



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Tuesday, February 28, 2023
11:30 AM
State Capitol, Conference Room #308 & Videoconference

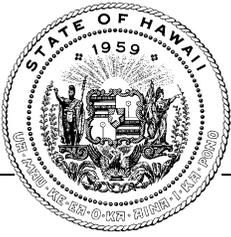
In consideration of
HB994, HD1
RELATING TO LAND USE.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB994, HD1, that 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 Rural District.

During the OPSD's discussions with stakeholders regarding Act 278 (SLH 2019) Subdivision and Condominium Property Regime on Agricultural Lands, many stakeholders 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.



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

JOSH GREEN, M.D.
GOVERNOR

SCOTT J. GLENN
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Statement of
SCOTT GLENN, Director

before the
HOUSE COMMITTEE ON FINANCE
Tuesday, February 28, 2023, 11:30 AM
State Capitol, Conference Room 308

in consideration of
HB 994 HD1
RELATING TO LAND USE.

Chair Yamashita, Vice Chair Kitagawa, and Members of the House Committee on Finance:

The Office of Planning and Sustainable Development (OPSD) **strongly supports** HB 994 HD1, which requires 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.

As noted in the bill, 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. OPSD's State Land Use Review of Districts (January 2022) found that this scarcity of Rural District lands is largely because the Rural District was established at the request of small landowners only after the original delineation of district boundaries were well underway statewide. In the establishment of the original State Land Use District boundaries in 1963-1964, plantation towns and rural centers were designated Urban, even though urban land use and development standards are inappropriate for use in the context of rural settlements and rural infrastructure.

The existing HRS Chapter 205's Rural District standards for rural density and permissible uses do not effectively guide rural landscapes and settlements, and instead promote low-density sprawl and increases demand for extensive infrastructure and service delivery systems. 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.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

TUESDAY, FEBRUARY 28, 2023
ROOM 308
11:30 A.M.

HOUSE BILL NO. 994, HOUSE DRAFT 1
RELATING TO LAND USE

Chairpersons Yamashita and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 994, HD1 that requires the Office of Planning and Sustainable Development (OPSD) to perform a study to refine Rural District policies and identify strategies for expansion of the Rural District. The Department of Agriculture strongly supports this measure. We look forward to working with OPSD, the counties, and community and agricultural stakeholders on the study and development of recommendations. The outcome we seek is to encourage the location of future "gentlemen farmer" estates within the redefined Rural District rather than allowing their unfettered proliferation in the Agricultural District.

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





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February 28, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 994, HD1
RELATING TO LAND USE

Conference Room 308 & Videoconference
11:30 AM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

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

The Hawai'i Farm Bureau supports HB 994, HD1, 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.

Hawai'i'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.