

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

MORRIS M. ATTA  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE**

**THURSDAY, FEBRUARY 24, 2022  
12:30 P.M.  
VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 1751, HD 2  
RELATING TO RURAL DISTRICTS**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1751, HD2 that seeks to double the allowable housing density on the minimum one-half acre lot size in the Rural District provided that the counties adopt ordinances to do so and are consistent with the county general and community development plans. Currently, only one dwelling is permitted on one-half acre Rural District lots. The intent of this proposed amendment is to increase "...housing opportunities where appropriate" (page 1, line 8). The Department of Agriculture has concerns.

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 would change 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.

The Department believes that the concerns expressed above will be addressed by HB1929 which requires the Office of Planning and Sustainable Development to perform a study to refine Rural District policies and make recommendations to facilitate the reclassification of lands from the Agricultural District to the Rural District.

Thank you for the opportunity to provide our testimony on this measure.

**HB-1751-HD-2**

Submitted on: 2/23/2022 10:18:18 AM

Testimony for FIN on 2/24/2022 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions on behalf of the Department of Agriculture.



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February 24, 2022

**The Honorable Sylvia Luke, Chair**

House Committee Finance

Via Videoconference

**RE: H.B. 1751, HD2, Relating to Rural Districts**

**HEARING: Thursday, February 24, 2022, at 12:30 p.m.**

Aloha Chair Luke, Vice Chair Yamashita, 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 11,000 members. HAR **supports** H.B. 1751, HD2, which authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts; provided that the dwellings are consistent with the county general plan and community development plans.

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 a quarter-acre of rural lands instead of a half-acre.

Mahalo for the opportunity to testify.



**Kūpuna for the Mo'opuna**  
*committed to the well-being of Hawai'i for the next generations to come*  
kupuna4moopuna@gmail.com



HB 1751 – RELATING TO RURAL DISTRICTS.  
House Committee on Finance 2/24/2022 @12:30pm

**OPPOSE**

We, Kūpuna for the Mo'opuna, **oppose HB 1751** which allows counties to increase housing opportunities by reducing from half-acre to quarter-acre dwellings in rural state land use districts ***provided the dwellings are consistent with the county general plan and community development plans (CDP).***

Please do not pass this bill.

The legislature needs to first ask each county to present their county general plans and their community development plans adopted by ordinance.

**There is NO Hilo CDP adopted by ordinance in the Hawai'i County Code. There is NO revised and adopted Hawai'i County General Plan.**

Without a Hilo CDP in the Hawai'i County Code, we are concerned that HB 1751 will allow Hawai'i County to make land use decisions without the voices of those in the Hilo communities of Keaukaha and Pana'ewa targeted for aggressive development. We have tried unsuccessfully for years to get the county administration, county planning department, and the sitting county council member to fix this egregious failure of Hilo being the only district in Hawai'i County without a CDP in the county code.

As recent as February 8, 2022, at the Hawai'i County Council Planning Committee meeting, Planning Director Zendo Kern provided that the revised General Plan "should be before the Hawai'i County Council in the first quarter of 2024."

**Until there is a Hilo Community Development Plan adopted by ordinance in the Hawai'i County Code and included in the revised Hawai'i County General Plan, please stop these kinds of land use measures.**

Mahalo,  
Kūpuna for the Mo'opuna  
Pana'ewa, Hawai'i



February 24, 2022

12:30 p.m.

Conference Room 308 and Videoconference

**To: House Committee on Finance**

**Rep. Sylvia Luke, Chair**

**Rep. Kyle T. Yamashita, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Joe Kent, Executive Vice President**

RE: HB1751 HD2 — RELATING TO RURAL DISTRICTS

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB1751 HD2](#), which would authorize counties to adopt ordinances allowing up to one dwelling per quarter-acre in rural districts, provided that the ordinances are consistent with the county general plan and community development plan.

We commend the Legislature for considering new ways to help address the state housing crisis. It is easy to focus solely on new building projects and overlook how useful it would be to remove zoning and land-use restrictions that hamper creative solutions to the lack of affordable housing.

Allowing for higher density by reducing the permitted acreage from one dwelling per one-half acre to one dwelling per one-quarter acre in rural districts would be a useful and creative approach to the state's housing woes.

We do, however, have one suggestion that will help this bill achieve its goals:

Instead of a mandate requiring that each dwelling house "*shall* be consistent with the county general plan and community development plan," we suggest that the plans be used in an advisory way. Thus, the word "*shall*" should be replaced and the section rewritten to say:

“provided that each dwelling house is not clearly inconsistent with the county general plan and community development plan.”

Requiring that the proposed housing comply with both the general plan and community development plans (which do not necessarily have the force of law) could mire the growth of new housing in bureaucracy or make it vulnerable to “Not In My Backyard” planning trends.

Too often, well-meaning land-use regulation and zoning laws frustrate efforts to increase the stock of available housing. The Grassroot Institute has issued several publications that analyze how zoning and other regulations throttle the growth of housing.

One was our policy report [“Reform the Hawaii LUC to encourage more housing.”](#) which advocates giving the counties more authority to make decisions, thus reducing the amount of bureaucracy and preventing the state Land Use Commission from becoming a de facto state zoning commission.

Another was [“Build up or build out? How to make housing more affordable.”](#) which recommends “increasing the area of urbanized land and building marketable densities outside of the existing urban footprint,” which currently is about only 5% of all land in the state. For example, an increase of only 1 or 2 percentage points in Hawaii’s urban-designated land would be equivalent to a 20% to 40% increase, respectively, in lands available for more housing.

In addition, the institute has made available a zoning-reform toolkit, [“How to Build Affordable, Thriving Neighborhoods.”](#) which explores different ways to increase housing supply and improve affordability by reforming state and local zoning restrictions.

We summarized many proposals from the toolkit in a commentary published in The Maui News, [“50 ways — at least — to update Maui’s zoning code.”](#)

By creating a statutory path to increase housing density in rural areas, this bill would be a positive step toward addressing the state housing shortage.

Thank you for the opportunity to submit our comments.

Sincerely,

Joe Kent  
Executive Vice President  
Grassroot Institute of Hawaii

Testimony of  
Abigail Naaykens  
Kaua'i Resident | Student

Before the  
Hawaii State House of Representatives  
Committee on Finance  
Representative Sylvia Luke, Chair  
In **SUPPORT** of  
**HB1751 HD2**

Thursday, February 24, 2022 at 12:30 P.M.  
VIA VIDEOCONFERENCE

Thank you for the opportunity to testify on behalf of **HB1751 HD2**. I am a Kaua'i resident and full-time student pursuing a degree in social work. I **SUPPORT** the intentions of this bill and I offer **COMMENTS** to add to the discussion before the Hawaii State House of Representatives Committee on Finance.

As a resident of Kaua'i, I have experienced the stresses of searching for housing in a scarce market that inflates the price of rent. Excluding housing reserved for low-income and elderly residents, current listings online (as of 02-22-22 at 9 p.m.) do not show any available housing for less than \$1,400/month rent in Kaua'i county. To put this number into perspective, according to the 2019 United States Census Bureau, the median income of Kaua'i residents is just \$34,697/year. Dividing this figure into a monthly income of \$2,891 indicates that *median income earners use nearly half of their monthly salary to pay for rent alone* – and that is for the *cheapest available apartment or house on the market*, which typically becomes unavailable quickly due to housing scarcity on Kaua'i island.

While I am in strong support of this bill that may aid in creating more housing, I also urge an emphasis to **support full-time residents**. I recommend strict adherence to zoning laws regarding tourism be considered in the discussion of this bill. Vacation rentals are known to drive up the cost of housing. Thus, in order for this bill to create more housing for the full-time residents that are in need, cautionary measures are necessary.

Thank you for taking the time to consider my **COMMENTS** and testimony in **SUPPORT** of **HB1751 HD2**.

Abigail Naaykens  
[anaaykens13@gmail.com](mailto:anaaykens13@gmail.com)



**HB-1751-HD-2**

Submitted on: 2/23/2022 7:09:25 AM

Testimony for FIN on 2/24/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nako'o Warrington	Individual	Oppose	No

Comments:

**I oppose HB 1751** with provisions pertaining to counties and their general plan and community development plans **because Hilo does not have a Community Development Plan (CDP) adopted by ordinance in the Hawai'i County Code.**

There are 7 Community Development Plan boundaries on the Big Island. However, only 6 CDPs have been adopted by ordinance in the Hawai'i County Code. One glaring CDP is missing; Hilo's CDP! Hilo is the only community development district on the Big Island without a CDP adopted by ordinance in the Hawai'i County Code. Why are the voices of Hilo being ignored?

Of particular concern, the Hawaiian homestead communities of Keaukaha and Pana'ewa located within the community development district of Hilo continue to be aggressively targeted for unreasonable development. Without a CDP advocating for reasonable, sound, comprehensive planning that includes the voices of the impacted residents of South Hilo - especially the voices of Keaukaha and Pana'ewa surrounded by the airport, the harbor, the hotels, the landfill, the military reservation, the drag strip, the gun shooting range, the multitude of businesses - these kinds of land use bills must not move forward. Our voices matter and must stop being ignored!

Residents of Keaukaha and Pana'ewa have been trying for years to move the county administration, the county council, and the county planning department to prioritize a Hilo CDP adopted by ordinance in the Hawai'i County Code. No luck to date.

Until this happens, I oppose HB 1751 and all similar land use bills.

Mahalo!

Nāko'o Warrington Pana'ewa, Hawai'i