HOUSE RESOLUTION

URGING THE DEPARTMENT OF AGRICULTURE TO ESTABLISH A KONA AREA AGRICULTURAL WORKING GROUP TO PROMOTE AGRICULTURE, ECONOMIC DEVELOPMENT, AND AFFORDABLE HOUSING.

WHEREAS, a thriving and sustainable agriculture industry serves as a critical component of Hawaii County's rural lifestyle, character, and economy by producing food, fiber, energy, and ornamentals for local consumption and export; and

WHEREAS, Hawaii island agriculture will continue to be a stabilizing foundation of the local economy for the foreseeable future; and

WHEREAS, agriculture exports to neighbor islands and the North American and Asian continents provide a critical infusion of money originating off-island; and

WHEREAS, the agriculture industry on the island of Hawaii would greatly benefit from the availability of services that are not currently being provided, such as improving food security by encouraging the consumption of locally produced agricultural goods, developing county-provided services to the agriculture producers or processors at economically viable rates, and creating other programs to encourage and more fully develop this important industry on Hawaii island; and

WHEREAS, the Kona area provides a plethora of singular ventures that can improve agriculture, economic development, and affordable housing opportunities by working together with state and county agencies; and

WHEREAS, the construction of the Keahole Agricultural Park was intended to strengthen diversified agriculture through a plan that consolidates and concentrates agricultural activities in a centralized location to improve production and distribution; and

WHEREAS, the one hundred seventy-nine acre Keahole Agricultural Park is in consonance with state policy and complements the existing rural environment, provides employment, and stimulates the agricultural economy in the area; and

WHEREAS, due to constraints in water availability, the agricultural park has been implemented in phases, and over one hundred acres of state-owned land immediately mauka of the agricultural park remain undeveloped and unproductive; and

WHEREAS, the close proximity of the Palamanui Campus of Hawaii Community College to the Keahole Agriculture Park offers opportunities for courses in landscape agriculture and engineering; and

WHEREAS, energy and ocean-related research, education, and commercial aquaculture are centered at the Natural Energy Laboratory of Hawaii Authority (NELHA) on three hundred twenty-two acres at Keahole Point, and NELHA provides an opportunity to expand production of fresh aquaculture food products, promote marketing of locally grown aquaculture products, provide stable cash flow for aquaculture farmers, and create a varied and large market for local aquaculture; and

WHEREAS, currently, the County of Hawaii hauls its west side green waste to Hilo for processing; however, these nutrient-rich waste products can be mixed with West Hawaii's abundant green waste to produce a nitrogen-rich and valuable compost for agricultural park farmers, who struggle to operate on volcanic lands; and

 WHEREAS, for the last decade, the Kealakehe Wastewater Treatment Plant has treated and disposed of sewage collected from the North Kona Sewerage system, which extends across the greater Kailua-Kona region; and

WHEREAS, current flows, rich in nitrogen and phosphorus, to the plant are approximately 1,800,000 gallons per day migrating through groundwater and delivered directly above Honokohau Harbor through the adjacent porous shorelines, thereby resulting in West Hawaii's coastal waters being rated as impaired by the Department of Health; and

WHEREAS, treating and reusing the water to irrigate the Keahole Agricultural Park, NELHA, and resorts and homes in between the two locations can reduce the demand for freshwater, which will help relieve high demand on high-elevation wells and reduce irrigation costs; and

WHEREAS, the Department of Transportation's Keahole Airport has its own wastewater treatment plant that produces an excess of recycled water to irrigate its airport facilities and may also help irrigate neighboring state facilities, including the Keahole Agricultural Park; and

 WHEREAS, a 2015 report by the Department of Business, Economic Development, and Tourism titled "Measuring Housing Demand in Hawaii, 2015-2025" projected that Hawaii County's population will grow by twenty-nine per cent by 2025, creating a forecast demand for 18,610 additional housing units, which is approximately thirty per cent of the total projected demand of 64,700 housing units needed across the State; and

 WHEREAS, the County of Hawaii lacks a comprehensive plan that defines strategies and target deadlines to create more housing over the short- and long-term, as well as the type and location of housing needed, how to fund critical infrastructure, ways to foster public-private partnerships, recommendations to leverage state and federal policy tools and funding streams, and policy changes to reduce barriers to address the island's housing crisis with a clearly defined purpose, vision, and values; and

