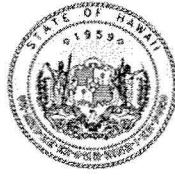


LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEES ON WATER, LAND, OCEAN RESOURCES,
AND HAWAIIAN AFFAIRS, AND AGRICULTURE
FRIDAY, FEBRUARY 1, 2008
8:30 a.m.
Room 325**

**HOUSE BILL 2807
RELATING TO LAND USE**

Chairpersons Ito and Tsuji and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 2807. This measure seeks to allow landowners petitioning the State Land Use Commission (LUC) to reclassify lands to the Urban District and seeking subsequent rezoning by the counties, to meet a portion of the State and/or county affordable housing conditions and assessments by allowing development of this housing in the Rural District. More affordable housing units will be required on Rural District lands than would be required in the Urban District. There will be no housing density restrictions provided the housing is affordable.

The bill also amends Section 205-45 (petition by farmer or landowner) by providing landowners with the ability to seek concurrent and automatic reclassification of Agricultural District lands to Rural District within the same county, provided the same landowner petitions the LUC for declaratory ruling designating an unspecified acreage to IAL. The bill contains no guidance as to the minimum acceptable acreage to be volunteered for IAL designation nor an acceptable ratio of IAL to Rural District lands. The Agricultural District lands to be reclassified to Rural have to be consistent with county land use plans.

The Department of Agriculture supports the concept of providing an “incentive” for owners of agricultural lands to voluntarily seek designation of their qualified lands as IAL, but not in the manner described in the bill. There is no specified minimum or maximum acreage that the benefiting landowner has to petition for IAL designation. A landowner could petition for just one acre designated to IAL. On the other hand, the incentive of meeting affordable housing requirements in an automatically reclassified Rural District with potentially high dwelling density is too generous and is the kind of piecemeal legislation that will make the ongoing effort to redefine the Rural District more difficult to achieve.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON WATER, LAND, OCEAN RESOURCES
AND HAWAIIAN AFFAIRS**
AND
HOUSE COMMITTEE ON AGRICULTURE
Friday, February 1, 2008
8:30 AM
State Capitol, Conference Room 325

in consideration of
HB 2807
RELATING TO LAND USE.

Chairs Ito and Tsuji, Vice Chairs Karamatsu and Brower, and Members of the House Committees on Water, Land Use, Ocean Resources, and Hawaiian Affairs and Agriculture.

The Office of Planning (OP) supports the intent of HB 2807, but does not support the bill in its current form. HB 2807 proposes to allow a landowner to satisfy State or County affordable housing requirements, in part, by locating a portion of the project's affordable housing assessment on lands in the State Rural District. The percentage of affordable housing that could be satisfied on rural lands would be capped. The bill also proposes to allow a petitioner to seek an automatic reclassification of land from the Agricultural District to the Rural District in conjunction with a petition to designate

agricultural lands as important agricultural land under the voluntary designation process in Section 205-45, Hawaii Revised Statutes.

Affordable Housing in Rural. OP supports the concept of allowing affordable housing requirements to be met on lands other than the project site. However, it is critical that this delinkage meet performance standards that will ensure consistency with County priorities regarding planned land use and preferred affordable housing conditions, as well as compactness in project site design and long-term affordability of the proposed units. It is not in the public interest if the housing provided does not serve the population of need as determined by the County, or if the housing increases the price of rural lands and the cost of rural housing. Thus, we recommend that the percentage cap in the affordable housing provision in Section 1 of the bill be retained and Section 1 be amended to assure that:

1. The proposed housing units would not require a special permit, but be clustered on lots less than the minimum lot size (subject to individual wastewater system rules in effect), with the remainder of the rural affordable housing project site protected by a conservation or agricultural use easement; and
2. The proposed rural units shall be designed as much as possible in keeping with rural character and rural infrastructure standards.

The above performance standards could either be in addition to the required additional rural affordable units to be provided or could be in lieu of the required additional units.

Automatic Rural Reclassification. OP opposes the provision for automatic reclassification as written. The proposal provides no assurances as to the public benefit to be derived in exchange for the reclassification, that is, there are no assurances as to how much land will be designated, the quality and location of those lands, and more importantly, how long they will remain designated as important agricultural lands and whether they would be available for agricultural use and for how long. Furthermore, as currently drafted (page 6, lines 11-17), it would appear that both the reclassification and the designation of the important agricultural lands would not be effective until the agricultural incentives legislation was passed, which would delay development of the lands reclassified to the Rural District until legislative enactment of the incentives.

Broader Rural District Changes. Finally, OP believes that changes in Rural District policies and standards are needed to increase the utility of the Rural District in managing rural landscapes. Rather than piecemeal amendments, OP urges the Committees to consider legislation for a more comprehensive approach to redefining the Rural District, which would establish strong rural policy guidance for the Counties, yet provide flexibility in their formulation of rural codes and tools for Rural District lands and rural areas. HB 1269, an Administration bill introduced last session, offers a vehicle for such a transformation of State rural land use policy.

Thank you for the opportunity to offer these comments.

**HB 2807
RELATING TO LAND USE**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 1, 2008

Chair Ito, Chair Tsuji, and Members of the House Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and its agricultural companies Hawaiian Commercial & Sugar Company and Kauai Coffee Company, Inc. on HB 2807, "A BILL FOR AN ACT RELATING TO LAND USE." We support this bill.

