducted, principally by Belt, Collins & Associates, to determine the best use and development of these lands since the leases to Oahu Sugar and Ewa Plantation were expiring. The studies indicated a probable substantial demand for urban use of lands in the Waipahu area, which fact has been proven. Mr. Herbert Horita developed an excellent industrial fee simple subdivision on approximately 100 acres near Pearl Harbor. An additional 100 acres between Farrington Highway and Waipahu Road have been put into business, apartment, and other commercial uses.

In 1956 Oahu Sugar entered into a new lease for lands mauka of the subject property, since the latter was withdrawn and Oahu Sugar was growing cane on it on a crop-to-crop or interim basis. The last crop is presently being harvested. In 1967 the Trust leased an additional 1,500 acres to Oahu Sugar that had formerly been planted in pineapple by the Dole Company.

In early 1967 Mr. Horita was given the development rights on approximately 500 acres of land, the larger portion being above the H-1 which is the subject of this petition. Mr. Horita has almost completely developed the 140 acres makai of the H-1 Highway within an 18-month period. The Trust believes he is one of the most outstanding developers in Hawaii today capable of meeting the demand for low and moderate income residential housing and requests favorable consideration of this petition.

November 1, 1968

In response to questions by the Executive Officer and the Commissioners, Mr. Gibson advised that the lease negotiated in 1967 with Oahu Sugar Company for approximately 4,000 acres will run for 30 years. However, the owners enjoyed withdrawal rights of 50 acres a year. Also, that there was no existing lease on the subject property and the land will revert to the Robinson Trust whether it was rezoned to urban or not.

Under direct questioning by Commissioner Mark, Mr. Gibson rationalized that he did not believe the Land Use Law was a good Law when it interfered with people's ability to home ownership at prices they could afford. He did not agree with the provision of the Law which mandates that the best agricultural land in the State be preserved for agricultural purposes. Home ownership at reasonable prices should not be sacrificed for a few tons of sugar, and there was a tremendous need and demand for homes in the Waipahu area. He further argued that prime agricultural lands in town had already been urbanized. Mr. Gibson declared that there were two ramifications to the mandate that undeveloped urban lands be fully utilized before additional agricultural lands are reclassified for urban uses. In some instances, it was economically unfeasible to develop some of these lands due to soil conditions and terrain which would require expensive improvements. In other cases, the owners were not particularly interested in developing their lands.

In view of the petitioner's knowledge of the various requirements of the Law with respect to preservation of prime agricultural lands and the necessity of using up reserve areas within the Urban District, Commissioner Mark questioned the wisdom of granting development rights to the developer. Mr. Gibson justified this on the basis that there was sufficient demand for residential housing in the Waipahu area and that demand was one of the criteria required within the Law for granting reclassification to urban use. Therefore, Mr. Gibson disagreed with the Executive Officer's statement that the Commission was without statutory authority to approve this boundary change.

MR. LARRY MATSUO:

Mr. Matsuo submitted that the Planning Commission of the City and County of Honolulu, consisting of 7 members who are in sympathy with and "who believe in principles of sound planning", recommended that the subject petition be approved from Agricultural to Urban. It can be assumed that the action by the City Planning Commission represented the view of the citizens in regard to planning since the Commission was made up of lay citizens.

November 1, 1968

The General Plans of the City and County of Honolulu and the State of Hawaii propose urban development along both sides of major roads or freeways. Planning should not be just physical planning but should also include economic and social planning, and efforts should be made to meet the demand for housing within the financial capabilities of those requiring housing. The demonstrated need for moderate priced single family homes has been recognized by the City and County Planning Commission, the Mayor's Urban Renewal Conference, and the Federal Housing and Urban Development Act of 1968.

Most of the lands claimed to be available for urban uses are either presently being put to agricultural uses and not available for development, or unfavorable topography preclude their development.

Mr. Matsuo noted that in the publication from the Department of Economic Research of the First National Bank of Hawaii entitled "Hawaii in 1968", it stated that "the total area planted in cane has increased at the rate of approximately 2,000 acres per year during the last 3 years. There are more acres in cane today than there have been at any time since 1938".

The area between Farrington Highway to H-1 Freeway will have water service to an elevation of 120 feet only. Most of these areas have an overall suitability master rating by the Land Study Bureau of "A", very good suitability. Furthermore, this area is not available for development at the present. The construction of the "440" water system which is required to service the area below the H-1 Freeway for lots above the 120-foot elevation, and which will also service the area under consideration, will be commencing very shortly. The total cost of \$885,540 for the 1.5 million gallon reservoir, the transmission main, the control building, and the deep well is being borne by the developer.

