



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

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Statement of
SCOTT GLENN, Interim Director

before the
SENATE COMMITTEE ON WAYS AND MEANS
Thursday, April 6, 10:00 AM
State Capitol, Conference Room 211

in consideration of
HB 994 HD1 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** HB 994 HD1 SD1, 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.

We note that SD 1 shortens the timeframe for completing the study compared to HD 1. The additional time provided by HD1 would produce more robust recommendations for possible legislation based on a more thorough discussion among stakeholders. Nevertheless, we believe the study objectives can still be met within the shorter timeframe.

Thank you for the opportunity to testify on this measure.



**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
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, April 6, 2023
10:00 AM
State Capitol, Conference Room #211 & Videoconference

In consideration of
HB994, HD1, SD1
RELATING TO LAND USE.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB994, HD1, SD1, 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.

We defer to the OPSD on the reporting requirements. Thank you for the opportunity to testify.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

THURSDAY, APRIL 6, 2023
ROOM 211
10:00 A.M.

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

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 994, HD1, SD1 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 supports this measure however we defer to OPSD, particularly with respect to the final report that is due to the 2025 legislature.

We look forward to working with OPSD, the Land Use Commission, the counties, and community and agricultural stakeholders on the study and recommendations. The outcome we seek is to encourage the location of "gentlemen farmer" estates within the redefined Rural District rather than their continued spread throughout the Agricultural District.

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





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April 6, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 994, HD1, SD1
RELATING TO LAND USE

Conference Room 211 & Videoconference
10:00 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, 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, 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.

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.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Thursday, April 6, 2023 — 10:00 a.m.

Ulupono Initiative supports the intent of HB 994 HD1 SD1, Relating to Land Use.

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports the intent of HB 994 HD1 SD1, which 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.

Ulupono believes that sound land use policies are needed to address the many admirable, ambitious goals and mandates established in our state and counties. While our bold goals position us on a path toward greater sustainability and resiliency, Hawai'i is a state with limited land and finite resources. We recognize there are diverse communities across the islands, and sensible land use policies are integral to charting the best way forward for the entire state.

This measure seeks to study the potential use of the rural district and determine how it may be helpful in identifying marginal agricultural lands for alternative uses. Ulupono is supportive of strategic, data-based land use planning. We support OPSD's study of the rural district's future here in Hawai'i. However, we would like to ensure the protection of our state's productive agricultural lands and hope that this effort works collaboratively with the state's local food goals and sustainability initiatives. As such, we believe it is crucial to only consider reclassifying agricultural lands that are of poor soil quality and/or slope—in other words, lands that are currently classified as agricultural but are not able to support productive farm and ranch production. Given the relative permanence of land use policy, it is important to be sure that any such reclassification is fact-based and not only reflective of a single objective—whether that's more housing or other demands for land—at the expense of our food security and resilience. If the State were to reclassify any high-quality ag lands as rural to provide for more housing, it would likely make our state's food security even more precarious than it already is.

Furthermore, we ask that consideration be made to require adequate assessment of any implementation to ensure elements actually achieve legislative intent.

Investing in a Sustainable Hawai'i



We appreciate the Legislature's efforts to support sound land use policy with data-based planning. Uluono also stands ready to support this OPSD study should this measure be passed this session.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs