BEFORE THE LAND USE COMMISSION

STATE OF HAWAII

In the Matter of the
Petition of

Y-O LIMITED PARTNERSHIP

To Amend the District Boundary of Property Situated in the Land Divisions of Kaloko and Kohanaiki, North Kona, Island of Hawaii.

PROGRESS REPORT

Petitioner Y-O LIMITED PARTNERSHIP ("Y-O"), by and through its undersigned attorney, submits this report to the Land Use Commission ("LUC") on the progress and status of its efforts toward satisfying the conditions imposed on the reclassification and incremental districting of the subject property. This report covers the period from January 1997 through December 1997.

I.

Project Status

During 1997, Y-O continued to work toward obtaining the necessary approvals and permits for its residential subdivision project at North Kona. By December 1996, the revised construction plans for the roadways and drainage system within the subdivision had received approval from the County Department
of Public Works, Department of Water Supply, Hawaii Electric Light Company and GTE Hawaiian Tel. The last agency required to approve the construction plans, the County Planning Department, gave its approval on June 26, 1997.

II.

Extension of Time to Apply for Redistricting of Phase II

On October 24, 1997, Y-O filed a motion with the LUC for a third extension of time to apply for redistricting of Phase II of the Y-O project. The LUC granted the motion by Order Granting Motion for Third Extension of Time to Apply for Redistricting of Phase II, filed December 22, 1997. The order allows Y-O until January 20, 2003 to substantially complete Phase I and to apply for redistricting of Phase II.

III.

Compliance with LUC Conditions

The LUC's Order Granting Motion for Second Extension of Time to Apply for Redistricting of Phase II and Amending Conditions of the Decision and Orders Dated January 20, 1983 and June 13, 1990, which was filed on November 17, 1992, requires Y-O to comply with seven conditions, designated as conditions 1 through 7.

Condition 1.

Condition 1 states:

1. Petitioner shall provide housing opportunities for low and moderate income residents by offering for sale, on a preferential basis, on its own or in cooperation with both the Housing Finance and Development Corporation and the County of Hawaii, ten per cent (10%) of the lots or houses and lots to be developed on the subject property, to
residents of the State of Hawaii of low and moderate family income as determined by the Housing Finance and Development Corporation and County of Hawaii from time to time. The preferential lots or houses and lots shall be offered for sale at prices not exceeding prices that enable such purchasers to qualify for and obtain state-assisted financing (e.g., Hula Mae) or federally-insured or assisted financing (e.g., FHA Section 245 Program) intended to encourage home ownership by low and moderate income families.

Y-O has in the past had discussions with the County Office of Housing and Community Development on satisfying the affordable housing condition. Y-O expects that discussions with the County OHCD will continue in the future. At the appropriate time, Y-O will also discuss satisfaction of the affordable housing condition with the Housing Finance and Development Corporation.

**Condition 2.**

Condition 2 states:

2. Petitioner shall afford lot purchasers public access from the subject property to Queen Kaahumanu Highway and to Mamalahoa Highway by participating in the construction of a roadway connecting the two highways and running through the subject property, the location and standard of design and construction of such roadway to be approved and accepted by the County of Hawaii. The Petitioner shall be responsible for constructing such portions of the roadway within the subject property. The Petitioner's participation for the portions of the roadway outside the subject property may be by way of loans, loan guaranties, purchase of County obligations or otherwise.

Construction of the portion of the mauka-makai roadway, street lighting system and water transmission lines through the Y-O property has been completed. Y-O has subdivided the roadway from the rest of its property and has dedicated the road, street lighting system and water transmission system to the County.
Construction of the portion of the mauka-makai roadway outside the Y-O property has also been completed and dedicated to the County. The entire length of the mauka-makai roadway, from Queen Kaahumanu Highway to Mamalahoa Highway, is open to public use.

Construction of the channelized intersection at Mamalahoa Highway and Hina Lani Street has been completed and approved by the State Highways Division.

**Condition 3.**

Condition 3 states:

3. Petitioner shall dedicate to appropriate State and County agencies sufficient land for the provision of necessary public facilities.

A condition similar to Condition 3 is included in the County rezoning ordinance. In accordance with these conditions, Y-O's subdivision plans include sites for reservoir and park use. These sites will be dedicated to the appropriate agencies once subdivision approval has been obtained.

**Condition 4.**

Condition 4 states:

4. Petitioner shall submit annual progress reports to the Commission, Office of State Planning and Hawaii County Planning Department as to its progress in satisfying these conditions.

This report is being submitted to the LUC, the Office of State Planning and the Hawaii County Planning Department.
Condition 5.

Condition 5 states:

5. These conditions may be fully or partially released by the Commission as to all or any portion of the subject properties upon timely motion and provision of adequate assurance of satisfaction of these conditions by the Petitioner.

To date, Y-O has not requested the release of any of the LUC conditions.

Condition 6.

Condition 6 states:

6. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.

Y-O intends to develop the Property in substantial compliance with representations made to the LUC.

Condition 7.

Condition 7 states:

7. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.

Y-O intends to comply with this condition in the event of the voluntary alteration of the ownership interests in the property.

IV.

Conclusion

Y-O's efforts during the past year were directed toward obtaining approval of the subdivision construction plans from the County Planning Department. Y-O also obtained an order from the
LUC extending the time to substantially complete Phase I and apply for redistricting of Phase II to January 20, 2003.


STEFHEN J. MENZES
Attorney for Petitioner
Y-O Limited Partnership
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Progress Report was duly served upon the following parties at their respective addresses, by mailing the same at the United States Post Office, first class mail, postage prepaid, at Hilo, Hawaii, on January 23, 1998.

Office of State Planning
415 S. Beretania Street
Honolulu, Hawaii 96813

Virginia Goldstein
Planning Director
Hawaii County Planning Department
25 Aupuni Street
Hilo, Hawaii 96720


[Signature]

STEPHAN J. MENEZES
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Y-O Limited Partnership