Mr. Matsuo concluded that he agreed with the City Planning Commission's statement that "comprehensive review of the land use district boundaries at the present time is essential and urgently needed; however, it should not be a factor in evaluating the desirability of the present application".

Referring to the City Planning Commission's dedication to sound planning as reported by Mr. Matsuo, Mr. Duran pointed out that the Planning Commission, in July, 1964, had adopted a General Plan for the Waipahu area which it envisioned would accommodate all of the necessary urban developments for the next 20 years; and at that time the subject area was placed in the

November 1, 1968

Agricultural District. Yet three years hence, this same Commission was recommending urbanization of the subject area, contrary to its General Plan, without attempting to revise it.

Mr. Matsuo replied that he could not speak for the City Planning Commission but declared that plans were subject to revision to meet the conditions and needs as they occur.

Mr. Duran continued that the City Planning Commission was empowered to implement amendments to the General Plan at any time and enjoyed complete flexibility where long-range planning was concerned. They could have initiated the amendment a year ago when this petition was first considered. In response to Commissioner Mark's conjecture that the City Planning Commission, by its action in this instance, may have effected an amendment to the General Plan, Mr. Duran advised that this was not possible since an amendment could only be accomplished by ordinance, requiring a public hearing and action by the City Council.

Commissioner Mark commented on the possibility of using the Crestview area for an airport as mentioned by Mr. Matsuo. Mr. Duran replied that, unfortunately under the Land Use Regulations, all public facilities were permitted uses within the Agricultural District and this was one of the concerns expressed by the Commission due to their possible adverse effects on prime agricultural lands. It was suggested that the consultants look into this matter during the present review of the boundaries and regulations.

Chairman Choi wondered if the 316 acres requested would justify the expenditure of \$885,540 for the reservoir system, or whether the petitioner contemplated requesting additional acreage. Mr. Matsuo replied that this was the limit and elaborated that the 440 reservoir would serve only up to the 340-foot elevation, approximately the elevation of the area under petition. He added that in any event, the developers would be required to put in the reservoir to service the existing subdivision and that there was not much cost differential between a larger or smaller reservoir.

Chairman Choi reflected, and Mr. Matsuo agreed that denial to develop the 316 acres would create an economic hardship and could result in higher costs of homes presently being marketed for the moderate-income group.

MR. HERBERT HORITA:

A statistical account of the housing needs, costs, etc., was submitted by Mr. Horita, one of the principals in the Harbor View Subdivision and HSM Ventures as follows:

1. Since February, 1967, 135 acres of land below the H-1 Highway have been developed by Mr. Horita, including 549 homes, almost completely built and sold. The new Honowai Elementary School has been built in the Harbor View Subdivision.
2. Across from this development, along Kunia Road, many commercial buildings are being constructed in the Waipahu Industrial Park Subdivision and this commercial expansion will require an additional 200 homesites.
3. Of the population increase of 51,197 in 1967 for the State, 41,432 was the direct result of immigration, partly by the military. The demand for housing has been difficult to meet. However, the Harbor View Subdivision, with its low VA and FHA financing terms and sale price of \$22,600 and up, is meeting this demand in the leeward area.
4. In the June issue of the Bank of Hawaii's report on construction in Hawaii for 1968, the following statistics were quoted:

	<u>1961-64</u>	<u>1966</u>	<u>1967</u>
Single-family units	4,350	3,953	3,925
Private-multiple units	3,288	6,629	3,395
Government units	<u>137</u>	<u>842</u>	<u>319</u>
Total	7,775	11,424	7,640

5. The First National Bank economists say that there will be a need for 10,000 houses per year for the next 5 years. This need for single-family housing is not being met due to the lack of available lands for development. Much of the urban lands are held by a few developers. For example, it will take another 8 years to develop the Hawaii Kai area. Mililani Town will take another 15 years to develop. Furthermore, most of these homes are going for a much higher price.

6. Sales Prices Within Subdivisions

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Under \$20,000	110	181	31
\$20,000 to \$30,000	1,933	1,030	736
Over \$30,000	<u>412</u>	<u>864</u>	<u>1,207</u>
Total	2,455	2,075	1,974

The statistics indicate that in 1967 homes under \$20,000 were almost nonexistent.

- 7. A monthly net income of \$760 would qualify a family to meet the \$176 monthly payment for a \$22,600 home.

Mr. Horita further submitted that the Trustees of the Robinson Estate had never considered the subject lands for agricultural pursuits since 1967 and also that sewer and water facility installations to the amount of \$1,900,000 had been committed on the basis that the total area, including subject property, will be put to urban use.