After over twenty five years of debate, negotiation, and compromise, the IAL Law was finally passed in the 2005 Legislative Session. After years of pursuing a land-use approach to this constitutional mandate, the IAL law that was successfully passed was one premised on the principle that the best way to preserve agricultural lands is to preserve agricultural businesses and agricultural viability. As such, Act 183 (2005) not only provides the standards, criteria, and processes to identify and designate important agricultural lands (IAL) to fulfill the intent and purpose of Article XI, Section 3 of the Hawaii State Constitution, it also provides for the passage of a package of incentives designated to support and encourage sustained, viable agricultural activity on IAL—prior to the designation of IAL. Once the package of incentives is passed, IAL may be designated in one of two ways --- by voluntary petition by the farmer/landowner to the

State Land Use Commission (LUC); or subsequently by the Counties filing a petition to designate lands as IAL pursuant to a County identification and mapping process. In either case, the LUC must find that the lands qualify for IAL designation pursuant to the standards, criteria, objectives, and policies set forth in the IAL Law prior to designation.

This bill includes provisions to provide a farmer or a landowner who voluntarily files a petition with the LUC to designate their lands as IAL with an automatic reclassification of a proportionate amount of non-IAL lands from the agricultural district to the rural district. This bill also expands the permissible uses within rural districts and authorizes the LUC to adopt rules to effectuate the implementation of the above mentioned provisions. In addition to incenting land owners to designate lands into IAL, these provisions will also provide an opportunity for enhanced uses that are appropriate for rural designated areas. We envision that this provision represents a significant incentive that will encourage landowners to voluntarily designate their lands into IAL.

Based on the aforementioned, we respectfully request your favorable consideration on this bill.

Thank you for the opportunity to testify.



MAUI LAND & PINEAPPLE COMPANY, INC.

January 31, 2008

The Honorable Representative Ken Ito, Chair
The Honorable Representative Jon Riki Karamatsu, Vice Chair
Committee on Land, Water, Ocean Resources & Hawaiian Affairs
Hawaii State House of Representatives
Hawaii State Capitol
415 South Beretania Street, Room 325
Honolulu, Hawaii 96813

The Honorable Representative Clift Tsuji, Chair
The Honorable Representative Tom Brower, Vice Chair
Committee on Agriculture
Hawaii State House of Representatives
Hawaii State Capitol
415 South Beretania Street, Room 325
Honolulu, Hawaii 96813

Subject: HB 2807 – Relating to Land Use

Dear Honorable Chair Ito, Honorable Vice Chair Karamatsu, Honorable Chair Tsuji,
Honorable Vice Chair Brower and Committee Members:

Maui Land & Pineapple Company, Inc. strongly supports HB 2807 – Relating to Land Use.

The subject legislation will allow for a landowner to seek reclassification of land in the agricultural district to the rural district as the landowner seeks to designate lands as Important Agricultural Lands. Providing incentives for landowners to voluntarily designate lands as Important Agricultural Lands is very important. The designation of land as Important Agricultural Lands without incentives provided will not insure that agricultural activities will occur on the lands. Incentives have to be provided to assist farmers in being able to maintain a viable agricultural activity for the long-term. Providing the subject incentive will help with the voluntary designation. Additional incentives will also have to be provided.

Maui Land & Pineapple Company, Inc. respectfully requests your support of the subject legislation.

The Honorable Representative Ken Ito, Chair
The Honorable Representative Jon Riki Karamatsu, Vice Chair
The Honorable Representative Clift Tsuji, Chair
The Honorable Representative Tom Brower, Vice Chair
January 31, 2008
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We sincerely appreciate the opportunity to provide our testimony. If you have any questions or wish to discuss our testimony, please do not hesitate to contact me at (808) 877-3882.

Mahalo,

A handwritten signature in black ink, appearing to read "Warren A. Suzuki". The signature is fluid and cursive, with a large initial "W" and "S".

Warren A. Suzuki
Senior Vice President



KAMEHAMEHA SCHOOLS

February 1, 2008

The Honorable Ken Ito and Clift Tsuji, Chairs, and Members
Committee on Water, Land, Ocean Resources and Hawaiian Affairs
Committee on Agriculture
The House of Representatives
Hawaii State Capitol
415 South Beretania Street, Room 325
Honolulu, Hawaii 96813

Good Morning Chairs Ito and Tsuji and Members:

Testimony in Support of House Bill No 2807 Relation to Land Use

I am Kapu C. Smith, Senior Land Asset Manager for Kamehameha Schools' Kawailoa Plantation in Waialua, Oahu. I am here to testify in support of HB2807 because it recognizes that an effective voluntary designation process which includes the ability to reclassify land which are not "important agricultural land" (IAL) is a landowner incentive. In our case, this is an essential requirement to our decision to pursue voluntary designation. In addition, we would like to see a change to the existing qualifications for determining IAL. Under the current language both land which is capable of producing high agricultural yields and non productive agricultural lands can be given the IAL designation. A more objective standard needs to be established. This will ensure that whatever process of designation is chosen, the result is consistent.

Thank you for the opportunity to express our views on this matter.