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Statement of
MARY LOU KOBAYASHI
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before the
**SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND
SENATE COMMITTEE ON WATER & LAND**
Tuesday, February 12, 2008
2:45 PM
State Capitol, Conference Room 224

in consideration of
SB 2954
RELATING TO LAND USE.

Chairs Tokuda and Hee, Vice Chairs English and Kokubun, and Members of the Senate Committees on Agriculture and Hawaiian Affairs and Water and Land.

The Office of Planning (OP) supports SB 2954, an Administration bill submitted in support of the implementation of Act 183 of the 2005 Legislative Session. SB 2954 is directed at curtailing residential subdivisions on lands in the State Agricultural District rated as "A" or "B" by the Land Study Bureau overall (master) productivity rating system, by amending: (1) Chapter 46, Hawaii Revised Statutes (HRS), to specify minimum conditions for county subdivision and building permit approvals involving farm dwellings on these lands; and (2) Section 205-4.5 to clarify the farm dwelling definition by strengthening the nexus to agribusiness or subsistence farming. The bill would apply to applications received after the effective date of the Act. The bill also exempts small family subdivisions, as defined in the bill, from the new provisions.

This bill will help Hawaii stem the encroachment of residential subdivisions and other non-agricultural uses on productive agricultural lands.

A fundamental tenet of agricultural land use policy is to avoid development and improvements on agricultural land that would increase the value and price of agricultural land for non-agricultural purposes. Failure to separate higher-valued, non-agricultural uses like residential uses, from bona fide agricultural use on agriculturally-designated land creates expectations of land values in excess of its value in agricultural use. The value and price of land in the Agricultural District rises, pricing agricultural lands out of the reach of farmers and threatening the economic viability of agricultural operations. This ends up forcing out existing agricultural uses, preventing expansion or the establishment of new agribusinesses, and facilitating the conversion of agricultural lands to other higher-valued uses. The consequences of these effects are a shrinking supply of Hawaii's productive agricultural land and an agricultural industry that struggles to remain in business and profitable.

The land use regulatory system should work in support of separation of high-value, non-agricultural uses, and discourage the permitting of non-agricultural activities or uses that have no nexus to agriculture on agriculturally-designated lands. This measure is a step in that direction.

OP offers the following observations on the bill:

1. Definition of farm dwelling. The language on page 8, lines 16-19, may be interpreted as excluding a legitimate farmer in an otherwise nonconforming, non-farming subdivision; and
2. Reference to family subdivisions in Chapter 205. The family subdivision provisions are not included in the Chapter 205 amendments. It may be helpful to have these provisions in both chapters.

Thank you for the opportunity to testify.