Mr. Horita refuted the statement in the staff report that the population data submitted for the Waipahu area as evidence in this new petition was identical to the figures quoted in the previous petition. Where it had been previously reported that the population in Waipahu will be 23,770 in 1976, economists from the First National Bank are now projecting that there will be over 24,000 people by 1970. Therefore, since the urban reserve was based on the population estimate, there was an immediate need to adjust this urban reserve.

Statistics based on installation of telephone service from 1960-67 showed a 257% increase in Waipahu, 202% in Pearl City and 154% in Aiea. Traffic increased from 17,500 per day in 1961 to 29,600 in 1967.

The shortage of schools existed prior to the petitioner's development in Waipahu and the State should bear the full responsibility. The question of over-taxing the school facilities is grossly distorted because the area above the H-1 will have its own school and playground complex.

Contrary to staff's contention that there was no significant change in the sale of homes, sales have increased from 185 units to 549 units during the development period of 1½ years covering 135 acres in Waipahu representing an increase of 296%.

November 1, 1968

With reference to the Lieutenant Governor's statement that the housing situation in Hawaii is in a "sorry" state, Mr. Horita claimed that the developers were providing moderately-priced residential homes thereby helping to slow the tide of price inflation.

During the recent conference held at the Ilikai Hotel on October 30, 1968, by a panel of FHA financial leaders, city planners, and urban renewal planners to discuss a solution to the housing demand for low and moderate income families, a federal program known as Section 285 was presented. Mr. Horita explained the plan where families could qualify for credits to be applied to the monthly payments depending on income and size of family at low interest, and in which the federal government would bear the difference in the monthly payments. Mr. Horita submitted that he was one of two developers who would qualify under this program on the basis of the low sales price of his homes.

With the aid of the maps, Mr. Horita pointed out the leeward areas, e.g., Salt Lake, Halawa, Pearl City, and Mililani, which had been developed and sold; the general high costs of the homes presently being marketed, the land ownership pattern, etc. He also brought out the fact that the major interchanges, highways, stadium, quarry, etc., will make unavailable a substantial portion of the urban-zoned lands for residential development.

In conclusion, Mr. Horita submitted that, aside from Makakilo, there was no development offering homes below \$30,000 to meet the need for over 35,000 low-cost residences.

Commissioner Mark acknowledged that a problem did exist in meeting the need for low and moderate housing. However, the Commission faced the difficult problem of deciding on the best future designation of the subject parcel as mandated under the statutory requirements. Furthermore, it was obvious that this area will not fully meet the aspirations of all the people who desired home ownership.

Mr. Horita thought that if these 316 acres were rezoned to urban, it would probably take the developers 9 months to put it on the market and 5 years to complete the project.

The concept proposed for the 316 acres envisioned a planned-unit development, with open spaces, and a density of 7 lots per acre. The grounds and maintenance of the buildings will be managed by a community association.



November 1, 1968

Mr. Duran wondered where Mr. Horita would continue to build low-cost housing once this program is completed. Mr. Duran observed that Robinson Trusts could withdraw another 250 acres from cane within the next 5 years and wondered whether Mr. Horita would have the option to develop these lands. Mr. Horita emphatically denied that he had any intention of developing any other lands in the area.

Mr. Stanley Mukai, attorney for HSM Ventures, summarized the foregoing testimonies in the following manner:

1. The undeveloped urban lands referred to by staff are not available for purposes of meeting the moderate-income market.
2. If the position taken by the staff that the H-1 Highway is the logical boundary, the benefit derived from every dollar spent for the highway would be only 50 cents since it would only serve one side of the area. The City Planning Commission recognized this and recommended against a ribbon-type development.
3. The Legislature recognized the necessity and made provisions for land reclassification when need was proven. The petitioners have submitted sufficient proof that there was a real public interest for moderate-income housing in the Waipahu area.

Mr. John Villanueva, representing the Executive Board and the employees of ILWU, Local 142, Waipahu, spoke in opposition to the conversion of cane lands for housing. He argued that Oahu Sugar Company has progressively pushed cane cultivation into the upper regions, resulting in increased costs of hauling cane down to the mill and repairs to damaged equipment. This reflected in the company's overall profit and affected the workers' wages. Consequently, the \$23,000 homes proposed by Mr. Horita were inaccessible to most of the plantation workers. Mr. Villanueva pointed out that the welfare of many people was involved each time prime agricultural lands were taken out of cane. He advocated that homes could be built on hills but sugar cane could not be economically cultivated on steep slopes.

Mr. Villanueva contended that people obviously tended to seek areas where homes were available, so that if homes were built in areas other than in Waipahu, they would gravitate in that direction. He pleaded with the Commission to give serious consideration to the concerns and welfare of the little people.

