



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

DAVID Y. IGE
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Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, February 15, 2022
10:30 AM
State Capitol, Conference Room 211

in consideration of
SB 2766 SD1
RELATING TO LAND USE.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

The Office of Planning and Sustainable Development (OPSD) **strongly supports SB 2766 SD1** which requires the OPSD to perform a study to refine Rural District policies and make recommendations to facilitate the reclassification of lands from the State Agricultural District to the Rural District.

The Act 278 Subdivision and CPR on Agricultural Lands stakeholders group which was authorized by the Legislature in 2019 concluded its meetings this past year. During the discussions, many members expressed the need to make better use of the State Rural District. Currently, there are only 10,454 acres in the Rural District, amounting to only 0.3 percent of all lands in the State, and there are no Rural District lands on Oahu. A subsequent meeting with the county planning departments confirmed this need.

Greater use of the Rural District would distinguish rural communities and subsistence farms from working or commercial agricultural lands and allow better protection of productive agricultural lands. Redefinition and expansion of the Rural District would promote better land use management of existing rural settlements and rural centers and residential dwellings engaged in subsistence or family agriculture, which are not explicitly permitted in the Agricultural District.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



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PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

**TUESDAY, FEBRUARY 15, 2022
10:30 A.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2766, SD1
RELATING TO LAND USE**

Chairperson Inouye and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2766, SD1 that 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.

The Department of Agriculture supports this measure that seeks to enable better protection of productive agricultural lands from “lifestyle farms” and rural-like community development. We look forward to assisting the Office of Planning and Sustainable Development in undertaking this important study.

Thank you for the opportunity to testify on this important measure.



DAVID Y. IGE
GOVERNOR



LAND USE COMMISSION

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

DANIEL ORODENKER
EXECUTIVE OFFICER

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February 13, 2022

Statement of
Daniel E. Orodener
Executive Officer
State Land Use Commission

Before the
Senate Committee on
Ways and Means

Tuesday February 15, 2022
10:30 AM
State Capitol, Room 211 Virtual Video Conference

In consideration of
SB 2766 SD1
RELATING TO LAND USE

Chair Dela Cruz; Vice Chair Keith-Agaran; and members of the Senate Committee on Ways and Means:

The Land Use Commission ("LUC") opposes SB 2766 SD1. The proposed SD1 requires the Office of Planning and Sustainable Development ("OPSD") to perform a study to refine Rural District policies and make recommendations to facilitate the reclassification of lands from the State Agricultural District to the State Rural District.

The LUC has long been on the forefront of trying to resolve issues associated with State Agricultural lands that are de-facto rural. The LUC believes that it would be more productive and cost effective to have the counties make recommendations to the LUC with regard to what lands should be re-designated rather than have OPSD perform an unnecessary study. The counties are better suited to undertake an examination of this type and its recommendations are more likely to be consistent with general plans and community expectations. In this way, planned rural growth boundaries can be maintained by the counties and they can better assess where to spend time and money on infrastructure.

Having OPSD, which is not grounded in the community, re-invent the wheel does not make fiscal or practical sense.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR



LATE

CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2766, S.D. 1

February 15, 2022
10:30 a.m.
Room 211 and Videoconference

RELATING TO LAND USE

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2766, S.D. 1, requires the Office of Planning and Sustainable Development (OPSD) to conduct a study to refine rural district policies and make recommendations to facilitate the reclassification of lands from the agricultural district to the rural district; requires OPSD to provide a report to the Legislature; and appropriates an unspecified amount of general funds for FY 23 to conduct the study.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



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February 14, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2766, SD1
RELATING TO LAND USE

Conference Room 211 & Videoconference
10:30 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports SB 2766, SD1, 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.

The rural land use classification district was developed to serve as the interface between agriculture and urban land uses. In rural, agriculture is a choice, not a requirement and those who live in the area are expected to accept the nuisance aspects of agriculture while having the advantages of lower taxes. In most areas of the country, rural classification also translates to reduced infrastructure e.g. sidewalks or street lights. After all, you are in a rural area ...not a residential city.

Hawaii's use of rural is limited across the state and frowned upon by some. This leads to difficulties as it forces agriculture to directly interface with the urban district resulting in conflicts. It also results in people creatively farming to ensure that they can retain their reduced property tax rates and counties needing to spend time inspecting properties to check if legitimate farming was being conducted.

The intent of this measure seeks to reduce the incidence of "fake farms". We should not forget agriculture was a default land use classification. It did not intentionally classify lands as agriculture that were suitable for production. Hence, wide expanses of lava lands or hilly and rocky lands are classified as agriculture. To address this problem, a

one-time reclassification of agricultural lands to rural seems reasonable. On these lands, agriculture is a choice, not a requirement. Lands can be dedicated to agricultural use for agricultural benefits. However, agriculture is not a requirement and residents can have larger lots without going through the effort of pretending to farm.

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