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Governor

JOSH GREEN  
Lt. Governor



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Chairperson, Board of Agriculture

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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 26, 2021  
11:00 A.M.  
VIA VIDEO CONFERENCE

HOUSE BILL NO. 502, HD2  
RELATING TO RURAL DISTRICTS

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 502, HD2 that seeks to double the allowable housing density on the minimum one-half acre lot size in the Rural District provided that these dwellings are consistent with the county general and community development plans. Currently, only one dwelling is permitted on one-half acre Rural District lots. The purpose of this proposed amendment is to address the "...need for additional local housing.." and "...permitting the counties to adopt an ordinance to allow dwellings on each quarter-acre will provide the required flexibility..." (page 1, lines 1-4) The Department of Agriculture has strong concerns.

The Rural District is the smallest of the four land use districts in Hawaii. In 2018, the Rural District represented 0.0028 percent (11,747 acres) of Hawaii's 4.1 million acres. The total statewide acreage in Rural District has ranged from 10,201 to 11,747 from 1983 to 2018, an increase of 15 percent over 35 years. Maui island has 4,198 acres or 36 percent of Rural District land in the state, followed by Lanai (2,497 acres), the Big Island (2,023 acres), Molokai (1,866 acres), and Kauai (1,253 acres). The Rural District is not found on Oahu.



The locations of most Rural District areas are adjacent to Urban District lands. Notable exceptions to this are found in the Kula-Keokea area in upcountry Maui; along the northeastern and southern shores of Lanai; the south shore of Molokai; and Koloa, Wailua, and Wainiha on Kauai – all of which are surrounded by Agricultural District lands.

Section 205-2(c) describes the State Rural District as “...areas where "city-like" concentration of people, structures, streets, and urban level of services are absent, and where small farms are intermixed with low density residential lots...” The Department questions whether doubling the allowable housing on one-half acre Rural District lots changes the fundamental character of the District. Further, the Department is concerned that the proposed amendment may lead to an increase in petitions to reclassify Agricultural District lands to the Rural District. In turn, this may increase land values for agricultural properties that anticipate reclassification and make more costly the acquisition of agricultural lands by bona fide farmers for agricultural production.

Thank you for the opportunity to comment on this measure

February 26, 2021

**The Honorable Sylvia Luke, Chair**  
House Committee on Finance  
Via Videoconference

**RE: H.B. 502, HD2, Relating to Rural Districts**

**HEARING: Friday, February 26, 2021, at 11:00 a.m.**

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** House Bill 502, HD2, which authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the State needs up to 46,000 housing units to meet demand in Hawai'i by 2030. Ultimately, we have a housing supply problem, and this measure is a creative approach to address those challenges, by providing counties the authority and flexibility to adopt ordinances to permit dwellings on each quarter-acre of rural lands.

A quarter acre is equal to 10,890 square feet. HAR believe that is a sufficient lot size for a single-family home, while keeping within the characteristics of our rural communities.

Mahalo for the opportunity to testify.