November 1, 1968

Mr. Villanueva submitted that the subject lands were the best cane lands because of the topography and proximity to the mill, in response to Commissioner Mark's question.

Mr. Henry Torres, Second Vice President of the Union, wondered why some of the lands in the Halawa Valley remained undeveloped for nearly 14 years. Mr. Horita explained that the FHA had rejected his plan because of the dust and noise generated by the quarry.

Mr. Torres expressed concern that once the subject 316 acres are urbanized, Mr. Horita will also move into the pineapple fields, and, ultimately, Oahu Sugar Company will go out of business.

Mr. Humme, Vice President of Oahu Sugar Company, advised that approximately 1,250 acres of pineapple lands will go into sugar and that the company has maintained a fairly stable level of cultivated acreage for the last 10 years.

At the request of a representative from the Waipahu Businessmen's Association, Mr. Matsuo read a letter addressed to the Land Use Commission from Mr. Riki Watanabe of the Association, urging the Land Use Commission to take favorable action on the application to meet the great demand for residential homes in Waipahu necessitated by the remarkable growth in the area (see copy of letter on file).

Testifying in favor of the petition, Mrs. Terry Kauhane of the Harbor View Subdivision stated that the low and moderate cost of Mr. Horita's subdivision had enabled her family to purchase their first home in Waipahu. The convenient location of the subject parcel to places of employment, schools, etc., made it an ideal site for expansion, and she recommended favorable consideration by the Commission.

Mr. Masao Gushi, also a resident in the Harbor View Subdivision, expressed his hope for a favorable action by the Commission based on much the same views presented by Mrs. Kauhane.

Mr. Villanueva further testified that he was advised by a representative of the Waipahu Community Association that it would go on record as being opposed to the petition. In dispute, Mr. Horita stated that he had talked to Mr. George Akahane, the new President of the Community Association who advised him that the action taken by the old Board will not necessarily reflect the views of the new Board. Action on the matter will be considered in the near future.

Since there was no further testimony, the hearing was closed.

ADOPTION OF MINUTES

The minutes of July 26, 1968, August 16, 1968, and September 20, 1968, were approved as circulated.

ACTION

SPECIAL PERMIT APPLICATION BY EKAHANUI, INC. (SP68-56) TO CONSTRUCT AND OPERATE HOTEL-APARTMENT UNITS AT HOAEAE, EWA, OAHU

Based on staff analysis and the fact that the Special Permit would create a non-contiguous urban spot contrary to one of the Land Use Law's declared purposes, it was recommended that the application be denied. (See copy of report on file.)

Mr. Leong stated that the area proposed for the 40-unit hotel accommodation was presently vacant and within the golf course proper. Commissioner Kido remarked that the proposal held all the character and flavor of urban activity.

Commissioner Inaba felt that the restrictions which would be imposed by the County Zoning Board would compel the petitioners to confine their project only to the extent of the plans proposed in the Special Permit. Mr. Leong pointed to the possible future expansion of these "overnight accommodations" and creation of other hotel-apartment developments associated with recreational uses in the State's Agricultural District once a precedent is established.

In response to Chairman Choi's question, Mr. Leong advised that the Commission had previously approved a Special Permit application to Mr. Elroy Osorio to construct a recreational-resort-condominium hotel in Kamuela in the Agricultural District.

Mr. Richard Widdifield, Executive Chairman of Ekahanui, Incorporated, argued that contrary to staff's report, there was no pineapple in the area during the entire time Ekahanui took over the lease 10 years ago. The airfield will be abandoned at the end of the year and the pineapple fields on the Robinson lands will be converted to sugar so that they will not be encroaching on any agricultural land.

The concept of the proposed development was based on the fact that there was no place on Oahu which offered overnight accommodations to golfers right next to the golf course. It was also anticipated that tour groups will enjoy the facilities as well.

November 1, 1968

Presently, various clubs and groups were using the clubhouse facilities regularly, so that the additional 40 apartments will not appreciably increase the traffic. Also, water was available, and the additional income was needed by the golf course.

Although tour groups will be accommodated, Mr. Widdifield commented that the club members will have preference. The club dues are \$18 a month with an initiation fee of \$300.

Mr. Duran questioned the use of the facilities by tour groups. He added that normally hotel facilities were backed up by a golf course to support the hotel operation.

Commissioner Kido also expressed concern that applicants' proposal to bring in tour groups would over commercialize the use. Mr. Duran submitted that staff was also disturbed in this regard since endorsements for approval of the Special Permit had all been initiated from people involved in promoting tourism.

