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# A BILL FOR AN ACT

RELATING TO LAND EXCHANGE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that Hawaii's  
2 agricultural production is insufficient to meet the State's food  
3 consumption needs. The State's overreliance on imported food  
4 raises critical concerns about the State's safety, security, and  
5 sustainable future. The legislature recognizes that pursuant to  
6 article XI, section 3, of the Hawaii State Constitution, it is  
7 the State's responsibility to "conserve and protect agricultural  
8 lands, promote diversified agriculture, increase agricultural  
9 self-sufficiency and assure the availability of agriculturally  
10 suitable lands."

11           The legislature further finds that Act 55, Session Laws of  
12 Hawaii 2013, amended the Hawaii State Planning Act to encourage  
13 economically competitive activities that expand the State's  
14 agricultural self-sufficiency and local food production.

15           The legislature also recognizes that the State is facing a  
16 critical shortage of safe and sanitary housing for Hawaii  
17 residents, including affordable and workforce housing. The lack



1 of suitable entitled lands for the development of appropriate  
2 housing is a major contributing factor to the housing crisis.  
3 Substantial obstacles and delays in entitling lands result in  
4 slower development, lower inventory, and higher housing prices.

5 The legislature finds that the exchange of state lands for  
6 privately owned lands can help address both the challenges of  
7 agricultural self-sufficiency and the State's housing crisis.  
8 Land exchanges are an opportunity for the State to negotiate the  
9 mutually beneficial exchange of state lands suitable for housing  
10 development and privately-owned agricultural lands suitable for  
11 farming.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Allow the governor to negotiate land exchanges to  
14 acquire lands suitable for long-term diversified  
15 agricultural production in return for state lands to  
16 be developed for affordable, workforce, and other  
17 housing; and
- 18 (2) Require the governor to report to the legislature any  
19 potential or negotiated land exchanges for final  
20 legislative approval.



1 SECTION 2. Chapter 171, Hawaii Revised Statutes, is  
2 amended by adding a new section to subpart C of part II to be  
3 appropriately designated and to read as follows:

4 "§171- Land exchanges; negotiation. (a) The governor  
5 may negotiate land exchanges, in accordance with this chapter,  
6 for the purpose of acquiring private lands that are suitable for  
7 long-term diversified agricultural production by the State or  
8 its lessees, in exchange for state lands to be acquired by  
9 private parties for the development of affordable, workforce,  
10 and other housing for Hawaii residents.

11 (b) The governor may coordinate with the agribusiness  
12 development corporation, the department of land and natural  
13 resources, and any other state department or agency that holds  
14 title to or an assignment of state land that may be appropriate  
15 for exchange under subsection (a).

16 (c) It is the intent of this section that the exchanges  
17 negotiated pursuant to this section will result in exchanges  
18 that help to address both the State's agricultural and housing  
19 needs by:



1       (1) Obtaining large tracts of suitable agricultural lands  
2       for the State to lease to farmers for diversified  
3       agriculture; and

4       (2) Providing suitable urban lands to private parties for  
5       expeditious development of affordable housing,  
6       workforce housing, and other housing for Hawaii  
7       residents, and mixed-use commercial and accessory uses  
8       within areas designated for transit-oriented  
9       development and other appropriate urbanized areas.

10       (d) To facilitate successful negotiation of land  
11 exchanges, including the enhancement of optimal agricultural  
12 lands acquired by the State in exchange for urbanized land and  
13 the expedient execution of these exchanges, the governor,  
14 pursuant to subsection (e)(3), may reclassify and rezone lands  
15 intended for exchange under this section and transfer authorized  
16 state lands to private parties for the development of housing  
17 and other mixed-uses within the state urban land use district,  
18 with appropriate county residential or mixed-use zoning;  
19 provided that:

20       (1) The lands shall be within one-half mile radius of any  
21       rail transit station approved by the Federal Transit



1           Administration within a county with a population  
2           greater than five hundred thousand; and  
3        (2) Any development on the lands to be transferred to  
4           private parties shall be in compliance with all state  
5           and county laws, rules, and regulations regarding  
6           health and safety and building permit requirements for  
7           housing or mixed-use developments on private lands,  
8           and not subject to laws, rules, and regulations  
9           applicable to state lands.

10        (e) To promote exchanges made pursuant to subsection (a)  
11 that address the objectives of the State in acquiring more lands  
12 for diversified agriculture and to encourage private parties to  
13 develop more affordable workforce and other housing:

14        (1) Appraisals of state lands for purposes of exchange  
15           with urban, residential, or mixed-use land shall be  
16           performed in compliance with section 171-50; provided  
17           that appraisals shall reflect any land use and zoning  
18           classifications adopted pursuant to this section;

19        (2) The development of housing on private lands pursuant  
20           to this section shall be subject to chapters 6E and  
21           343, as applicable to private housing on private



1           lands; notwithstanding the prior state ownership of  
2           the land or the use of state or county housing  
3           assistance programs;

4           (3) The governor may submit notifications and supporting  
5           information, as necessary for the purposes of this  
6           section, to the land use commission and the planning  
7           director for the appropriate county for any necessary  
8           reclassification and rezoning of land; provided that  
9           the reclassification and rezoning shall be adopted  
10           within thirty days of receipt of the governor's  
11           notification;

12           (4) Private development of housing or mixed-uses on  
13           private lands initiated pursuant to this section shall  
14           be exempt from all applicable state and county  
15           procurement requirements, impact fees, and other  
16           exactions; and

17           (5) The governor and all related state and county agencies  
18           shall take further actions as may be necessary to  
19           effectuate the purposes of this section.

20           (f) No later than twenty days prior to the convening of  
21           the regular session of 2023 and no later than twenty days prior



1 to the convening of each regular session thereafter, the  
2 governor shall submit a report to the legislature on:

3 (1) The feasibility of any land exchanges negotiated by  
4 the governor pursuant to this section, a list of lands  
5 suitable for exchange, and a description and market  
6 value of the parcels; and

7 (2) Any appropriations, proposed legislation, or  
8 administrative actions necessary to accomplish the  
9 goals of this section.

10 (g) After receipt of the governor's report, the  
11 legislature, if needed, may convene a special session pursuant  
12 to article III, section 10, of the Hawaii State Constitution to  
13 consider for final approval any land exchanges proposed pursuant  
14 to this section."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Land Exchange; Diversified Agricultural Production; Housing

**Description:**

Allows the governor to negotiate land exchanges to acquire lands suitable for long-term diversified agricultural production in return for state lands to be developed for affordable, workforce, and other housing. Requires legislative approval for the land exchanges. Report to the Legislature. Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