WHEREAS, the Department of Hawaiian Home Lands owns six hundred acres in the Keahole Agricultural Park area, with four hundred vacant acres zoned for residential development, one hundred acres zoned for agricultural development, and one hundred acres zoned for commercial development; and

WHEREAS, development in this area can contribute to creating a significant number of homes for Hawaiians on Hawaii island; and

WHEREAS, the Hawaii Opportunity Zones Program provides incentives for investors to re-invest realized capital gains

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into Opportunity Funds in exchange for temporary tax deferral and other benefits; and

WHEREAS, the Opportunity Funds are then used to provide investment capital in certain economically distressed communities called Opportunity Zones; and

WHEREAS, the Kona area is home to Opportunity Zone 215.4 and 216.1; and

WHEREAS, the Opportunity Zone designation makes them extremely attractive to private investors, so these opportunities do not necessarily require state funding due to the presence of federal infrastructure development financing; now, therefore,

 BE IT RESOLVED by the House of Representatives of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, that the Department of Agriculture is urged to form an inter-governmental Kona Area agricultural working group to help navigate opportunities of agriculture, economic development, and affordable housing; and

BE IT FURTHER RESOLVED that the working group is requested to develop a framework to:

(1) Improve communication to increase efficiency and strengthen partnerships between Hawaii County, the agriculture industry, landowners, and the Hawaii island community;

(2) Increase profitability of Hawaii island's agricultural businesses through cost reduction strategies and greater market share for local products;

(3) Increase the availability and quality of agricultural education on Hawaii island;

 (4) Secure affordable land with long-term tenure for farming and ranching and allow for the production of residential units on Hawaiian home lands;

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1 2 3	(5)	Provide adequate and affordable agricultural water for farmers, livestock producers, and food processors;
4 5	(6)	Reduce the cost of energy and fuel for agricultural producers;
6 7 8 9	(7)	Maximize transportation infrastructure resources and minimize transporting green waste within the Kona area;
1 1 2 3	(8)	Promote environmental conservation and minimize discharges of wastewater;
14 15 16 17	(9)	Facilitate practical, applied research that will assist farmers in crop and livestock production using sustainable techniques and establish Hawaii island as a center for tropical agricultural research; and
19 20 21 22	(10)	Promote investment opportunities in areas in the federal Opportunity Zone designation and maximize opportunities to realize federal infrastructure development; and
		T FURTHER RESOLVED that the working group's membership ted to consist of the following members:
26 27 28	(1)	One member of the Senate, to be appointed by the President of the Senate;
29 30 31 32	(2)	One member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;
34	(3)	One representative of the Department of Agriculture;
35 36 37	(4)	One representative of the Department of Business, Economic Development, and Tourism;
38 39 40 41	(5)	One representative of the Department of Hawaiian Home Lands;
•1 •2	(6)	One representative of the Department of Health:

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1 2 3	(7)	One representative of the Department of Transportation;	
3 4 5	(8)	One representative of Hawaii Community College;	
6 7	(9)	One representative of the Office of the Mayor of the County of Hawaii;	
8 9 10	(10)	One representative of the Hawaii County Department of Environmental Management; and	
11 12	(11)	One representative of the Hawaii County Department of	
13 14		Water Supply; and	
15 16 17	BE IT FURTHER RESOLVED that the Chairperson of the Board of Agriculture is requested to serve as the chair of the working group; and		
18 19	BE I	FURTHER RESOLVED that the working group, with the	
20 21 22	administrative assistance of the Department of Agriculture, is requested to submit a report of its findings and recommendations, including any proposed legislation, to the		
23 24	Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and		
25 26		I FURTHER RESOLVED that certified copies of this	
27 28	Resolution be transmitted to the Chairperson of the Board of Agriculture; Director of Business, Economic Development, and		
29 30	Tourism; Director of Health; Chairperson of the Hawaiian Homes Commission; Director of Transportation; President of the		
31 32	University of Hawaii System; Mayor of the County of Hawaii; Director of the Hawaii County Department of Environmental		
33	Managemen	t; and Manager of the Hawaii County Department of Water	

34 Supply.