Mr. Duran wondered how the County was going to be able to enforce the conditions stipulated in its recommendation that the apartment units shall be used strictly for the overnight accommodation of the users of the golf course, since it would be difficult to define "users of the golf course". And, how would the petitioners overcome these restrictions? It was Mr. Duran's impression that "overnight" meant use of a room for a night only. He felt that a clarification from the County was in order. He added that violation of the conditions would mean automatic revocation of the Special Permit.

In response to Chairman Choi's question as to whether action on the application could be deferred until the term "overnight accommodations" could be clarified, Mr. Pai, legal counsel, advised that the statutes mandated the Commission to take action within 45 days from receipt of the application. Mr. Duran pointed out that an extension had already been granted by mutual agreement pending receipt of the proposed development plans.

Chairman Choi argued that the Commission was at a loss as to what course of action it should take without understanding what was meant by "overnight accommodations".

Mr. Widdifield explained that the Ilikai Hotel had "overnight accommodations", yet people stayed there for months. Mr. Duran justified this on the basis that Ilikai provided both overnight accommodations and year-round residences.

November 1, 1968

Mr. Anthony Dubay, a member of the Ekahanui Executive Committee, submitted that it was his understanding that the County's "overnight" stipulation had been imposed to prevent petitioners from going into a condominium or permanent type of residences. Overnight accommodations could include one-night stops or possibly up to 3 months for vacationing people.

Mr. Pai advised that the Commission was without power to impose more relaxed or beneficial conditions on a Special Permit. The question of stipulating more restrictive conditions was still under study by the Attorney General's office.

Commissioner Nishimura felt that since the golf course was a commercial venture anyway, the proposed type of facility could be encouraged without any adverse effects.

Mr. Widdifield testified further that County representatives and members of the Tourist Bureau had highly commended the petitioner for privately developing and providing facilities for the community. To assure the continuance of the golf course, it was necessary to look to other sources of income since generally golf courses were not self-supporting in themselves.

Commissioner Mark summarized that the question facing the Commission was one of whether a hotel operation is a permitted and reasonable use in an Agricultural District.

Since it had been admitted by the petitioner that the proposal was primarily for the purpose of generating additional income, Mr. Duran pointed to the possibility that the facility could eventually expand into 80 units or more.

Mr. Widdifield submitted that they were not encroaching on agricultural lands, will be improving the aesthetic surroundings and at the same time provide a much needed facility in the center of Oahu which it sorely lacks.

Commissioner Nishimura moved to grant the Special Permit to build the 40-unit apartment, construction to begin one year from date of approval. The motion was seconded by Commissioner Wung and defeated with the following votes:

Ayes: Commissioners Wung, Nishimura, Choi, Napier

Nays: Commissioners Inaba, Murakami, Mark, Kido

November 1, 1968

SPECIAL PERMIT APPLICATION BY SUNSET COFFEE COOPERATIVE OF KONA  
(SP68-58) TO EXTEND EXISTING STRUCTURE FOR HOUSING MACHINERY AT  
NAPOOPOO, SOUTH KONA, HAWAII

It was recommended by staff that the application be approved since the proposed use will make the highest and best use of the land, and the essential character of the land will not be altered (see copy of report on file).

Commissioner Nishimura moved to approve the Special Permit application as recommended by staff, seconded by Commissioner Kido; and the motion was carried unanimously.

BOUNDARY INTERPRETATION - COMMUNITY PLANNING, INCORPORATED

Mr. Duran presented the problem as one of interpreting the urban boundary on Bishop Estate property above the golf course at Kalauao, Oahu, requested by Community Planning, Incorporated. Basically, the developers' request was for an interpretation to delineate the urban boundaries following the red line as shown on the map, rather than the Land Use Commission boundaries indicated in green. Mr. Duran agreed that the topography map submitted by the developers seemed to justify the request, since approximately 2½ acres presently in the Urban District represented extremely rough slopes of over 40%. By the same token, since approximately 2.2 acres within the developers' proposed Urban District boundary were also extremely steep, it had been mutually agreed that the boundaries in this area would follow the Land Use Commission's green line. Commissioner Mark moved to interpret the urban boundaries as recommended by staff, seconded by Commissioner Kido. The motion was passed with Commissioner Wung casting the only negative vote.

ASPO CONFERENCE

Mr. Duran advised that there were no funds in the present 1968-69 budget for any out-of-state travel to finance the ASPO Conference to be held in Cincinnati, Ohio, in April, 1969.

Chairman Choi directed the Executive Officer to investigate the possibilities of any savings in the present budget.

ADJOURNMENT

Since there was no further business, the meeting was adjourned.